



# Annual General Meeting

of Orange Polska S.A.

Warszawa, 25 June 2021

Pursuant to art. 19, clause 1, item 1 of the Decree of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, the Management Board of Orange Polska S.A. informs about summoning the Annual General Meeting.

**ANNOUNCEMENT**  
**of the Management Board of Orange Polska**  
**on the Annual General Meeting**

**I. Date, time and venue of the Annual General Meeting and detailed Agenda**

The Management Board of Orange Polska Spółka Akcyjna (hereinafter referred to as 'Orange Polska S.A.' or 'the Company') with its registered seat in Warsaw, entered in the companies' register maintained by the Regional Court for the Capital City of Warsaw, 12<sup>th</sup> Business Division of the National Court Register, under the number 0000010681, acting pursuant to provisions of article 399 § 1 of the Commercial Companies Code and § 12 clause 2 of the Articles of Association of Orange Polska S.A., convenes the **Annual General Meeting** of Orange Polska S.A. ('General Meeting') to be held on **25 June 2021, (Friday)** at **11:00 CET**, in Warsaw, at Orange Polska S.A. headquarters at Aleje Jerozolimskie 160 ('Company's headquarters'), building E, ground floor, the conference hall – K/CK.

**Agenda:**

- 1) opening of the Meeting;
- 2) election of the Chairman;

*Resolution no. 1 of Annual General Meeting of Orange Polska S.A. dated 21 June 2021 on nomination of the Chairman of the Annual General Meeting*

- 3) statement that the Meeting is valid and capable to adopt resolutions;
- 4) review of:
  - a) the Orange Polska S.A. separate financial statements for the 2020 financial year,
  - b) the Management Board's motion on distribution of the Orange Polska S.A. profit for the 2020 financial year,
  - c) the Management Board's motion on distribution of the Orange Polska S.A. profit from previous years,
  - d) the Management Board's report on the activity of Orange Polska Group and Orange Polska S.A., and the IFRS consolidated financial statements for the 2020 financial year,
  - e) the Report of the Supervisory Board for the 2020 financial year,
- 5) adoption of the following resolutions concerning:
  - a) approval of Orange Polska S.A. separate financial statements for the 2020 financial year,

*Resolution no 2 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on approval of the Orange Polska S.A. IFRS financial statements for 2020*

- b) distribution of the Orange Polska S.A. profit for the 2020 financial year,

*Resolution no 3 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on distribution of Orange Polska S.A. profit for the 2020 financial year*

- c) distribution of the Orange Polska S.A. profit from previous years,

*Resolution no 4 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on distribution of Orange Polska S.A. profit from previous years*

- d) approval of the Management Board's report on the activity of Orange Polska Group and Orange Polska S.A. in the 2020 financial year,

*Resolution no 5 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on approval of the Management Board report on the activity of Orange Polska Group and Orange Polska S.A. in the 2020 financial year*

- e) approval of the Orange Polska Group consolidated financial statements for the 2020 financial year,

*Resolution no 6 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on approval of the IFRS consolidated financial statements for 2020*

- f) approval of the Supervisory Board report for the 2020 financial year,

*Resolution no 7 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on approval of the Supervisory Board report for the 2020 financial year*

- g) granting the members of the governing bodies of Orange Polska S.A. the approval of performance of their duties,

*Resolution no 8 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on granting approval of the performance of duties of the Management Board's President of Orange Polska S.A.*

*Resolution no 9 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on granting approval of the performance of duties of the Management Board's President of Orange Polska S.A.*

*Resolutions no 10 – 17 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on granting approval of the performance of duties of the Management Board's member of Orange Polska S.A.*

*Resolutions no 18 – 32 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on granting approval of the performance of duties of the Supervisory Board member of Orange Polska S.A.*

**NOTE: each resolution will be voted separately**

- 6) adoption of the resolution on expressing an opinion on the annual report on remuneration prepared by the Supervisory Board,

*Resolution no 33 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on adoption of the resolution on expressing an opinion on the annual report on remuneration prepared by the Supervisory Board*

- 7) changes in the Supervisory Board's composition,

*Resolution no 34 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on appointment of a Supervisory Board member*

**/Voting on appointment of Mr. Philippe Béguin/**

*Resolution no 35 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on appointment of a Supervisory Board member*

**/Voting on appointment of Ms. Bénédicte David/**

*Resolution no 36 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on appointment of a Supervisory Board member*

**/Voting on appointment of Mr. Ramon Fernandez/**

*Resolution no 37 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on appointment of a Supervisory Board member*

**/Voting on appointment of Ms. Marie-Noëlle Jégo-Laveissière/**

*Resolution no 38 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on appointment of a Supervisory Board member*

**/Voting on appointment of Ms. Maria Pasło-Wiśniewska/**

*Resolution no 39 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on appointment of a Supervisory Board member*

**/Voting on appointment of Ms. Wioletta Rosołowska/**

*Resolution no 40 of Annual General Meeting of Orange Polska S.A. dated 25 June 2021 on appointment of a Supervisory Board member*

**/Voting on appointment of Mr. Jean-Marc Vignolles/**

***NOTE: the ordinal numbers of the resolutions and the names of the candidates to the Supervisory Board may change due to the potential motions of the shareholders indicated before and/or during the Annual General Meeting.***

8) closing of the Meeting.

## **II. Information on participation rights in the General Meeting of Orange Polska S.A.**

### **1. Shareholder's right to request for certain issues to be put on the General Meeting's agenda and to table draft resolutions**

- 1) Pursuant to art. 401 § 1 of the Commercial Companies Code, the Shareholder or Shareholders representing at least 5% of the share capital have the right to put issues on the General Meeting agenda. The request shall contain the following:
  - a) the justification or a draft resolution on the proposed item,
  - b) an updated office copy of the entries in the companies' register or any other equivalent document confirming representation to act in the petitioner's name – regards the shareholders that are legal persons or entities that have no legal personality,
  - c) a document confirming ownership of such number of shares that authorises to place the request.

The request shall be filed with the Management Board in writing at the Company's headquarters, or sent by e-mail to the [wza@orange.com](mailto:wza@orange.com) (pdf file), at least 21 days prior to the date of the General Meeting, i.e., on **4 June 2021** at the latest.

