

**Proposal**  
**Salary Analysis of Top and Middle Management**

for



**March 2019**



TRUST

RELATIONSHIP

PROFESSIONALISM

***Personal & Confidential***

Mr. David Havlíček  
Chief Financial Officer  
EGAP - Exportní garanční a pojišťovací společnost  
Vodičkova 34/701 111 21, Prague Czech Republic

18<sup>th</sup> March 2019

Dear Mr. Havlíček,

Please find attached our proposal for salary analysis of Director of Risk Management Department, Export Credit and Investment Insurance Manager, and Head of Financial and Insurance Claims Administration Section for your Prague office.

We hope you will find this proposal comprehensive and we look forward to assisting you with our know-how in this assignment.

To start the project, we ask you to sign the order confirmation on the last page of this document and send it to us.

For questions and feedback we are always at your disposal.

Yours sincerely,

Pedersen & Partners

Monika Kubíčková  
Principal  
Head of Financial Services Practice CEE

Mr. David Havlíček  
EGAP - Exportní garanční a pojišťovací společnost  
March 2019

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## 1. Assignment Conditions

Our client intends to evaluate the compensation of **three selected positions** in the Czech Republic through an external source. The aim is to assess whether salaries in these positions are competitive in comparison to the external labour market.

Pedersen & Partners offers its support for the solution of this task. We will lead on behalf of EGAP - Exportní garanční a pojišťovací společnost an empirical investigation with the aim to collect and analyse the salaries of employees in similar functions on the external labour market.

The results of this market study provide a suitable basis for assessing the actual remuneration of EGAP - Exportní garanční a pojišťovací společnost with respect to its market adequacy and serve as an internal tool for further adjustment of remuneration policies.

In our view, compensation management shall:

- increase the attractiveness of the company for qualified, entrepreneurially thinking employees
- lead to improved results and performance due to the raised motivation of employees
- accommodate properly the internal relevancy of the individual positions
- be competitive in external comparisons and therefore prevent undesired fluctuation of key employees without inflating personnel costs

For these purposes a detailed salary analysis constitutes an important factor in having a solid base for decisions. Monetary compensation and the most important benefits can be adjusted on a market compliant basis, which is sustained by data collected and compiled by Pedersen & Partners.

## 2. Process

### 2.1. Information Collection and Preparation of the Analysis

In close cooperation with the client we plan the details and create a time plan. Additionally, in this phase we determine the project structures and define the focal points of the survey.

Detailed discussions and definition will represent key elements of planning the relevant compensation and benefits model for the company and based on position data. The relevant market for the peer group will be determined according to the selected criteria, for example; industry and company size.

To perform the analysis as accurately as possible, we collect the position-specific factors, such as title and specific tasks, together with our client. If possible we fall back on the job descriptions supplied by our client.

If requested, we also collect the current compensation data from the client, to compare with actual current market data. Thus we are able to provide concrete recommendations for the individual positions under investigation.

## **2.2. Individual Salary Survey**

Pedersen & Partners subsequently determines the market range of compensation for each analyzed position. Our goal is to display the appropriate level and structure of the compensation through filtering our extensive compensation database for matching data sets.

Pedersen & Partners regularly conducts salary surveys; our salary database is updated several times per year based on written surveys from Human Resource departments of companies across all industries and sizes. In addition, this detailed industry specific information is supplemented and supported by our daily consultancy work in executive search, human resources and compensation consulting.

## **2.3. Statistical Presentation of Market Data**

We display the market ranges of compensation data in similar companies according to statistical parameters.

Our report contains the results for each position based on the following compensation data:

- Market range of the base salary
- Target bonus as a percentage of base salary
- Bonus actually paid
- Market range of the total cash compensation
- Prevalence and development of the most important benefits

We use common statistical spreads such as lower quartile, median, and upper quartile to define the typical salary range.

This salary spread is determined from salary data of peer groups arranged in ascending order. The median is obtained by counting one half of the salaries. The lower and upper quartile is obtained each by counting one quarter of the salaries starting from the bottom or top.

Thus,

- lower quartile: 75 % receive a higher salary, 25 % a lower one
- median: 50 % receive a higher salary, 50 % a lower one
- upper quartile: 25 % receive a higher salary, 75 % a lower one

Whilst extreme upward or downward divergences have an impact on the average, outliers do not affect the median. Quartiles do not display extreme values, but rather define a range for 50 % of the analyzed position.

## **4. Fees**

The fee for the salary analysis is determined by the time spent on information gathering and analysis.

Our fee for the salary analysis project is 2 500 EUR per analyzed position with the coverage of the Czech Republic (alternatively Slovakia if desired).

Total fee for the project is:

**Fixed 7 500 EUR**

In addition to this fee, we invoice no other additional costs such as travel, or communication costs. We present our invoices after the presentation of the report and waive a deposit.

