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1. REASONS TO INVEST IN LUBELSKIE VOIVODESHIP

Lubelskie Voivodeship is a rapidly developing region of Eastern Poland, with a friendly institutional environment and universities with a long educational history. Here you can not only develop your business, but also have a relaxing time in unique natural settings, or take advantage of a rich cultural offering.

1. The Lublin Region is the gateway to the East

- Pan-European transport corridor east-west/north-south.
- Well-developed border checkpoint infrastructure with Ukraine (4 border crossings) and Belarus (3 border crossings).
- Well-developed broad-gauge railway network to facilitate the transport of goods to the Commonwealth of Independent States.
- Border area between the European Union and the Customs Union (Russia, Belarus, Kazakhstan).

2. Continuous infrastructure development

- Delivery of 157 transport projects, valued at ca. PLN 1bn, under the Regional Operational Programme for Lubelskie Voivodeship for 2007-2013¹.
- The Regional Operational Programme (RPO) for 2014-2020 stipulates continued developments and upgrades of key transport routes, including provincial roads.

3. Investment sites

- Three Special Economic Zones.
- Greenfield and brownfield sites² (including for production facilities) at convenient locations.

4. Competitive real property prices

- Base rental fees for class A office space are at around 92% of the national average for the largest 9 cities, and for class B at 93%.
- Lowest agricultural land prices in Poland PLN 23k per hectare, with PLN 44k being the country's average.³
 Good soil quality favouring organic farming.

5. Competitive labour cost and high personnel qualifications

- Availability of young and well-educated candidates.
- Favourable age structure of residents a sizeable share of working-age population.

6. Solid research and technology base

- Lublin is the largest academic centre of Eastern Poland.
- Presence of Science and Technology Parks, as well as specialised research institutions.

7. Lubelskie as the energy depot for industry

- Large hard coal deposits the Lublin Coal Mining District (18.7%4 of national deposits).
- Favourable conditions for the development of renewable energy sources.

8. Available incentives for investors

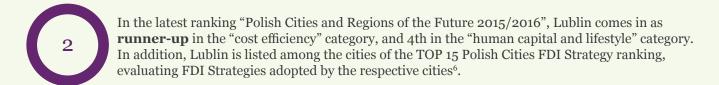
- Government grants.
- EU funds under six national programmes and the Regional Operational Programme for Lubelskie Voivodeship.
- Special Economic Zones. (SEZ)
- Science and Technology Parks.
- Local tax credits.

9. Friendly institutional environment

- Numerous business environment institutions bringing together and supporting enterprises from the region.
- Institutions established to support investors, e.g. Investor Assistance Centre (COI), Investors and Exporters Assistance Centre (COIE)
- Actions to promote companies and products from the region, e.g. the Lubelskie Brand (Marka Lubelskie).
- Very large number of business entities highly-qualified small and medium enterprises as potential subcontractors and collaborators.

10. Attractive place to live

- Tourist region spa tourism, numerous unspoilt natural landscapes, rich cultural offering.
- Region with special historical significance three towns of Lubelskie Voivodeship are listed as Polish State History Monuments⁵.







2. REASONS TO INVEST IN POLAND

Poland is an excellent place for investment and business development. International reports highlight Poland's economic and political stability, with well-educated and competent human resources, and a penetrable internal market.

1. Economy with a solid foundation for stable growth – a credible and recognised business partner for foreign investors, membership of the NATO and EU.

According to Bloomberg 2014⁸ Poland is the best country for doing business in Central and Eastern Europe. The conditions of conducting business operations in Poland have been continuously improving for many years – Poland ranks 32nd in the *Doing Business 2015*9 ranking, published by the World Bank, which is one of the top rankings in the entire Central and Eastern Europe region.

Poland shows stable growth when compared with other countries of the region, and its aggregate GDP growth rate in 2008-2013 totalled 20.1%¹⁰ – which is the best result in the entire EU.

In 2014, the economy grew by 3.3%11. Projections from the International Monetary Fund predict an average annual growth rate in 2014-2019 of 3.45%12. A study by the Central Statistical Office on the condition of the enterprises sector¹³ noted that the economic situation in the enterprises sector in Q4 2014 remained good and stable, and further improvements were expected in Q1 2015.

- **2.** One of the European Union's largest markets over 38 million residents.
- 3. Well-educated and competent human resources the number of graduates from Polish universities is growing every year, including graduates of degree schemes that are most wanted among sophisticated technology companies.
- 4. Low cost of labour as compared with other European countries.
- 5. Convenient location at the centre of Europe, at the junction of key transport routes
 - goods from Poland can be exported to all European countries, which make up a customer base of over 0.5 billion. Poland's key commercial partners include: China, France, Spain, Germany, Russia, Ukraine, Hungary, the United Kingdom and Italy.
- 6. Largest beneficiary of EU funding in 2014-2020, Poland will receive EUR 82.5 bn from the EU budget under the cohesion policy, and EUR 32.1 bn under the agricultural policy¹⁴.

- **7. Broad range of investment incentives** including 14 Special Economic Zones, offering tax credits, employment support and well-prepared investment sites.
- **8. Leading FDI destination** in Central and Eastern Europe, both in terms of investment projects and corresponding jobs created.
- **9. Leading location for BPO/SSC services**¹⁵ **in Central and Eastern Europe** since 2013, 66 new centres have been established, with over 60% of those projects being delivered by companies with no prior SSC presence in Poland. An over 50% employment growth since 2012; by the end of 2015 employment in the sector is projected to reach 150,000 170,000¹⁶.
- **10. Emerging innovation leader in the region** fast research and development spending growth and active implementation of innovative research projects.

3 COMPETITIVENESS OF THE REGION / BUSINESS ENVIRONMENT

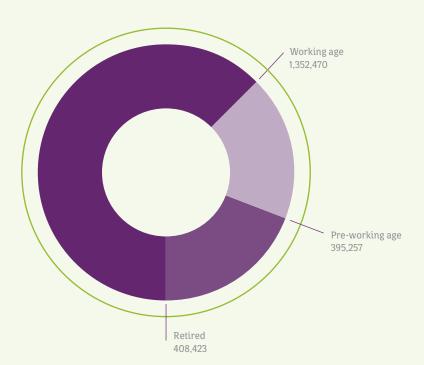
3.1 ECONOMIC DEVELOPMENT

Lubelskie Voivodeship in figures as at 2013¹⁷:

GDP per capita: PLN 30,477

Initial estimates (70.6% of Poland's average)

Population¹⁸ total: 2 156 150



Population density¹⁹ Population per km²



Key sectors that are best positioned for development and export operations, and that Lubelskie Voivodeship will focus on in terms of acquiring investors and supporting exports:

lnves	Investments				
I1	Machine industry / automotive / aviation				
I2	BPO/SSC				
I3	Food industry, with a focus on investments in food processing technologies and biotechnologies in the food sector				
I4	Power industry, including low-carbon power				
Expoi	rts				
E1	Food industry				
E2	Machine industry / automotive / aviation				
E3	Furniture industry				

3.2 HUMAN CAPITAL

One of the strongest assets of Lubelskie Voivodeship is human capital. Lubelskie Voivodeship has a varied educational offering and cooperation options with academic centres.