- 2) The Management Board shall immediately, and not later than at least 18 days prior to the planned date of the General Meeting, i.e. by **7 June 2021**, announce changes to the agenda introduced upon Shareholders' request. The announcement shall be made in the manner appropriate to convene the General Meeting.
- 3) Pursuant to art. 401 § 4 of the Commercial Companies Code, the Shareholder or Shareholders representing at least 5% of the share capital and authorised to participate in the General Meeting have the right to table draft resolutions on issues on the General Meeting agenda or those to be put on the agenda. The drafts shall be filed with the Management Board in writing at the Company's headquarters, or sent by e-mail to the address [wza@orange.com](mailto:wza@orange.com) (pdf file). The request with the draft resolution shall be accompanied by the documents referred to in points 1b) and 1c).
- 4) The Company may take actions proportional to the purpose to identify the Shareholder or Shareholders and verify the validity of the documents submitted, referred to in points 1) and 3).

- 5) Pursuant to art. 401 § 5 of the Commercial Companies Code, each Shareholder authorised to participate in the General Meeting may, during the General Meeting, table draft resolutions on the issues that have been put on the agenda.

## **2. Exercise of their voting right by the proxy holder**

- 1) A Shareholder being natural person may participate in the General Meeting and exercise his/her voting right in person or by a proxy holder.

A Shareholder not being natural person may participate in the General Meeting and exercise its voting right through a person authorised to make statements of will in its name or by a proxy holder.

- 2) The proxy shall be made in writing, otherwise null and void, and it shall be appended to the General Meeting minutes or made in electronic form. The form of the proxy authorising to exercise the voting right by a proxy holder is available at the Company's website: [www.orange-ir.pl](http://www.orange-ir.pl) (pdf file).
- 3) Orange Polska S.A. shall be notified about a proxy in electronic form at least 3 working days prior to the General Meeting, i.e. on **22 June 2021** at **16:00 CET** at the latest by e-mail sent to [wza@orange.com](mailto:wza@orange.com) containing a scan of proxy signed by the Shareholder or, in case of shareholders other than natural persons, by persons authorised to represent such Shareholder.
- 4) Orange Polska S.A. shall take relevant steps to identify the Shareholder and the proxy holder in order to verify the validity of the proxy made in electronic form. The verification may mean a feedback by e-mail or by telephone asking the Shareholder and/or the proxy holder to confirm the representation and the scope of the proxy. Orange Polska S.A. thereby represents that any failure to respond to such verification shall be treated as failure to grant proxy and shall give grounds for such proxy holder to be denied access to the General Meeting.
- 5) The right to represent a Shareholder not being a natural person shall be derived from an office copy of the relevant register (placed in original or in a copy confirmed by notary), or other equivalent document or from the proxy, to be presented when checking the attendance list or sent in electronic form (pdf file). A person/persons granting proxy on behalf of the Shareholder that is not natural person shall be entered in the updated office copy of the relevant register.
- 6) A management board member and an employee of the Company may act as proxy holders at the General Meeting. If a management board member or a supervisory board member or an employee of the Company or a member of a subsidiary's bodies or its employee is a proxy holder at the General Meeting, the proxy may authorise to represent exclusively at a single General Meeting.
- 7) The proxy holder, referred to in point 6) shall notify the Shareholder about any circumstances that indicate or may indicate a conflict of interest. Further representation shall be forbidden.
- 8) The proxy holder, referred to in point 6) shall vote in line with the instructions received from the Shareholder.

## **3. The possibility and mode of participating in the General Meeting by means of electronic communication**

- 1) The Company allows for participation in the General Meeting by means of electronic communication.
- 2) Shareholder or a proxy holder intending to participate in the General Meeting in the manner referred to in point 1), is obliged to notify this intention to the Company using electronic

means of communication no later than 3 working days prior to the date of the General Meeting, i.e. on **22 June 2021** at the latest at: [wza@orange.com](mailto:wza@orange.com).

- 3) Using the above mentioned form of participation in the General Meeting shall be possible via a link which will be sent to the Shareholder or a proxy after positive verification of his/her rights, 2 working days prior to the date of the General Meeting, i.e. on **23 June 2021** by **16:00 CET** at the latest.
- 4) Detailed rules and conditions for the participation in the General Meeting by means of electronic communication are specified in the Annex to this announcement.

#### **4. The method of communication at the General Meeting by means of electronic communication**

The Company allows Shareholders to communicate by electronic means only (chat) at the General Meeting under the conditions specified in the Annex to this announcement.

#### **5. The procedure for casting votes by correspondence or by electronic means**

- 1) The Company does not allow for executing the voting right by correspondence.
- 2) The Company allows for executing the voting right by means of electronic communication under the conditions specified in the Annex to this announcement

#### **6. The record date**

The 16<sup>th</sup> day prior to the date of the General Meeting, i.e., **9 June 2021** shall be the record date.

#### **7. The right to participate in the General Meeting**

- 1) Only the persons being Orange Polska S.A. Shareholders as of the record date, i.e., **9 June 2021**, shall have the right to participate in the General Meeting. Personal certificate of entitlement to attend the General Meeting is issued by the entity operating a securities account, not later than in the first working day after the day of registration, i.e. **10 June 2021**.
- 2) The list of Shareholders authorised to participate in the General Meeting shall be made pursuant to the data received from the National Securities Depository (KDPW). It is however recommended that the Shareholders had bearer certificates of their right to participate in the General Meeting issued by the entity maintaining the securities account.
- 3) Shareholders shall be allowed to take part in the General Meeting on producing their identity document, while proxy holders shall be allowed to take part in the General Meeting on producing their identity document and the proxy made in writing or by electronic means. Representatives of legal persons or entities not having legal personality shall additionally produce updated office copies of relevant registers with persons authorised to represent the entities entered in it.
- 4) The list of Shareholders entitled to participate in the General Meeting will be available at the Company's headquarters three working days before the General Meeting, i.e. from **22 June 2021**.
- 5) Any Shareholder may demand that the list of Shareholders entitled to participate in the General Meeting be e-mailed free of charge to the e-mail address indicated by them. If she/he is not included in the list of Shareholders entitled to participate in the General Meeting, the Company may demand the presentation of documents confirming that the demanding party is truly a Shareholder on the date of forming such a demand.

### III. Access to documentation and other information

- 1) Any information and documents to be presented to the General Meeting together with draft resolutions, shall be placed at the Company's website: [www.orange-ir.pl](http://www.orange-ir.pl) in AGM section beginning on the day the General Meeting has been convened.
- 2) Beginning on **18 June 2021**, a Shareholder shall have the right to request a copy of motions on the issues on agenda.
- 3) The proceedings of the General Meeting will be transmitted via the Internet. The link to the transmission enabling real-time reception of the General Meeting in Polish and English will be posted on the Company's website [www.orange-ir.pl](http://www.orange-ir.pl) a week prior to the General Meeting.
- 4) Information related to the processing of personal data by the Company is available at: [www.orange-ir.pl](http://www.orange-ir.pl).