## **5. Confidentiality**

Our results and all information received from our clients will be kept strictly confidential. The transfer of content data and reports from Pedersen & Partners to persons outside the company is strictly prohibited. We reserve the legal action, in particular claims for damages, against violations. We emphasize trust and confidentiality to our clients and expect the same standard of our business partners.

## **6. Pedersen & Partners**

Pedersen & Partners is a leading international Executive Search firm, operating 57 wholly owned offices in 53 countries. Pedersen & Partners was founded by Poul Pedersen in 2001 with the establishment of the first offices in Prague and Warsaw.

Since its inception, Pedersen & Partners has applied the values Trust - Relationship - Professionalism to our interactions with clients and executives, as well as internally. We strive to make a difference to our clients by providing high quality advice on management recruitment, and by consistently providing our clients with access to the best available leaders and managers. We make a difference to executives by providing them with personal and honest career advice and are devoted to building long-term relationships with both clients and executives.

Pedersen & Partners is 100% owned by the Partners who all work full-time to serve our clients. As we are a single profit centre partnership, our clients are assured that we work as one team across the global organisation. We provide an integrated and high- quality Executive Search service and deliver consistent results both locally and internationally.

**Pedersen & Partners provides executive search and complementary services:**



We attach considerable importance to having on-the-ground presence, as this enables us to stay in close touch with the candidate network and to provide real guidance on cultural issues across the markets we operate in. Pedersen & Partners combines its country organisation with international practice groups, enabling us to provide up-to-date industry knowledge and a deep cross-country candidate network:



The Pedersen & Partners team is supported by robust quality management processes, an intensive training programme and a state-of-the-art IT system, giving our consultants immediate access to an extensive and up-to-date network of executives.

Should you wish to check references on Pedersen & Partners or its team members, we are happy to provide you with a contact name and telephone number for any current or previous client.

**7. The Project Team**

Pedersen & Partners appoints for the salary analysis/ compensation and benefits survey a consultant with extensive knowledge and experience in similar projects. The management of this project will be executed by Petra Grabmayer and Monika Kubičková.

She is assisted by other consultants from Pedersen & Partners international offices. The appointed consultants have been successfully involved in similar projects on the national and international level.

For all technical and content issues, please contact Pedersen & Partners Compensation Consulting team at any time:



**Petra Grabmayer**

Petra Grabmayer is a Partner and the Country Manager for the Czech Republic at Pedersen & Partners, also leading the Life Sciences Practice Group. Ms. Grabmayer is a highly regarded search partner dedicated to implementing strategies, processes and tactics that enhance organisational capabilities, build world-class teams and address significant talent management issues to drive long-term, sustainable growth. Before joining the firm, Ms. Grabmayer served in local and international commercial roles for U.S. and Austrian corporations while being based in Prague and Vienna. Ms. Grabmayer has an Executive MBA from the University of Pittsburgh and a Master's degree from Prague University of Economics. She speaks native Czech and is fluent in English and German.



**Monika Kubičková**

Monika Kubičková is the Principal and Head of CEE Financial Services Practice at Pedersen & Partners. Ms. Kubičková brings an extensive Executive Search experience with a strong track record in banking and finance searches across the CEE region. Prior to her career in Executive Search, she was the Business Development Director at US Business School and before that, the Business Development Manager at Clifford Chance, a London-based international law firm. She began her career at ING Bank as a Junior Lawyer. Ms. Kubičková holds an MBA from the Rochester Institute of Technology and a Master's degree from Prague University of Economics. She has also studied International Business Law at the University of Limerick in Ireland. She speaks fluent English, Czech and Italian.

8.

**9. Search Code**

For your convenience and internal confidentiality, invoices for this project will be given a unique search code. For your records, Pedersen & Partners' search code for this project is: **2000369025**.

**10. Order Confirmation**

To confirm your approval of this compensation project on the terms listed above, please return a signed copy of this document. Upon its approval this proposal becomes

an agreement between you and Pedersen & Partners. We can begin the analysis immediately upon receiving your signed approval.



Mr. David Havlíček  
EGAP - Exportní garanční a pojišťovací společnost  
March 2019

*Pedersen & Partners*  
EXECUTIVE SEARCH

Pedersen & Partners

Petra Grabmayer  
Partner, Country Manager Czech Republic

*Approved and accepted,*

Jan Procházka  
Chairman of the Board of Directors  
EGAP - Exportní garanční a  
pojišťovací společnost

Mr. David Havlíček  
EGAP - Exportní garanční a pojišťovací společnost  
March 2019

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### **Billing Information**

*Please also provide the following billing information:*

Full official legal entity: Name Export Guarantee and Insurance Corporation Address  
Vodičkova 34/701, 111 21 Prague 1  
Contact person Ing. David Havlíček, Ph.D., CFA and email [REDACTED]  
V.A.T. number if applicable CZ45279314  
Company registration number 45279314

Address to mail contract and  
invoice if different than above \_\_\_\_\_

Additional contact person to  
above if relevant \_\_\_\_\_