At the beginning of the academic year 2013/2014, 82.7 thousand students were enrolled in degree schemes at 8 public and 11 private higher education institutions based in Lubelskie Voivodeship. Fifteen new degree schemes were established in 2013/2014. The largest academic centre in the voivodeship is Lublin, home to 9 universities, educating 88% of all students in the voivodeship²⁰.

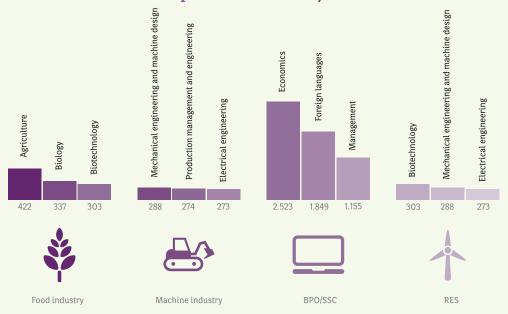
Most popular degree scheme types in Lubelskie Voivodeship in the academic year 2013/14

Degree scheme type	Number of students
Business and administration	12,230
Medical sciences	11,460
Social sciences	9,713
Humanities	6,870
Science and engineering	6,516
Teaching and education	6,192
Law	4,186
Architecture and civil engineering	3,462
Safety and security	3,323
Information Technology	2,642

Source: In-house study based on: "Higher education institutions in Lubelskie Voivodeship in the academic year 2012/2013" Statistical Office in Lublin, Lublin 2013

The intellectual momentum of the regional food industry and BPO services is largely provided by the universities of Lublin, in particular the Maria Skłodowska University (UMCS), the Lublin University of Technology, and the University of Life Sciences in Lublin, whereas the leaders in educating future engineers for the machine industry and RES are the Lublin University of Technology and the University of Life Sciences in Lublin.

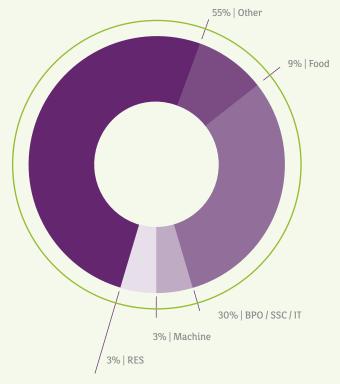
Three most popular degree scheme types related to a given industry in terms of the number of graduates in Lubelskie Voivodeship in the academic year 2012/13



Source: In-house study based on: "Higher education institutions in Lubelskie Voivodeship in the academic year 2012/2013" Statistical Office in Lublin, Lublin 2013.

Nearly half of the graduates completed degree schemes related to industries that are priorities for the development of Lubelskie Voivodeship.

Share of graduates of key degree schemes for prioritised industries out of all the graduates in Lubelskie Voivodeship in the academic year 2012/13



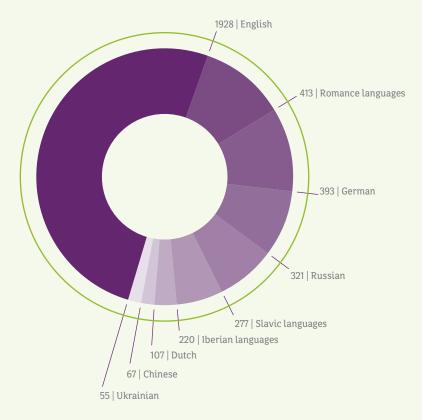
Source: In-house study based on: "Higher education institutions in Lubelskie Voivodeship in the academic year 2012/2013" Statistical Office in Lublin, Lublin 2013



Number of students in respective foreign language degree schemes in Lubelskie Voivodeship in the academic year 2012/13

In recent years, the increase in research and development spending per capita in Lubelskie Voivodeship was among the highest in the country.

Compared with other regions of Eastern Poland, Lubelskie Voivodeship shows high employment rates in the R&D sector, with 3.6 thousand people working in the sector in 2013, and Lubelskie Voivodeship ranking second in Eastern Poland in this respect.

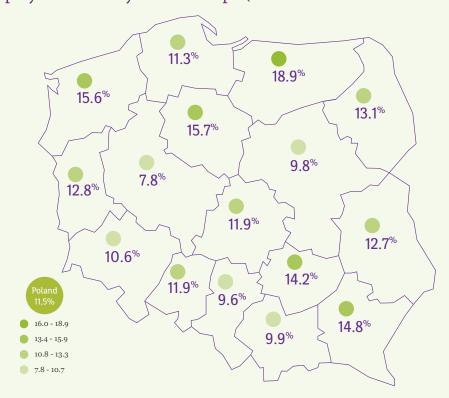


Source: In-house study based on: "Higher education institutions in Lubelskie Voivodeship in the academic year 2012/2013" Statistical Office in Lublin, Lublin 2013.

3.3 LABOUR MARKET

Towards the end of 2014, the unemployment rate in Lubelskie Voivodeship was at 12.7%, down by 1.7% on the previous year's figure. The unemployment rate in Poland at the end of December 2014 was 11.5%.

Registered unemployment rate by Voivodeships (As at the end of December 2014)



Source: "Demographic and socio-economic situation in Poland in 2014, Gross Domestic Product in 2014. Initial Estimates" Central Statistical Office, as at December 2014

In terms of business size structure, Lubelskie Voivodeship stands out among other regions, with its high share of small and medium enterprises, and a small fraction of business employing over 1,000 people.

Businesses in Lubelskie Voivodeship by headcount in 2014

0 - 9	10 - 49	50 - 249	250 - 999	1,000 and more
163,911	5,721	1,248	113	32

Source: "Structural changes in national economy enterprise groups in the REGON [National Official Business Register], H1 2014, Central Statistical Office.

In all primary industries except agriculture, wages are lower in Lubelskie Voivodeship than the average for Poland.

Average wages in 2013 (PLN gross) by key economic sectors

Region	Total	Agriculture, forestry, hunting and fishing	Services (Polish Classification of Activities, PKD)	Industrial processing
Poland	3,659.4	3,970.5	3,674.20	3,386.73
Lubelskie	3,306.1	4,156.71	3,270.29	2,913.62

Source: In-house study based on Central Statistical Office data for 2013





2000 PLN

Source: Poland-wide Wages Survey (OBW) conducted by Sedlak&Sedlak in 2013

1000 PLN

o PLN



3000 PLN

4000 PLN

3.4 INFRASTRUCTURE

IT infrastructure

An ICT project "Broadband Network in Eastern Poland", co-funded by the European Funds, is currently underway in Lubelskie Voivodeship. So far, 2,908 km of broadband lines have been developed in the region. The project has reached its halfway mark. The strategic objective of the project for Lubelskie Voivodeship is to increase the broadband internet coverage to 54.68% of the area of the voivodeship²¹.