**resolution no. ...**  
**of the Annual General Meeting**  
**of Orange Polska SA**

**dated 25 June 2021**

**on nomination of the Chairman of the Annual General Meeting**

Pursuant to article 409 § 1 of the Commercial Companies Code and § 18 clause 1 of the Company's Articles of Association, the following is resolved:

**§ 1**

The Annual General Meeting nominates Mr/s. ....  
as the Chairmen of the Annual General Meeting.

**§ 2**

The resolution enters into force upon adoption.



## point 4.

of the meeting agenda

Review of:

- a) the Orange Polska S.A. separate financial statements for the 2020 financial year,
- b) the Management Board's motion on distribution of the Orange Polska S.A. profit for the 2020 financial year,
- c) the Management Board's motion on distribution of the Orange Polska S.A. profit from previous years,
- d) the Management Board's report on the activity of Orange Polska Group and Orange Polska S.A., and the IFRS consolidated financial statements for the 2020 financial year,
- e) the Report of the Supervisory Board for the 2020 financial year,

TRANSLATION

## **resolution no. 7/O/21**

of Orange Polska S.A. Management Board  
adopted by circulation

of 17.02.2021

on approval of the IFRS separate financial statements of Orange Polska S.A. for 2020

### **§ 1**

Orange Polska S.A. Management Board approves the Orange Polska S.A. IFRS separate financial statements for the 2020 financial year, which include:

- 1) income statement for 2020 showing net income of PLN 47 million (in words: PLN forty seven million),
- 2) statement of comprehensive income for 2020 showing total comprehensive income of PLN 34 million (in words: PLN thirty four million),
- 3) statement of financial position as at 31 December 2020, with the balance sheet total of PLN 23,904 million (in words: PLN twenty three billion nine hundred and four million),
- 4) statement of changes in equity for 2020 showing an increase in equity by PLN 43 million (in words: PLN forty three million),
- 5) statement of cash flows for 2020 showing a decrease in net cash and cash equivalents by PLN 46 million (in words: PLN forty six million),
- 6) notes to the financial statements.

### **§ 2**

The statements, referred to in § 1, have been included in attachment 1 to hereby resolution.

### **§ 3**

1. Orange Polska S.A. Management Board requests the Annual General Meeting to review and approve the statements, referred to in § 1.
2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board the statements, referred to in § 1 for appraisal.
3. The draft resolution of the Annual General Meeting has been included in attachment 2 to hereby resolution.

### **§ 4**

The resolution comes into force on the day of its adoption.

Julien Ducarroz

Witold Drożdż

Piotr Jaworski

Jacek Kunicki

Bożena Leśniewska

Jolanta Dudek

Jacek Kowalski

Maciej Nowohoński

# Financial statements

of Orange Polska S.A. for 2020

(separate document)

## TRANSLATION

# **resolution no. 30/O/21**

of Orange Polska S.A. Management Board  
adopted by circulation

of 19.05.2021

on Management Board's motion on distribution of the Orange Polska S.A. net profit for the 2020 financial year

### **§ 1**

Orange Polska S.A. Management Board adopts the following motion on distribution of the Orange Polska S.A. net profit for the 2020 financial year of PLN 46,754,503.75 (in words: PLN forty six million, seven hundred and fifty four thousand, five hundred and three 75/100):

- 1) to the reserve capital, referred to in § 31 clause 3 of the Articles of Association – PLN 935,090.08 (in words: PLN nine hundred and thirty five thousand and ninety 08/100),
- 2) to the reserve capital – PLN 45,819,413.67 (in words: PLN forty five million, eight hundred and nineteen thousand, four hundred and thirteen 67/100).

### **§ 2**

The amount allocated to the reserve capital, referred to in § 1 point 2 may be distributed as a dividend.

### **§ 3**

1. Orange Polska S.A. Management Board decides to submit to the Annual General Meeting a motion on distribution of the Company's net profit for 2020.
2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board a motion, referred to in § 1 for appraisal.
3. Draft of the relevant Annual General Meeting resolution has been included in attachment to this resolution.

### **§ 4**

Orange Polska S.A. Management Board declares that in 2022 it will recommend to the Annual General Meeting to pay from 2021 profits a dividend in the amount of PLN 0.25 for each eligible share, provided that Company's net debt to EBITDAaL ratio will not exceed 2.1x after completion of the 5G spectrum auction.

### **§ 5**

The resolution comes into force on the day of its adoption.

Julien Ducarroz

Witold Drożdż

Piotr Jaworski

Jacek Kunicki

Bożena Leśniewska

Jolanta Dudek

Jacek Kowalski

Maciej Nowohoński

**resolution no. 31/O/21**

of Orange Polska S.A. Management Board  
adopted by circulation

of 19.05.2021

on Management Board's motion on distribution of the Orange Polska S.A. net profit from previous years

**§ 1**

Orange Polska S.A. Management Board adopts the motion on distribution of a net profit from previous years of PLN 18,055,143.94 (in words: PLN eighteen million, fifty five thousand, one hundred and forty three 94/100), disclosed in the Company's Financial Statements for the 2020 financial year:

- 1) to the reserve capital, referred to in § 31 clause 3 of the Articles of Association – PLN 361,102.88 (in words: PLN three hundred and sixty one thousand, one hundred and two 88/100),
- 2) to the reserve capital – PLN 17,694,041.06 (in words: PLN seventeen million, six hundred and ninety four thousand, forty one 06/100).

**§ 2**

The amount allocated to the reserve capital, referred to in § 1 point 2 may be distributed as a dividend.

**§ 3**

1. Orange Polska S.A. Management Board decides to submit to the Annual General Meeting the motion to distribute net profit from previous years, referred to in § 1.
2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board the motion, referred to in § 1 for appraisal.
3. Draft resolution of the Annual General Meeting has been included in attachment 1 to hereby resolution.

**§ 4**

The reasons of the motion have been included in attachment 2 to hereby resolution.

**§ 5**

The resolution comes into force on the day of its adoption.

Julien Ducarroz

Witold Drożdż

Piotr Jaworski

Jacek Kunicki

Bożena Leśniewska

Jolanta Dudek

Jacek Kowalski

Maciej Nowohoński

**Attachment no 2** to the resolution no. 31/O/21  
of Orange Polska S.A. Management Board  
dated 19.05.2021

### **Reasons**

The correction of PLN 18 million in 2020 relates to:

- 1) changes of accounting policy in respect of the determination of the lease term of cancellable lease – a loss in the amount of PLN 9 million recognised directly in retained earnings,
- 2) the impact of corrections resulting from immaterial errors in prior periods relating to capitalization of some indirect employee benefits as property, plant and equipment and other intangible assets and write-off of other non-current assets – a profit in the amount of PLN 27 million recognised directly in retained earnings.

