PRINCIPLES OF FINANCIAL CHANGES AND PROMOTIONS
INTERNAL MATERIAL

Financial changes and promotions are discussed and awarded **twice a year** - during the employee assessment process (semi-annual and at the end of the year), **at the request of the Manager supported by the approval of the Department Director**, based on the following criteria:

financial change (increase):

- the result of the employee assessment (successes, achievements, merits, and feedback on the employee's attitude / commitment)
- salary ranges for a given position / market data
- availability of the company's budget (the company's financial result allows for changes in salaries)
- recommended minimum annual interval between salary changes
- recommended increase - up to 10% of the current gross salary, or up to 20% in the case of promotion

promotion to the new role:

- associated with a significant change in the scope of duties and responsibilities
- consistent with the current needs of the company
- minimum one-year work experience in a given position
- the result of the employee assessment (successes, achievements, merits, and feedback on the employee's attitude / commitment)
- salary ranges for a given position / market data
- availability of the company's budget (the company's financial result allows for changes in salaries)
- related to the change in remuneration (recommended increase - up to 20% of the current gross remuneration)

Q & A

1. **What is the minimum annual interval between salary changes?**
   For example - if you have received a financial change effective from January 2018, an equal year will pass in January 2019. The closest employee appraisals for which you can apply for a change are in the middle of next year, i.e. June 2019.

2. **When can I apply for a raise or promotion for the first time?**
   After a full year of work. For example - you joined the company in September 2018. Equal year Your job expires in September 2019, so you can apply for a raise during your upcoming annual employee assessment, i.e. November 2019

3. **What does the recommended increase mean? Can you get more?**
   The amount of the increase recommended by the HR department is consistent with market standards. The percentage of increase depends on the amount of the current salary, the time that has elapsed since the last financial change, the assessment of the impact on the company's performance, the salary range for a given position and the available budget. A higher increase than the recommended 10% is possible if it is consistent with the internally determined salary range.

4. **What are the salary ranges for a given position?**
Information on the salary spreads for a given position is confidential and available only to managers in the scope of positions in their teams. The salary bracets are systematically compared with market standards.
Individual positions are not included in the range - we refer to market benchmarks.

5. **What determines the availability of the budget? Do we have a specific department budget?**
The company's budget for the salaries of employees is determined annually in the basis of the company's financial result. We have one common budget for financial changes throughout the company.

6. **Are the rules for financial changes and promotions in International teams the same or different?**
The rules for financial changes and promotions apply to all teams, including International. Additionally, in International teams, each change in remuneration or promotion must be approved by the manager responsible for the budget of a given department.

7. **What is the definition of successes, achievements, merits?**
When talking about successes, achievements and merits, we refer to the level of achievement of annual goals in the Perbit system, individual and company-wide projects implemented by an employee, assessment of monthly goals in the P2E system and involvement in company-wide initiatives. Each time, Directors / representatives of departments, recommending a financial change, present the successes, achievements and full argumentation, which we discuss during the HR Committee.

8. **Is feedback collected on the initiative of the candidate? If so, how many people are to comment, from which teams etc. Is it on the HR side?**
Each time the feedback is collected by the manager in the form chosen by him (orally / in writing). In addition, we refer to the feedback obtained during the summary of the trial period, the 360-degree study, opinions expressed during calibration meetings in a given team or information obtained directly from colleagues.