Transport infrastructure

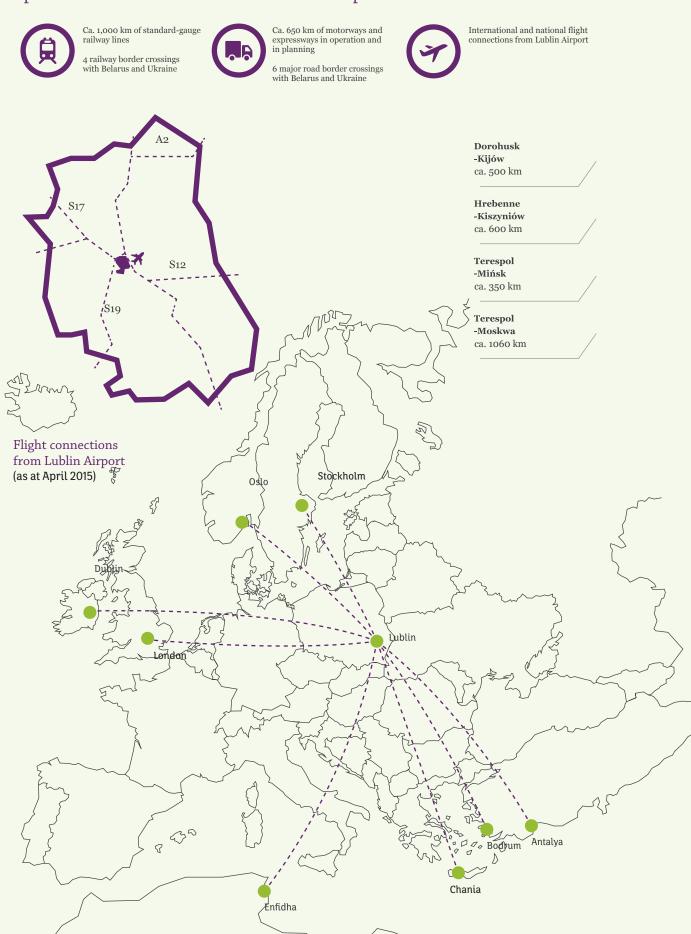
Lubelskie Voivodeship is strategically located, thanks to its proximity to Warsaw and the presence of transport routes from Berlin to Minsk in Belarus, Moscow in Russia, Kiev, Lviv and Odessa in Ukraine. An airport was opened in Świdnik in December 2012, supporting flight connections between Lublin and Warsaw, Gdańsk, Frankfurt, London, Milan, Oslo, and Stockholm. The growing network of flight connections has a positive impact on the establishment of business contacts.

The condition of transport infrastructure is continuously improving, also thanks to EU-funded projects. The current RPO (Regional Operational Programme) for 2014-2020 stipulates the continued upgrade of roads in order to integrate the regional transport network with the national network.

In addition, some EUR 2 bn from the Operational Programme – Development of Eastern Poland 2014-2020 was earmarked for 5 Regions of Eastern Poland, including for municipal transportation, roads and railway projects of importance to the region..



Transport infrastructure in Lubelskie Voivodeship



DOING BUSINESS IN LUBELSKIE | 11

4.1 HOW TO SET UP A BUSINESS IN POLAND?

Conducting business activities in Poland is governed by the Act on the Freedom of Economic Activity of 2 July 2004. Key details of this act are provided on the website of the Polish Information and Foreign Investment Agency (PAIiIZ), tab: Polish law for investors: Act on the Freedom of Economic Activity: www.paiz.gov.pl/prawo/ustawa_o_swobodzie_dzialalnosci_gospodarczej [PL, EN, ZH, RU, GE, FR].

The entire act (providing for such things as setting up a business in Poland by foreigners) is available in Polish on the website of the Internet System of Legal Acts (Internetowy System Aktów Prawnych): Act on the Freedom of Economic Activity, Journal of Laws of 2004, No 173, item 1807: www.isap.sejm.gov.pl [PL].

4.1.1 STAGES OF SETTING UP A BUSINESS



4.2 LEGAL FORMATS FOR BUSINESSES AND TAXATION SYSTEM IN POLAND

Business format options provided for in the Polish Code of Commercial Companies include partnerships and companies (corporations). Foreign business are also authorised to set up subsidiaries and agencies.

Details about the respective legal formats and the effective taxation system in Poland are available e.g. on the PAIiIZ website, tab Polish law for investors:

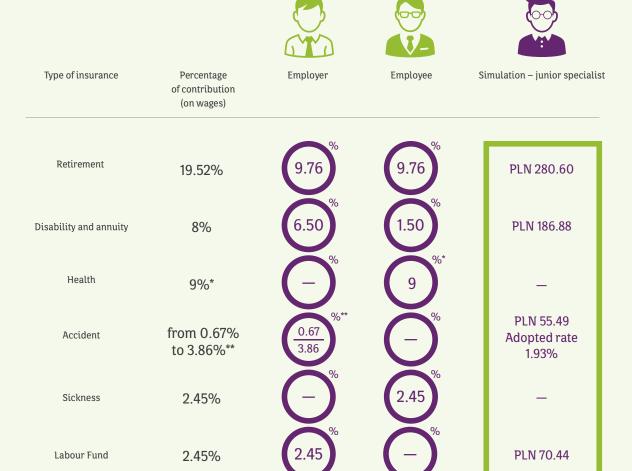
 $www.paiz.gov.pl/prawo/formy_prowadzenia_dzialalnosci_gospodarczej~[PL, EN, ZH, RU, GE, FR].$ www.paiz.gov.pl/prawo/system_podatkowy [PL, EN, ZH, RU, GE, FR].

4.3 LABOUR LAW

Overview

Format of employment and amendment of employment contracts	_	Written
	_	Minimum monthly remuneration in 2015 was PLN 1,750 gross for full-time jobs
Remuneration	_	The remuneration is paid in arrears, at least once per month, on a fixed date, not later than
		by the 10th day of the next calendar month
Work time	_	Work time may not exceed 8 hours per day , and 40 hours per week on average in a five-
work time		day work week, in a settlement period adopted by the employer, not longer than 4 months
	_	100% of regular remuneration for night work, work on Sundays and public holidays
		that are not working days for the employee
Additional remuneration for overtime work	_	50% of regular remuneration for overtime work falling on any other day than indicated above
	_	100% of regular remuneration for each overtime hour worked in excess of the weekly
		work time standard in the adopted settlement period
	_	Annual, continuous, paid, equal to:
Holiday leave		 20 days – for employees with an employment record of less than 10 years
		 26 days – for employees with an employment record of at least 10 years

Total employee cost



0.10%

5. **DEVELOPMENT PROCESS**

Guaranteed Employee

Benefit Fund

SELECTED ACTS AND REGULATIONS GOVERNING THE REAL 5.1 PROPERTY MARKET:

- Civil Code.
- Real Property Management Act.
- Act on the Acquisition of Real Property by Foreigners.
- Building Law.
- Geodesy and Cartography Law.
- Spatial Planning and Management Act.
- Acts of local law such as the zoning study (Studium uwarunkowań i kierunków zagospodarowania przestrzennego) and the final zoning plan (Miejscowy Plan Zagospodarowania Przestrzennego, MPZP).