TRANSLATION

**resolution no. 10/O/21**

of Orange Polska S.A. Management Board

adopted by circulation

of 17.02.2021

on approval of the Management Board's report on the activity of Orange Polska Group and Orange Polska S.A. in 2020 and IFRS consolidated financial statements for 2020

**§ 1**

Orange Polska S.A. Management Board approves the Management Board's report on the Orange Polska Group and Orange Polska S.A. activity in 2020.

**§ 2**

Orange Polska S.A. Management Board approves the Orange Polska Group IFRS consolidated financial statements for the 2020 financial year, which include:

- 1) consolidated income statement for 2020 showing net income of PLN 46 million (in words: PLN forty six million), including net income attributable to owners of Orange Polska S.A. of PLN 46 million (in words: PLN forty six million),
- 2) consolidated statement of comprehensive income for 2020 showing total comprehensive income of PLN 33 million (in words: PLN thirty three million), including total comprehensive income attributable to owners of Orange Polska S.A. of PLN 33 million (in words: PLN thirty three million),
- 3) consolidated statement of financial position as at 31 December 2020, with the balance sheet total of PLN 24,300 million (in words: PLN twenty four billion three hundred million),
- 4) consolidated statement of changes in equity for 2020 showing an increase in total equity by PLN 42 million (in words: PLN forty two million), including an increase in equity attributable to owners of Orange Polska S.A. by PLN 42 million (in words: PLN forty two million),
- 5) consolidated statement of cash flows for 2020 showing a decrease in net cash and cash equivalents by PLN 48 million (in words: PLN forty eight million),
- 6) notes to the consolidated financial statements.

**§ 3**

The reports and statements, referred to in § 1 and § 2, have been included in attachment 1 to hereby resolution.

**§ 4**

1. Orange Polska S.A. Management Board requests the Annual General Meeting to review and approve the report and statements, referred to in § 1 and § 2.
2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board the report and statements, referred to in § 1 and § 2 for appraisal.
3. The draft resolutions of the Annual General Meeting have been included in attachments 2 and 3.

**§ 5**

The resolution comes into force on the day of its adoption.

Julien Ducarroz

Bożena Leśniewska

Witold Drożdż

Jolanta Dudek

Piotr Jaworski

Jacek Kowalski

Jacek Kunicki

Maciej Nowohoński

# Consolidated financial statements

and the Management Board's report on the activity of  
Orange Polska Group and Orange Polska S.A. for 2020

(separate document)



# Uchwała nr 2/21

(Resolution no.)

## Rady Nadzorczej

(of the Supervisory Board of)

**Orange Polska S.A.**

**z dnia (dated) 16.02.2021 r.**

**w sprawie przyjęcia oceny sprawozdań finansowych oraz sprawozdania Zarządu z działalności za rok obrotowy 2020**

Na podstawie art. 382 Kodeksu spółek handlowych oraz § 23 ust. 2 pkt 1-3 i ust. 3 Statutu Spółki, uchwała się, co następuje:

### § 1

Rada Nadzorcza przyjmuje ocenę sprawozdań finansowych oraz sprawozdania Zarządu z działalności Orange Polska S.A. i Grupy Kapitałowej Orange Polska za rok obrotowy 2020, stanowiącą załącznik do niniejszej uchwały oraz postanawia przedłożyć ją Zwyczajnemu Walnemu Zgromadzeniu.

### § 2

Uchwała wchodzi w życie z chwilą podpisania przez Zarząd sprawozdań w wersji przedstawionej Radzie Nadzorczej.

**on adoption of the appraisal of the financial statements and the Management Board's report on activity for the 2020 financial year**

Pursuant to article 382 of the Commercial Companies Code and § 23 clause 2 items 1-3 and clause 3 of the Company's Articles of Association, the following is resolved:

### § 1

The Supervisory Board adopts the appraisal of the financial statements and the Management Board's report on activity of Orange Polska S.A. and Orange Polska Capital Group for the 2020 financial year, annexed hereto, and decides to submit it to the Annual General Meeting.

### § 2

The resolution shall enter into force upon signing by the Management Board reports as presented to the Supervisory Board.

*(English text of the resolution is the translation)*

1. Maciej Witucki

2. Ramon Fernandez

3. Marc Ricau

4. Henryka Bochniarz

5. Thierry Bonhomme

6. Eric Debroeck

7. John Russell Houlden

8. Marie-Noëlle Jégo-Laveissière

9. Michał Kleiber

10. Patrice Lambert de Diesbach

11. Monika Nachyła

12. Maria Pasło-Wiśniewska

13. Jean-Michel Thibaud

14. Jean-Marc Vignolles

## **APPRAISAL OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITY IN 2020**

The Supervisory Board has examined and appraised the following documents:

- 1) IFRS standalone financial statements of Orange Polska S.A. for 2020, that include:
  - a) income statement for 2020 showing net income of PLN 47 million (in words: PLN forty seven million),
  - b) statement of comprehensive income for 2020 showing total comprehensive income of PLN 34 million (in words: PLN thirty four million),
  - c) statement of financial position as at 31 December 2020, with the balance sheet total of PLN 23,904 million (in words: PLN twenty three billion nine hundred and four million),
  - d) statement of changes in equity for 2020 showing an increase in equity by PLN 43 million (in words: PLN forty three million),
  - e) statement of cash flows for 2020 showing a decrease in net cash and cash equivalents by PLN 46 million (in words: PLN forty six million),
  - f) notes to the financial statements.
- 2) Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. in 2020;
- 3) IFRS consolidated financial statements of the Orange Polska Group for 2020, that include:
  - a) consolidated income statement for 2020 showing net income of PLN 46 million (in words: PLN forty six million), including net income attributable to owners of Orange Polska S.A. of PLN 46 million (in words: PLN forty six million),
  - b) consolidated statement of comprehensive income for 2020 showing total comprehensive income of PLN 33 million (in words: PLN thirty three million), including total comprehensive income attributable to owners of Orange Polska S.A. of PLN 33 million (in words: PLN thirty three million),
  - c) consolidated statement of financial position as at 31 December 2020, with the balance sheet total of PLN 24,300 million (in words: PLN twenty four billion three hundred million),
  - d) consolidated statement of changes in equity for 2020 showing an increase in total equity by PLN 42 million (in words: PLN forty two million), including an increase in equity attributable to owners of Orange Polska S.A. by PLN 42 million (in words: PLN forty two million),
  - e) consolidated statement of cash flows for 2020 showing a decrease in net cash and cash equivalents by PLN 48 million (in words: PLN forty eight million),
  - f) notes to consolidated financial statements.

Having analysed the above-mentioned documents and taking into consideration the independent auditor's reports on the audit of the annual standalone financial statements of Orange Polska S.A. and the consolidated financial statements of the Orange Polska Group for the year ended 31 December 2020, the Supervisory Board hereby states that:

- IFRS standalone financial statements of Orange Polska S.A. for 2020,
- Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. in 2020, and
- IFRS consolidated financial statements of the Orange Polska Group for 2020

have been drawn up in compliance with the books and documents, the factual status and mandatory legal provisions, and that they provide a complete and fair picture of the operational and financial standing of Orange Polska S.A. and the Orange Polska Group. The Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. in 2020 has been drawn up in all major aspects on the basis of the financial data contained in the standalone and consolidated financial statements for 2020. The Management Board's Report contains a description of all material events that may have influence on Orange Polska S.A.'s property and financial standing in at least several quarters as well as a description of all material risks.

Disclosures on performance measures, including comparable data, are presented in the Note 2 and 3 to the Consolidated Full-Year Financial Statements for 2020.

From 2020, we have revised definitions of capex and EBITDAaL alternative performance measures. Capex for 2020 is presented net of the accrued proceeds from asset disposals and is named economic capex (eCapex). Consequently, EBITDAaL excludes gains on asset disposals. This change reflects better the transformation of Orange Polska's fixed asset base, which has been rapidly evolving over the past few years and will do so in the future. We invest in assets essential for its future value creation (fibre and mobile network) and dispose assets no longer necessary for our core operations. Economic benefits of this transformation have been shifted from EBITDAaL to eCapex.

## Uchwała nr 16/21

(Resolution no.)

**Rady Nadzorczej**

(of the Supervisory Board of)

**Orange Polska S.A.**

z dnia (dated) 19.05.2021 r.

**w sprawie przyjęcia sprawozdania Rady Nadzorczej za rok obrotowy 2020**

**on adoption of the Supervisory Board's report for the 2020 financial year**

Na podstawie art. 382 Kodeksu spółek handlowych oraz § 23 ust. 1 i 2 pkt 1-3 i 12 Statutu Spółki, uchwała się, co następuje:

Pursuant to article 382 of the Commercial Companies Code and § 23 clause 1 and 2 items 1-3 and 12 of the Company's Articles of Association, the following is resolved:

### § 1

Rada Nadzorcza przyjmuje Sprawozdanie za rok obrotowy 2020, stanowiące załącznik do niniejszej uchwały oraz postanawia przedłożyć je Zwyczajnemu Walnemu Zgromadzeniu do zatwierdzenia.

### § 1

The Supervisory Board adopts the Report for the 2020 financial year, included in attachment hereto, and decides to submit it to the Annual General Meeting for approval.

*(English text of the resolution is the translation)*

1. Maciej Witucki

2. Ramon Fernandez

3. Marc Ricau

4. Henryka Bochniarz

5. Thierry Bonhomme

6. Eric Debroeck

7. John Russell Houlden

8. Marie-Noëlle Jégo-Laveissière

9. Michał Kleiber

10. Patrice Lambert de Diesbach

11. Monika Nachyła

12. Maria Paśło-Wiśniewska

13. Jean-Michel Thibaud

14. Jean-Marc Vignolles

***Attachment***

*to the Supervisory Board resolution  
no. 16/21 dated 19 May 2021*

# **THE SUPERVISORY BOARD'S REPORT**

## **for the 2020 financial year**

The Supervisory Board's report for the 2020 financial year includes:

- 1) letter from the Chairman of the Supervisory Board,
- 2) summary of the activity of the Supervisory Board of Orange Polska S.A. and its committees,
- 3) the appraisal of the Management Board's motions on distribution of the Orange Polska S.A. profit for the 2020 financial year and the profit from previous years, addressed to the Annual General Meeting,
- 4) the assessment of the Orange Polska Group's standing on a consolidated basis,
- 5) the assessment of the Group's system of internal control, risk management, compliance and internal audit,
- 6) the assessment of the compliance with the corporate governance principles and the manner of compliance with disclosure obligations,
- 7) the assessment of the rationality of the sponsorship and charity policy.

## Letter from the Chairman of the Supervisory Board

Dear stakeholders,

Last year was of course marked by the outbreak of the Covid-19 pandemic, and turned out to be extremely different from what anyone had expected. The crisis tested our Company's ability to adapt to dramatic, unexpected changes to external conditions. The Supervisory Board has been impressed with the way management coped with the situation, both immediately after the outbreak and later during the year. Remote work for about 10,000 employees was organised within just a few days, ensuring the continuity of all our business processes, and all services were provided to customers under the new Covid-safe regime without compromising on quality. Even though the pandemic negatively impacted our business all financial goals were achieved, with significant support from extraordinary mitigation measures. Key to these achievements were our strong organisational set-up, efficient business processes and highly motivated and skilled employees.

2020 was the last year of implementation of Orange.one strategy. I have no doubts it was a great success. We proved that constant declines of key financial metrics are not necessarily fatal, and we delivered a turnaround. The key enablers to this strategy were fibre, commercial strategy based on value, growth in ICT and big efficiency gains. We managed to diminish and offset the burden of legacy businesses, transforming Orange Polska into a modern digital telco. Based on these already strong fundamentals, it's time to refocus on profitable growth of revenues, rather than cost savings, as our primary driver of growth. I am convinced that this will be addressed by the new strategy that will soon be announced and implemented under our new CEO, Julien Ducarroz.

The pandemic showed that fast and reliable connectivity has become more essential than ever to the needs of consumers and businesses. It particularly validated the investments in network quality that have always been at the centre of our strategy. The proof of this statement is the joint-venture project Światłowód Inwestycje that Orange Polska has recently announced in the partnership with APG. On the one hand, it allows the Company to continue to explore market potential independent of Orange Polska's balance sheet; on the other, to obtain significant proceeds that will support the Company's future strategy. The Supervisory Board has been very enthusiastic about this endeavour.

During the last financial year, the Supervisory Board was involved in all decisions of fundamental significance for Orange Polska. We monitored the Management Board's governance in managing the business to ensure that these activities were lawful and compliant with legal provisions and internal standards and policies, as well as appropriate and efficient. At each meeting, the Supervisory Board discussed in detail the Company's current financial and operational results in comparison to the budget adopted at the beginning of the year. More details of the Supervisory Board's assessment of Orange Polska are presented further in this chapter.

The frequency of the Supervisory Board and its committees' meetings mean that we are in close contact with the Management Board. In 2020, six Supervisory Board meetings and 14 meetings of the Supervisory Board's committees took place, with an average participation rate of 96.3%. Written votes were used on four occasions when resolutions were required between meetings. To adjust to limitations imposed by the pandemic we have enabled shareholders to participate and vote during the General Meeting in a fully remote way.