PLN 2.88

Changes to the Building Law will be introduced in 2015 to enable the faster and smoother development of real property projects.

^{*} Partially deducted from the monthly tax advance.

^{**} Percentage determined depending on the type of activity and on the number of employees insured.

5.2 TYPES OF TITLE TO REAL PROPERTY

Major types of title to real property from the investor's standpoint include:

The right to actual and legal possession of the real property

- holding, using and selling

Ownership (freehold)

The object of the ownership title is protected against any actions of third parties against the owner. No time limit.

Land, structures and buildings held by a single owner.

Title established for land held by the State Treasury or local governments

Time limit: from 40 to 99 years, with a renewal option.

Title similar to ownership (e.g. right to sell the real property).

Intended purpose of use defined in the agreement with the State Treasury or local government unit. Land owned by the state.

Structures and buildings held by the perpetual usufructuary.

Perpetual usufruct title can be purchased from the local government or from the current usufructuary.

Associated fees:

Perpetual usufruct

- a) one-time fee equal to 15-20% of the real property value,
- annual fee depending on the purpose for which the real property is given in perpetual usufruct:
 - 0.3% of the price of land used for defence purposes, religious buildings or charities,
 - 1% of the price of land used for agricultural, residential purposes, for technical infrastructure facilities and other public purposes and for sports,
 - 2% of the price of land used for tourism,
 - 3% of the price for other land.

The annual fee is paid throughout the term of the perpetual usufruct contract, by 31 March of each year, up front for a given year. The annual fee is not charged for the year in which the perpetual usufruct title is granted.



5.3 DEVELOPMENT PROCESS STAGES

Duration in months



1 Identification of real property for development

a) Siting criteria:

- Real property characteristics price, intended use, zoning status, legal status, technical condition and buried utilities, CAPEX to be incurred.
- Development process within or outside Special Economic Zones.
- Distance, quality and time to deliver to key customers.
- Labour cost, availability of white and blue collar workers.
- Infrastructure, development cost (utilities, roads, access and extension options).
- Availability of required suppliers of components and services.
- Contacts with local authorities.

b) Listings of real properties to let:

Investor Assistance Centre

Trade and Investment Promotion Unit Department of the Economy and Innovation The Office of the Marshall of Lubelskie Voivodeship in Lublin ul. Stefczyka 3, 20-151 Lublin coi@lubelskie.pl, +48 81 537 16 21

List of business development sites of Lubelskie Voivodeship

with the listing of sites for industrial or service development Available on the subpage of the Spatial Planning Office www.bpp.lublin.pl/oprac1.html [PL]

Internet database of selected development sites

www.mapa.invest.lubelskie.pl/[PL, EN] www.polskawschodnia.paiz.gov.pl/offers [PL,EN]

Other internet real estate listings

Real property agencies in Lubelskie Voivodeship

Additional incentives are offered for investors in Special Economic Zones [more on the subject in section: investment incentives], or at selected locations offered by the respective communes.

Identification of zoning and legal status of the selected real property

a) Zoning status

In order to verify whether the intended project can be developed at the selected site, the investor should read the following zoning-related documents:

Name of document	Purpose of document	Availability
	 Acts of local law establishing a specific use or type of development for a specific site. 	
Local Zoning Plans (MPZP) for Lubelskie Voivodeship	 Basis for granting a building permit. The MPZP may not extend beyond the administrative borders of the commune, though it may cover only a part of its area. 	www.plan.lubelskie.pl [PL] Local Zoning Plans are also available on the website of the Public Information Bulletin (Biuletyn Informacji Publicznej) of the respective communes, section: Zoning plans (plany zagospodarowania) or local law (prawo miejscowe).

_	Establishes the long-term
	zoning policy for the commune.

 The provisions of the study are not the basis for determining zoning conditions.

 An MPZP that comes into force after the adoption of a zoning study may not contradict the latter's provisions. For the City of Lublin: www.bip.lublin.eu/bip/um/index.php?t=210&id=221942 [PL] For other areas of the voivodeship: the websites of the respective communes.

It should be verified whether an MPZP has been adopted for the area where the selected real property is located. If not, an application for a planning permit should be filed.

Details about the planning permit procedure resulting in a planning permit can be obtained on the website: www.biznes.gov.pl/opisy-procedur [PL, EN].

If the MPZP does not provide for uses intended by the developer, it is possible to apply for an amendment to the MPZP. Since the procedure is complex and time-consuming, it is advisable to contact the Investor Assistance Centre for Lubelskie Voivodeship (contact details on the last page).

Obtaining a copy of an entry from the MPZP or of a planning permit are among the conditions of filing for a building permit application. If the MPZP exists for a given site, the building permit procedure is shorter by 3 months or more.

b) Legal status

Zoning Study

Details about the legal status of a given real property are included in the Land and Mortgage Register established for a given property and providing details about any mortgages, interests, claims and encumbrances on the real property (e.g. easements, rights of owners, and identification details of the real property).

Free online access to Land and Mortgage Registers: www.ekw.ms.gov.pl [PL].

- 3 Site survey
- 4 Submission of non-binding proposals
- 5 Negotiations with the owner
- 6 Conclusion of the transaction

The final purchase of the real property is confirmed by a notarial deed signed before a notary (a transfer of title to real property other than by a notarial deed is invalid). The preparation of the notarial deed requires payment of a notarial fee which is dependent on the value of the property.

Additional transaction costs include:

- The tax on civil law transactions.
- The court fee for entering the ownership title/perpetual usufruct title in the Land and Mortgage Register.
 Details about the above fees can be found on law portals or the websites of notaries.

The procedure for the acquisition of real properties by foreigners is described in detail on the website of the Permits and Concessions Department: www.msw.gov.pl/pl/bezpieczenstwo/koncesje-i-zezwolenia/260,Nabywanie-nieruchomosci.html [PL, EN].

Many areas in Lubelskie Voivodeship are located in the border zone – the purchase of real property in this area must be supervised by a notary. The list of communes located in the border zone is available on the website of the Internet System of Legal Acts (Internetowy System Aktów Prawnych): Regulation of the Minister of Interior and Administration of 29 August 2005 concerning the list of communes and other territorial units of the state located in border zones, and a table specifying the range of that zone. Journal of Laws of 2005, No 188, item 1580: www.isap.sejm.gov.pl [PL]

Collection of documents required for a planning permit

A planning permit is required if the development site is not covered by an MPZP. The application for a permit must include:

- A copy of the base map, or alternatively the cadastral map.
- An environmental requirements decision (if the development project so requires).
- A contract for the site utilities between the developer and the appropriate organisation.

Details of the procedure are described on the website: www.biznes.gov.pl/opisy-procedur/-/proc/430-ustalenie-warunkow-zabudowy [PL, EN].