Looking forward to 2021, in the opinion of Supervisory Board, the key strategic tasks for the management include execution of the Światłowód Inwestycje partnership, obtaining 5G spectrum and design, and announcement of the new strategy covering 2021-2024.

I am convinced that Orange Polska's strong fundamentals and the prudent actions of the Management Board supported by the Supervisory Board will enable the Company to sustain momentum in financial performance, and that in due course this success will be shared with shareholders in the form of dividends.

Maciej Witucki  
Chairman of the Supervisory Board

## I. REPORT ON THE ACTIVITY OF THE SUPERVISORY BOARD

### Composition of the Supervisory Board

Composition on 1 January 2020:

1. Maciej Witucki - Chairman
2. Gervais Pellissier - Deputy Chairman
3. Marc Ricau - Secretary
4. Dr. Henryka Bochniarz - Independent Board Member
5. Thierry Bonhomme - Board Member
6. Eric Debroeck - Board Member
7. Ramon Fernandez - Board Member
8. Prof. Michał Kleiber - Independent Board Member
9. John Russell Houlden - Independent Board Member and Chairman of the Audit Committee
10. Patrice Lambert de Diesbach - Board Member
11. Monika Nachyła - Independent Board Member
12. Dr. Maria Pasło-Wiśniewska - Independent Board Member
13. Jean-Michel Thibaud - Board Member
14. Jean-Marc Vignolles - Board Member and Chairman of the Strategy Committee

In 2020 the following changes occurred in the composition of the Supervisory Board:

- on 17 June 2020, the mandates of Mr. John Russell Houlden and Mr. Patrice Lambert - de Diesbach expired. On the same day, the Annual General Meeting appointed the following persons as Members of the Supervisory Board: Mr. John Russell Houlden (for another term of office), and Patrice Lambert - de Diesbach (for another term of office).
- on 20 October 2020, Mr. Gervais Pellissier resigned his position as Member of the Supervisory Board and Deputy Chairman of the Supervisory Board of Orange Polska. On the same day, the Supervisory Board appointed Ms. Marie-Noëlle Jégo-Laveissière as Member of the Supervisory Board of Orange Polska

Composition on 31 December 2020:

1. Maciej Witucki - Chairman
2. Ramon Fernandez - Deputy Chairman
3. Marc Ricau - Secretary
4. Dr. Henryka Bochniarz - Independent Board Member
5. Thierry Bonhomme - Board Member
6. Eric Debroeck - Board Member
8. Prof. Michał Kleiber - Independent Board Member
9. John Russell Houlden - Independent Board Member and Chairman of the Audit Committee
7. Marie-Noëlle Jégo-Laveissière - Board Member
10. Patrice Lambert de Diesbach - Board Member
11. Monika Nachyła - Independent Board Member
12. Dr. Maria Pasło-Wiśniewska - Independent Board Member and Chairman of the Remuneration Committee
13. Jean-Michel Thibaud - Board Member
14. Jean-Marc Vignolles - Board Member and Chairman of the Strategy Committee

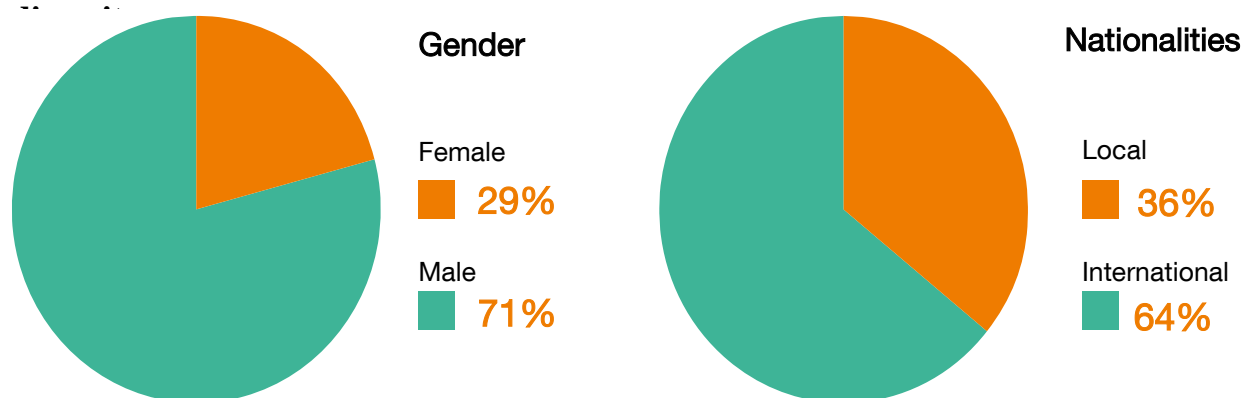
Five members of the Supervisory Board meet the independence criteria, namely: Dr. Henryka Bochniarz, John Russell Houlden, Prof. Michał Kleiber, Monika Nachyła and Dr. Maria Pasło-Wiśniewska.

The Supervisory Board assesses that there are no relationships or circumstances that may affect the independence of the above Supervisory Board members.

Seven members of the Supervisory Board have no actual and material relations with any shareholder who holds at least 5% of the total vote in the Company, namely: Maciej Witucki, Dr. Henryka Bochniarz, Thierry Bonhomme, John Russell Houlden, Prof. Michał Kleiber, Monika Nachyła and Dr. Maria Pasło-Wiśniewska.

#### Information about the members of the supervisory board in the context of diversity:

#### Supervisory Board



#### Committees

Three permanent committees operate within the Supervisory Board. Their composition was the following (as of 31 December 2020):

- 1) **Audit Committee:**  
 John Russell Houlden – Chairman  
 Monika Nachyła  
 Dr. Maria Pasło-Wiśniewska  
 Marc Ricau  
 Jean-Michel Thibaud
- 2) **Remuneration Committee:**  
 Dr. Maria Pasło-Wiśniewska – Chairwoman  
 Prof. Michał Kleiber  
 Marc Ricau  
 Jean-Marc Vignolles
- 3) **Strategy Committee:**  
 Jean-Marc Vignolles– Chairman  
 Dr Henryka Bochniarz  
 Thierry Bonhomme  
 Eric Debroeck  
 Patrice Lambert de Diesbach  
 Monika Nachyła  
 Dr. Maria Pasło-Wiśniewska

Mr. Maciej Witucki, Chairman of the Supervisory Board, and Mr. John Russell Houlden, Independent Board member and Chairman of the Audit Committee, participate in the meetings of the Strategy Committee on a permanent basis.

### The summary of the activity of the Supervisory Board and its committees in 2020

The Supervisory Board, acting in compliance with the provisions of the Commercial Companies Code and the Company's Articles of Association, exercised permanent supervision over the Company's operations in all fields of its activities.

In 2020 the Supervisory Board fulfilled its duties resulting from the provisions of the Commercial Companies Code including the appraisal of the Orange Polska financial statements, the Management Board's report on activity and the Management Board's motion on distributing the Company's profit for the 2019 financial year and filing with the General Meeting reports presenting the results of the above mentioned appraisals.

The Supervisory Board took due care to ensure that the Management Board's reports and the financial statements were in compliance with the law.

The Supervisory Board also executed its rights and obligations arising from the Company's Articles of Association and the Best Practice for GPW Listed Companies, of which the following should be mentioned:

- 1) expressing opinions on motions addressed to the General Meeting,
- 2) preparing opinion on Orange Polska S.A. and Orange Polska Group budget,
- 3) preparing the report on the Supervisory Board's activity in 2019 including the assessment of the Orange Polska Group's standing. the assessment of the Group's system of internal control, risk management, compliance and internal audit, the assessment of the compliance with disclosure obligations and the assessment of the rationality of the sponsorship and charity policy,
- 4) deciding on the composition of the Management Board and the evaluation of its performance.

Throughout 2020, the Supervisory Board mainly focused on the following issues:

#### a) implications of the pandemic

Supervisory Board closely monitored impact of the COVID-19 pandemic on operations of Orange Polska and management measures to cope with the unprecedented challenges. After the initial crisis the main focus was shifted to adjusting to the new situation and lessons learned after introduction of hybrid working model in the Company. The discussions also focused around implications of the pandemic to 2020 financial goals and Orange.one strategy. Supervisory Board highly appreciated extraordinary mitigating measures taken by the management that significantly contributed to Company's ability to meet 2020 goals. The measures concerned operating costs (mainly renegotiation of jubilee awards scheme and a renegotiation of certain elements of the 2020-2021 Social Agreement) and capex (necessary to offset much lower proceeds from real estate disposals as a result of freezing property market).

#### b) developments around 5G auction

Supervisory Board closely watched developments around 5G auction which was disturbed by the pandemic and caused the need for deep legal analysis of the situation. Following two rounds of market consultations long awaited 5G auction procedure was launched by the Regulator in March 2020. However on the back of legal uncertainties triggered by the pandemic-related legislations the auction was quickly suspended and then cancelled. Relevant for the future of this process was a change in the position of the head of the regulator than took place over the summer as well as draft of cybersecurity law that was published in September.



**c) acquisition of Craftware**

Supervisory Board gave its positive opinion on the acquisition of ICT company Craftware. This will further strengthen B2B operations and enable OPL entry into a fast growing market of CRM systems leveraging competencies already existing in our portfolio. An important argument for the Supervisory Board was good experience of acquisition of BlueSoft, which was successfully integrated and its financial performance has been exceeding expectations.

**d) monitoring of operating and financial results and budget realisation**

Supervisory Board on a constant basis monitored commercial and financial results and realisation of 2020 budget. This was especially important in the light of the challenges related to the impact of the pandemic. In particular it was analysed how the economic situation influences customer receivables collection.

**e) the Management Board composition**

On 6 February 2020, the Supervisory Board reappointed Mariusz Gaca, Jacek Kowalski and Maciej Nowohoński for the next term of office members of the Management Board. In accordance with the Best Practice for GPW Listed Companies, the renewals were made more than four months before the expiration of their terms of office. On 21 July 2020, the Supervisory Board appointed Julien Ducarroz for the President of the Management Board, effective on 1 September 2020 and appointed Jacek Kunicki as the Management Board Member.

The Supervisory Board met 6 times in 2020 and adopted 41 resolutions, of which 4 were in writing (by circulation). The attendance at the meetings was 95,7%.

The Supervisory Board regularly monitored the execution of its resolutions and recommendations, analysing the information presented by the Management Board.

The Supervisory Board formulated a number of recommendations, remarks and motions to the Management Board, referring to different aspects of the Company's operations.

The Supervisory Board used in its operations opinions of its Committees (the Audit Committee, the Remuneration Committee and the Strategy Committee), wherever applicable.

During discussing specific matters at the meeting, the Chairpersons of the committees presented appropriate recommendations and proposals for decisions to the Supervisory Board. In addition, the Supervisory Board regularly receives the minutes from the committees' meetings.

The committees of the Supervisory Board received relevant and reliable information and reports from the Management Board on time, enabling them to carry out their tasks in 2020.

The reports of the three permanent committees of the Supervisory Board on their activities in 2020 are attached hereto.

The tasks and the principles of the operation of the Supervisory Board and its permanent committees are defined in the Regulations of the Supervisory Board which are available on the Company's website.

**Self-assessment of the work of the Supervisory Board**

The Supervisory Board evaluates that:

- Supervisory Board members act in the interest of Orange Polska and the Orange Polska Capital Group and follow their independent opinions and judgement,
- extensive business experience, often supported by many years of professional practice, comprehensive knowledge in various fields and personal competence of the Supervisory Board's members as well as the diversified composition, organisation and operation of the Supervisory Board and its committees allowed for effective supervision over the activities of Orange Polska,

- in addition, the activities of the permanent Supervisory Board's committees have significantly contributed to the efficient and effective supervision over the key areas of Orange Polska's activities,
- properly and with due care performed its duties in 2020.

Detailed bios and professional profiles of members of the Supervisory Board are posted on the Company's website.

## **II. APPRAISAL OF THE MANAGEMENT BOARD'S MOTIONS ADDRESSED TO THE ANNUAL GENERAL MEETING**

The Company's Supervisory Board, acting pursuant to provisions of article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Company's Articles of Association, by the resolution No. 2/21 dated 16 February 2021, assessed:

- 1) the IFRS separate financial statements of Orange Polska S.A. for 2020 financial year;
- 2) the Management Board's report on the activity of Orange Polska Group and Orange Polska S.A. for 2020,
- 3) the IFRS consolidated financial statements for 2020.

Moreover, the Supervisory Board has reviewed and assessed:

- 1) resolution No. 30/O/21 of the Company's Management Board dated 19 May 2021 on the Management Board's motion on distribution of the Orange Polska S.A. profit for the 2020 financial year,
- 2) resolution No. 31/O/21 of the Company's Management Board dated 19 May 2021 on the Management Board's motion on distribution of the Orange Polska S.A. profit from previous years.