8 Grant of a planning permit

If the developer meets specific requirements, the architecture and civil engineering administration unit grants a building permit:

- Within one month of filing the application.
- Within two months of filing the application in particularly complex cases.

The building permit is valid for 3 years and expires if the construction does not commence before the lapse of 3 years from the date on which the decision became valid, or if the construction was suspended for a period longer than 3 years.

Collection of documents required for the building permit

The building permit authorises the developer to legally proceed with construction works. The application for a building permit is filed with the relevant County Starost Office, or the Voivodeship Office. The application for a building permit must include:

- 1) 4 copies of the building design.
- 2) A valid planning permit (if required under the zoning laws).
- 3) Other documents specified in the Building Law, if required on grounds of a particular siting of the facilities, or their nature, including: An environmental requirements decision, if required under the act*.

A full list of the required documents, a description of the procedure of granting the building permit, as well as the list of institutions conducting the procedure in Lubelskie Voivodeship are available on the website: www.biznes.gov.pl/opisy-procedur/-/proc/34-pozwolenie-na-budowe [PL, EN]

Connection of utilities

In order to deliver utilities (gas, power, water), three procedures must be conducted:

- Approval of the terminal line route.
- Grant of consent to enter the road plot.
- Grant of a decision authorising occupancy of the road to deliver the utility connection.

^{*} An environmental requirements decision is always preceded by an environmental impact assessment (EIA). More on EIA: www.paiz.gov.pl/prawo/oceny oddzialywania na srodowisko# [PL, EN, ZH, RU, GE, FR].

11 Grant of additional permits

a) Water management permit

A permit is necessary if the scope of the development project so requires.

More details on the subject can be found on: www.ekoportal.gov.pl/prawo_dokumenty_strategiczne/Przewodnik_dla_spoleczenstwa/Co1.html [PL, EN].

b) Permit for the removal of trees or shrubs

If the development project in question requires the clearing of trees or shrubs from the real property, the relevant permit must be applied for. Applications can be filed over the electronic public administration services platform (epuap): www.epuap.gov.pl [PL].

Grant of the building permit and the start of construction

When the building permit is granted, the County Starost Office should be notified 7 days in advance of the intent to proceed with construction works, and the notification should include a declaration on the assumption of duties of the site manager. The issue (for a fee) of the site log should also be applied for. It is an official document where the course of the construction works is described, along with events and circumstances in operation in the course of the works. The issue of the site log can be applied for when the building permit decision becomes final.

6. AVAILABLE SUPPORT FOR INVESTORS

6.1 GOVERNMENT GRANTS

Government grants are offered on the basis of the Programme for the support of investment projects of importance for the Polish economy for 2011-2020, adopted by the Council of Ministers on 5 July 2011. Support is provided as grants on the basis of bilateral agreements between the Ministry of the Economy and the investors, setting out detailed terms of payment. The programme targets enterprises planning to invest in priority sectors of the Polish economy, such as:

- Automotive,
- Electronics and the production of home appliances,
- Aviation,
- Biotechnology,
- Agriculture and food,
- Modern services,
- R&D.

Support can also be granted to projects from non-prioritised sectors, though only such projects that would not otherwise be developed in Poland.

The amount of assistance for the creation of new jobs by:

1) production projects, depends e.g. on:

- The number of jobs created,
- The share of jobs for degree holders,
- The location,
- The amount of capital expenditure,
- The sector concerned,
- The attractiveness of the product on international markets.

2) Modern services projects:

- The number of jobs created,
- The share of jobs for degree holders,
- The location,
- The type of processes developed by the investor.

Assistance towards the cost of new job creation (employment grant)

Sector	New jobs	Minimum cost (PLN)	Level of aid	
Priority sectors	250	40 million		
Modern services	250	1.5 million		
Research and development	35	1.5 million	From PLN 3.2 thousand to PLN 15.6 thousand	
Other sectors, option 1	200	750 million	for each new job	
Other sectors, option 2	500	500 million	_	

Source: Polish Information and Foreign Investment Agency (PAIiIZ)

The amount of aid towards the eligible costs of the new project depends on factors such as:

- The number of jobs created,The capital expenditure per single job,
- The location.

Aid towards the eligible costs of a new project (investment grant)

Sector	New jobs	Eligible expenses of a new project (PLN)	Level of aid (grant in cash)
Priority sectors	50	160 million	
Other sectors, option 1	200	750 million	2 – 7.5% of eligible expenses
Other sectors, option 2	500	500 million	(CAPEX)
Research and development	35	10 million	

Source: Polish Information and Foreign Investment Agency (PAIiIZ)

6.2 EU FUNDS

Poland is one of the primary beneficiaries of EU Funds.

Funds granted to Poland under the cohesion policy for 2014-2020 totalled EUR 72.9 bn, which is one-quarter of all funds under the cohesion policy, and three times the value received by the second-largest beneficiary – Italy.

Funds granted to Poland under the agricultural policy for 2014-2020 totalled EUR 28.5 bln.

European Funds allocation

European Funds 2014-2020



Innovation
Entrepreneurship
Motorways and expressways
Research and development
Green energy
Sustainable transport
Information society
Social inclusion

Source: Ministry of Infrastructure and Development, www.mir.gov.pl * EUR 82.5 bn is EU funding and national contribution.

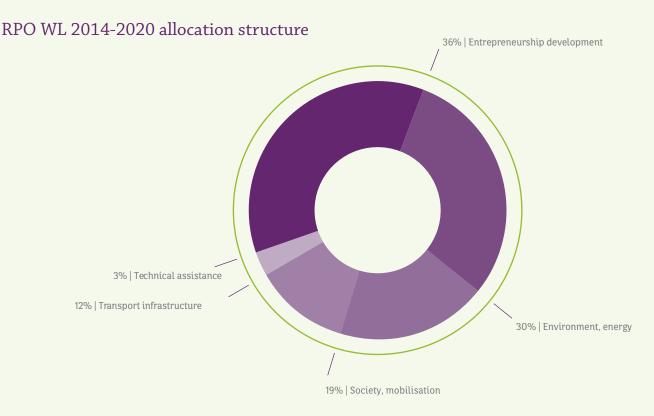
A portion of the funds from the EU budget will be allocated to the following Operational Programmes:

Programme	Number of priority axis	Name of priority axis	Funding (EUR M)
Infrastructure and Environment	I	Decrease in emissions in the economy	1,828
	II	Environmental protection, including adaptation to climate change	3,508
	III	Development of the TEN-T road network and multimodal transport	9,532
	IV	Road infrastructure for urban areas	2,970
	V	Railway transport development in Poland	5,010

	VI	Development of low-emission transport in urban areas	2,299
	VII	Energy security improvement	1,000
	VIII	Protection of cultural heritage and development of cultural assets	467
	IX	Reinforcement of strategic health care infrastructure	468
	X	Technical assistance	330
Smart development	I	Support for R&D activities by enterprises and research and industrial consortia	3,450
	II	Support for innovation in enterprises	2,423
	III	Support for innovative business environment and potential	1,071
	IV	Increase in R&D potential	1,373
	V	Technical assistance	297
Digital Poland Programme	I	Common access to broadband internet	1,020
	II	E-administration and open government	950
	III	Digital competence of society	145
	IV	Technical assistance	58
Knowledge Education Development Programme	I	Young persons on the labour market	1,757
	II	Effective public policies for the labour, economy and education market	740
	III	Higher education for the economy and development	1,056
	IV	Social innovation and transnational cooperation	671
	V	Support for health care	301
	VI	Technical assistance	164
Eastern Poland Programme	I	Entrepreneurial Eastern Poland	719
	II	Modern transport infrastructure	916
	III	Transregional railway infrastructure	330
	IV	Technical assistance	34

 $Source: Ministry \ of \ Infrastructure \ and \ Development, \ www.mir.gov.pl$

EUR 2.23 bn is to be spent by Lubelskie Voivodeship over the next 7 years under the Regional Operational Programme for Lubelskie Voivodeship (RPO WL) for 2014-2020. It is the sixth largest budget among the 16 future Regional Operational Programmes.²²



Source: Development Strategy for the Urban Functional Area of the Town of Puławy for 2014-2020.

6.3 SPECIAL ECONOMIC ZONES (SEZ)

Special Economic Zones are sites in Poland that are separated in terms of administration and intended for business operations on preferential terms, enabling benefits such as tax credits and conducting activity in areas fitted out with industrial facilities and utilities.

There are 3 Special Economic Zones (SSE) in the voivodeship

SSE EURO-PARK MIELEC (www.europark.com.pl) [PL,EN]

Subzones in Lubelskie Voivodeship

- Subzone Lublin 118.07 ha
- Subzone Zamość 53.53 ha
- Subzone Rejowiec Fabryczny 27.10 ha
- Subzone Lubartów 19.78 ha
- Subzone Radzyń Podlaski 1.75 ha
- Subzone Chełm 6.22 ha

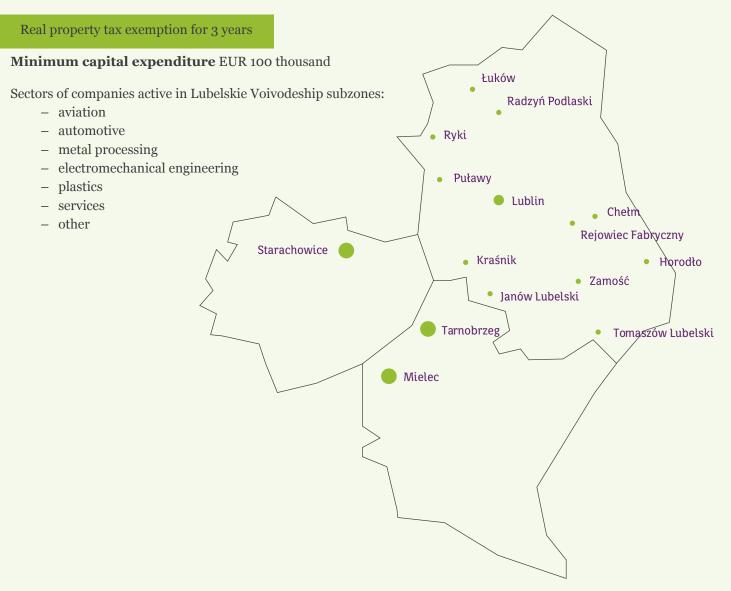
Available support

PIT and CIT exemptions

- a) for capital expenditure incurred
 - up to 70% (for small and micro-enterprises)
 - up to 60% (for medium-sized enterprises)
 - up to 50% (for large enterprises)



- b) For the creation of new jobs
 - Amount of aid = maximum intensity (70%, 60%, 50%)
- costs of new-hire employees incurred by the enterprise over two years (gross remunerations and all mandatory employment-related contributions)





SSE STARACHOWICE S.A. (www.sse.com.pl) [PL, EN, GE]

Subzones in Lubelskie Voivodeship

- Subzone Puławy - 106.71 ha

Available support

PIT and CIT exemptions

- a) for capital expenditure incurred
 - up to 70% (for small and micro-enterprises)
 - up to 60% (for medium-sized enterprises)
 - up to 50% (for large enterprises)
- b) For the creation of new jobs
 - Amount of aid = maximum intensity (70%, 60%, 50%)
- * costs of new-hire employees incurred by the enterprise over two years (gross remunerations and all mandatory employment-related contributions)

Minimum capital expenditure EUR 100 thousand

Preferred sectors:

- precision mechanical engineering
- automotive
- metal processing
- electronics
- wood processing
- construction materials
- chemical
- ceramics
- food processing
- other, similar to the above

TARNOBRZESKA SSE EURO-PARK WISŁOSAN (www.tsse.pl) [PL, EN]

Subzones in Lubelskie Voivodeship

- Subzone Łuków 40.49 ha
- Subzone Tomaszów Lubelski 10.56 ha
- Subzone Janów Lubelski 18.51 ha
- Subzone Kraśnik 23.48 ha
- Subzone Horodło 5.30 ha
- Subzone Ryki 4.46 ha

Available support

PIT and CIT exemptions

- a) for capital expenditure incurred
 - up to 70% (for small and micro-enterprises)
 - up to 60% (for medium-sized enterprises)
 - up to 50% (for large enterprises)
- b) For the creation of new jobs
 - Amount of aid = maximum intensity (70%, 60%, 50%)
- * costs of new-hire employees incurred by the enterprise over two years (gross remunerations and all mandatory employment-related contributions).

Minimum capital expenditure EUR 100 thousand

Sectors of businesses active in Lubelskie Voivodeship subzones:

- wood processing
- metal processing
- food processing

The total area of Special Economic Zones in Lubelskie Voivodeship is 435.96 ha.

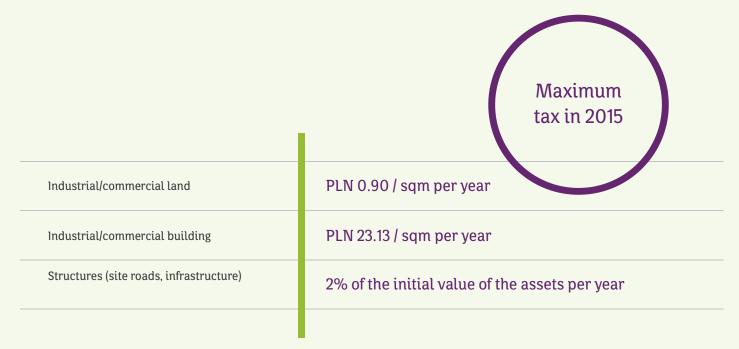
6.4 LOCAL TAX CREDITS

6.4.1 REAL PROPERTY

Real property taxes in Poland cover:

- Undeveloped land,
- Buildings and their parts,
- Structures and their parts related to business activities.

Real property tax rates are set individually by each commune, and may vary among development sites located in different communes. National laws provide for a cap on real property tax in the following amounts:



Investors are offered real property tax credits by many towns and communes of Lubelskie Voivodeship. Real property tax credits are available, for example, in: Lublin, Świdnik, Hrubieszów, Biłgoraj, Janów Lubelski, Kraśnik, Opole Lubelskie, Puławy, Biała Podlaska and Łęczna.

The credits apply, for example, to:

- New development projects or the creation of new jobs:
 - in the Euro-Park Mielec Special Economic Zone, Lublin Subzone.
 - in the Regional Industrial Park Świdnik.
- Business activities covering the running of dining facilities as well as school canteens and food outlets held by entities operating under the Educational System Act.
- New multi-storey car park and garage development projects.
- Buildings and their parts, as well as land used solely for fire safety or social welfare purposes.
- Earmarked grants for historic building curatorship, restoration and civil works (restricted grants).

6.4.2 ADDITIONAL INCENTIVES

What support is offered by the Municipal Job Agency (MUP)?

- a) Support in the hiring of appropriate staff.
- b) Support for the vocational development of staff.
- c) Funds for the creation of new jobs.
- d) Traineeship agreement between MUP and the employer:
 - for trainees 120% of the unemployment compensation paid by MUP.
 - for employers a bonus of PLN 1,513.50 (minimum employment term of 6 months).
- e) Reimbursement of the cost of workplace equipment for an unemployed person sent by MUP, or for a person with disabilities.
- f) Reimbursement of the cost of social insurance contributions paid by the employer for unemployed persons up to 30 years of age sent by MUP.
- g) Employment vouchers (guarantee of reimbursement of part of the cost of remuneration and social insurance contributions involved in hiring a new employee).
- h) Funding towards remuneration paid to employees sent by MUP who are over 50.
- i) Grant for the creation of remote jobs.
- j) Supported employment.²³

More details are available at: www.mup.lublin.pl [PL].

Additional details about investing in Poland, including laws and taxes, can be found on the website of the Polish Information and Foreign Investment Agency: www.paiz.gov.pl [PL, EN, KO, JA, ZH, RU, GE, FR].

6.5 SCIENCE AND TECHNOLOGY PARKS

Science and technology parks are sites where enterprises are offered a fast development track owing to the presence of clusters of companies from a single industry, or their supporting research institutions. The sites also provide technical facilities and services.

The following science and technology parks operate in Lubelskie Voivodeship:

- Lublin Science and Technology Park www.lpnt.pl [PL, EN, JA]
- Regional Industrial Park Świdnik
 www.park.swidnik.pl [PL]
- Puławy Science and Technology Park
 www.ppnt.pulawy.pl [PL]
- South-Eastern Science and Technology Park in Zamość
 www.parknaukowotechnologicznyzamosc.republika.pl [PL]

BUSINESS PROMOTION AND SUPPORT INSTITUTIONS

Business Environment Institutions (BEI) operate in Lubelskie Voivodeship. Their purpose is to identify, adapt and build intellectual potential and entrepreneurship. BEI integrate actions around industries or matters related to the regional development strategy for the building of the region's positive image, in collaboration with local, regional and supraregional institutions, the administration and local government.

The following are major BEI from Lubelskie Voivodeship:

- Lubelski Klub Biznesu (Lublin Business Club),
- Lubelska Fundacja Rozwoju (Lublin Development Foundation),
- Agencja Rozwoju Lokalnego (Local Development Agency),
- Regionalna Izba Gospodarcza w Lublinie (Regional Chamber of Commerce in Lublin),
- Fundacja Rozwoju Lubelszczyzny (Lubelskie Voivodeship Development Foundation),
- Lubelskie Forum Pracodawców (Lublin Employers' Forum),
- Wschodni Klaster Informacyjnych i Telekomunikacyjnych Technologii (Eastern Cluster of ICT and IT Technologies),
- Akademickie Inkubatory Przedsiębiorczości (Academic business incubators),
- Związek Prywatnych Pracodawców Lubelszczyzny Lewiatan (Lublin Region Employers Association Lewiatan).

7. QUALITY OF LIFE AND CONDITIONS

The variety of cultural institutions, an ever-growing network of sports and leisure facilities, and the availability of health care, schools and nurseries are key criteria that establish the quality of life of a region's residents, as well as the climate and environment for business processes.

<u>îlii</u>	Museums	44
Fo	Theatres and musical institutions	7
***	Culture centres, clubs and rooms	181
	Art galleries and showrooms	9
224	All-year cinema halls	29
	Public libraries and similar units	691

Source: Cultural institutions in Poland in 2013, Central Statistical Office, as at December 2013

There are numerous cultural events organised in Lubelskie Voivodeship, for example:

- Jarmark Jagielloński (Jagiellonian Fair Market),
- Konfrontacje Teatralne (Theatre Confrontations),
- Noc Kultury (Night of Culture),
- Carnaval Sztuk-Mistrzów (Performers Carnival),
- Inne Brzmienia (Different Sounds),
- Festiwal Fantastyki Falkon (Falcon Fantasy and Sci-Fi Festival),
- Festiwal Trzech Kultur we Włodawie (Three Cultures Festival in Włodawa),
- Zamojskie Lato Teatralne w Zamościu (Zamość Theatre Summer),
- Letnia Akademia Filmowa w Zwierzyńcu (Summer Film Festival in Zwierzyniec),
- Spotkania Kowali w Wojciechowie (National Meeting of Blacksmiths in Wojciechów),
- Festiwal Filmu i Sztuki Dwa Brzegi (The Two Banks Film and Arts Festival).

Lubelskie Voivodeship is also an excellent place to relax. It is spanned by numerous cycle paths and horse-riding trails, and offers skiing and canoeing options. There are 2 national parks, 17 landscape parks and numerous nature reserves with natural monuments across Lubelskie Voivodeship. Key sightseeing locations include the Petrified Forest near Lubycza Królewska in Roztocze, and the Unusual Bikes Museum in Gołąb. Lubelskie Voivodeship is also an ideal spot for a relaxing family weekend. Attractions for children include the Zamość zoo, as well as the ZOOM Nature Leisure Park near Janów Lubelski, and the Magic Gardens near Janowiec. The Lublin Region is known for its beautiful scenery. The region features both plains (lake district, Polesie), and rolling hills (Roztocze), criss-crossed by river valleys (the Bug and the Vistula). The Lubelskie cuisine is also worth trying. The region's focus is on traditional food, and Lubelskie Voivodeship is the only place to try a certified cebularz (yeast bread with onion topping), Biłgorajski piróg (Biłgoraj dumplings), or sękacz podlaski (a traditional spit cake of Podlasie).

The availability of sports centres is similar to the average for Poland. The Lubelskie Voivodeship has 343 sports clubs and 2 golf courses. An excellent destination to relax is Nałęczów, where numerous SPA facilities are located.

Selected Polish social infrastructure indicators for Lubelskie Voivodeship (2012)

	28,	Fo	**	7.	*
Population per:	1 seat in all-year cinemas	1 seat in theatres and musical institutions	1 bed in multiple-ward hospitals	1 sports club	1 sports discipline department
Poland	141.6	469.9	204.02	,693.7	1,499.3
Lubelskie	202.8	1,182.11	83.02	,749.2	1,283.6

Source: In-house study based on Central Statistical Office data as at December 2012

Lubelskie Voivodeship ranks high in terms of health care availability for the population per single hospital bed, and is second only to the Śląskie Voivodeship. The allocation of health care staff per patient is even higher, with 78 nurses and midwives per 10,000 residents, which is the highest value in the country, the average being 69.

Did you know that:

- Poland's longest cycle path is under construction in Eastern Poland. Planned to cover nearly 2,000 kilometres, the path will have stops at attractive sightseeing locations, i.e. sites of natural value, historic buildings and structures, as well as major transport hubs in five provinces.
- The "Pride of Poland" Arabian Horse Days are organised every year in Lubelskie Voivodeship. It is a world class event focusing on Polish Purebred Arabian Horses.
- The Old Town District of Zamość is called "the pearl of the renaissance", "the town of arcades", and the "Padua of the North". Since 1992, it has been listed as a UNESCO World Heritage Site.
- There are huge amber deposits in Lubelskie Voivodeship, estimated at 10 thousand tonnes. Interestingly, the deposits were once hit by a meteorite, which gives the precious stone here qualities of magnetic amber not found anywhere else in the world. There are only eight locations on the planet where this precious stone can be mined.
- Lublin was once called the Jerusalem of the Kingdom of Poland, or the Jewish Oxford, also because a world-famous Torah study centre Chachmei Lublin Yeshiva operated there in the inter-war period.
- The Museum of Kozłówka is Poland's only Social Realism Gallery. It has gathered a collection of over 1,600 sculptures, paintings, drawings, posters and other works of art from the 1950s.

8. THE OFFICE OF THE MARSHALL OF LUBELSKIE VOIVODESHIP – FIRST POINT OF CONTACT

SERVICES OFFERED BY OFFICE OF THE MARSHALL OF LUBELSKIE 8.1 VOIVODESHIP IN LUBLIN

- Performing broad promotional activities in Poland and beyond, e.g.: organising business missions, business meetings, conferences, presentation of the economic potential of the voivodeship at various national and international events.
- Sharing information about investment incentives and related procedures, as well as submitting profiled business information about the region, preparing and maintaining investment site listings, as well as promoting the region's investment offering.
- Providing information about active exports support instruments in financial, services and institutional aspects.



8.2 CONTACT DETAILS

The Office of the Marshall of Lubelskie Voivodeship in Lublin

Department of the Economy and Innovation Trade and Investment Promotion Unit ul. Stefczyka 3 20-151 Lublin Tel: +48 81 537 16 11

e-mail: dpi@lubelskie.pl

Investors and Exporters Assistance Centre (COIE) – export expert

Tel. +48 81 537 16 27, e-mail: coie@lubelskie.pl

Investors and Exporters Assistance Centre (COIE) - business expert

Tel. +48 81 537 16 13, e-mail: coie@lubelskie.pl www.lubelskie.coie.gov.pl [PL, EN]

Investor Assistance Centre

Tel. +48 81 537 16 11, e-mail: coi@lubelskie.pl www.invest.lubelskie.pl [PL, EN, RU, UK]

Website of the project intended to improve the economic image and develop the attractiveness of Lubelskie Voivodeship www.export.invest.lubelskie.pl [PL]

If you have any doubts as to the details provided in this guide, e.g. on the project development process, or if information is unavailable in a foreign language,* feel free to contact the Investor Assistance Centre.

*A note on the available language versions of the website is provided in the guide next to each link.

ANNOTATIONS

- ¹ Source: Operational Programme for Lubelskie Voivodeship for 2007-2013, www.rpo.lubelskie.pl.
- Greenfield projects are developed on ground not previously used by the industry or services, provided with not more than basic infrastructure. Brownfield projects rely on the existing, often degraded, buildings and old industrial infrastructure.
- ³ Source: Central Statistical Office, Real property trading in 2013
- 4 Source: Polish Geological Institute, as at December 2013
- 5 Source: National Heritage Board of Poland.
- 6 Source: Ranking prepared by analysts of FDI Intelligence, owned by Financial Times. Category: FDI Strategy is the only qualitative category of the ranking applications sent by regions and describing their strategies are evaluated by a team of experts, www.fdiintelligence.com.
- Source: The EU Regional Competitiveness Index prepared by the European Commission. The Index is the outcome of an evaluation of regions in terms of 11 criteria: institutions, macroeconomic stability, infrastructures, health, basic education, higher education, training and lifelong learning, labour market efficiency, market size, technological readiness, business sophistication, and innovation, www.ec.europa.eu.
- 8 Source: The best countries for business ranking is based on six broad criteria: the cost of setting up a business; the cost of labour and materials; the degree of economic integration, the cost of moving goods, less tangible costs like inflation and the amount of corruption; and the health of its consumer base, www.bloomberg.com
- 9 Source: A ranking evaluating how easy it is to do business in a given country on the basis of such factors as procedures, cost and time of starting a business, building a warehouse, getting electricity, registering property, resolving commercial disputes, tax regulations, www.doingbusiness.org
- ¹⁰ Source: Chancellery of the President of the Council of Ministers, www.premier.gov.pl.
- ¹¹ Source: "Demographic and socio-economic situation in Poland in 2014. Gross Domestic Product in 2014. Initial Estimates" Central Statistical Office, as at January 2015
- 12 Source: International Monetary Fund, World Economic Database, www.imf.org.
- 13 Source: "NBP Quick Monitoring Survey. Economic climate in the enterprises sector in Q4 2014 and forecasts for Q1 2015". GUS, January 2015
- 14 Source: Ministry of Regional Development, www.mir.gov.pl, the amounts are for EU funding and national contributions combined.
- ¹⁵ BPO/SSC Business Process Outsourcing / Shared Services Centre
- 16 Source: Business Process Outsourcing sector in Poland in 2014. Report by the Association of Business Services Leaders (ABSL).
- ¹⁷ Source: Central Statistical Office, initial estimates of January 2015
- ¹⁸ Source: Central Statistical Office, Local Data Bank, as at December 2013
- 19 Source: Central Statistical Office, Local Data Bank, as at December 2013
- ²⁰ Source: "Higher education institutions in Lubelskie Voivodeship in the academic year 2012/2013" Statistical Office in Lublin, Lublin 2013
- ²¹ Source: Broadband Network in Eastern Poland project (SSPW), www.szerokopasmowe.lubelskie.pl.
- 22 Source: Regional Operational Programme for Lubelskie Voivodeship for 2014-2020, status as at February 2015
- 23 Supported employment is the provision of consultancy and financial support to unemployed persons in order to keep their work mobilisation and help them take up employment or community work within the meaning of employment promotion and labour market institution laws, or to join a social co-operative, or set up a business'