Having analysed the above mentioned documents and taking into consideration the independent auditor's reports on the audit of the annual separate and consolidated financial statements for the year ended 31 December 2020, the Supervisory Board recommends the Annual General Meeting:

1. to approve the Orange Polska S.A. IFRS separate financial statements for the year ended 31 December 2020;
2. to adopt a resolution on distribution of the Orange Polska S.A. profit for the 2020 financial year according to the motion of the Management Board included in the resolution 30/O/21;
3. to adopt a resolution on distribution of the Orange Polska S.A. profit from previous years, according to the motion of the Management Board included in the resolution 31/O/21;
4. to approve Orange Polska Group and Orange Polska S.A. Management Board's report on the activity for the year ended 31 December 2020,
5. to approve the Orange Polska Group IFRS consolidated financial statements for the year ended 31 December 2020,
6. to grant approval of the performance by the members of the Management Board of Orange Polska S.A. of their duties in 2020.

## **III. ASSESSMENT OF ORANGE POLSKA GROUP'S STANDING ON CONSOLIDATED BASIS**

This section contains the Supervisory Board assessment of the Orange Polska Group's performance in 2020 in accordance with the recommendation no. II.Z.10.1 of the Best Practice for GPW Listed Companies, introduced by the Warsaw Stock Exchange. The assessment is based on the 2020 financial results of the Group (the Company and its subsidiaries) as well as on the information obtained by the Supervisory Board in conducting its statutory tasks.

The Supervisory Board, through the work of its committees and all its members (including independent members), was actively engaged in the process of evaluating of the most important initiatives, having in mind the interest of all the Group's stakeholders, including shareholders. In addition, it maintained oversight of the Group's operational and financial goals through management reporting at its quarterly meetings, and was able, through the Audit Committee, to oversee the accuracy of financial reporting and the functioning of the internal control and risk management system.

### Group's Operational Review

The Group's key goals in 2020 were:

- maintaining the priorities set out in the Orange.one strategy
- fulfilment of published financial forecasts and expectations regarding revenue growth and EBITDAaL
- implementation of commercial plans that reflect a value creation-based approach to both the individual and business client market
- further monetisation of investments in fibre optic network
- further development of the fibre optic network within the Digital Poland Operational Program (POPC)
- further business transformation, including cost reduction initiatives to increase business efficiency
- introduction of further improvements in customer experience management to constantly increase customer satisfaction and loyalty
- preparations to invest in the 5G network, including acquiring new frequencies that will be the subject of the auction
- preparation of a new strategy for 2021-2023 and its announcement in due time.

2020 was obviously a year marked by the Covid-19 pandemic. The management reacted very swiftly, organising remote work for around 10,000 employees within just a few days, ensuring continuation of all business processes without disruption and focusing on the safety of employees and customers. Although our operations proved relatively resilient to the pandemic the business was negatively affected creating additional challenges to meeting full-year targets.

The company delivered on all of its financial goals which was significantly helped by special mitigating measures launched by the management. An important implication of the pandemic that was discussed by the Management Board and Supervisory Board was development of a new working model based on a hybrid formula. Its design engaged all employees. It requires the development of various new digital skills and new tools in our offices, but will contribute to optimisation of our office space after the pandemic.

A key topic for the Supervisory Board in 2020 was the situation regarding the auction for 5G C-Band spectrum. Unexpectedly the auction procedure, already in progress, was annulled in April by the regulator which resulted in some legal uncertainties. The Management Board kept the Supervisory Board informed on various aspects of this situation. Two further changes will prove relevant to the future of this process: the appointment of a new head of the regulator in the summer of 2020, and draft cybersecurity law that was published in September. The latter was important in the context of future selection of vendors for the 5G network rollout. Eyeing significant delay in C-Band spectrum distribution the management decided to launch 5G on 2.1GHz spectrum that is also used for 4G technology. In line with the value strategy, a 5G option became available only in the high-end tariffs.

The Supervisory Board also approved acquisition of Craftware. It shared Management Board view that Craftware is an appropriate target given its premiere exposure to the fast growing market of connected CRM and given expected scale of synergies with OPL existing ICT competencies. An important argument was the positive experience in the acquisition of BlueSoft (made in 2019), which was successfully integrated, with its financial performance exceeding expectations.

The Supervisory Board was interested in the Management Board's view regarding potential changes in the competitive environment in Poland following acquisition of Play by Iliad and announced plans of expansion in fixed broadband and convergence.

The Supervisory Board also followed the Management Board's views regarding further expansion of the fibre footprint. It shared the views about further market potential especially given strong demand for high-speed Internet among customers and significant value-creation potential for the Company. The track record so far indicates that fibre generates an attractive return on investment significantly above WACC.

2020 was the last year of Orange.one strategy implementation. The Supervisory Board shared management's view that the strategy was a great success. Orange Polska has considerably improved its market position in all key segments of the market, and has become a much more efficient operator. The crucial elements to this success were investments in the fibre network, which support the convergent strategy and provide for the Company's long-term competitive advantage. The Company has met all its financial goals set in the strategy, reversing prolonged negative trends and returning to sustainable growth. At the end of 2020, the Company was ranked the #number-one operator in terms of customer satisfaction, which had also been the strategic ambition. The highest ever absolute level of NPS is a consequence of our prolonged and consistent efforts to improve all the elements of the 'customer journey', from network connectivity to portfolio structure, sales and customer care.

### Financial standing of the Group

The Management Board kept the Supervisory Board informed of the financial results. The Audit Committee of the Supervisory Board supervised the reliability of financial reporting on an ongoing basis and presented its opinions to the Supervisory Board before publication of the results for individual reporting periods.

The Group met its financial goals for 2020 despite unprecedented challenges resulting from the Covid-19 pandemic. EBITDAaL increased by almost 3%, marking a third year of consecutive growth, significantly helped by the exceptional efforts with respect to cost savings which offset the negative financial impacts of the pandemic stemming from roaming and risk provisions. Revenue dynamics were positive for the second year in a row, helped by a strong year-end, mainly in the ICT area.

In the opinion of the Supervisory Board it is especially worth noting that revenues from key telecom services, which are essential to margin generation, (combining convergence, mobile and fixed broadband) more than doubled to 2,9% in terms of growth rate. This trend was driven by the Company's focus on value, combining strong customer volumes and improving trends in ARPO and was achieved despite significant drop in roaming revenues due to the pandemic.

Net profit in 2020 amounted to PLN 46 million versus PLN 82 million in 2019. The drop resulted from much lower gains on sale of assets, slightly higher depreciation (due to network investments) and financial costs being affected by foreign exchange losses.

Organic cash flow in 2020 amounted to PLN 642 million, which was PLN 95 million below the level generated in 2019. However excluding PLN 440 million lower cash proceeds from sale of assets (an outcome of record high real estate sales in 2019 versus a pandemic-related market slowdown in 2020) level of cash generated was PLN 345 million better than the year before. This is due to the growth of EBITDAaL, higher working capital release and lower cash capex.

Increased EBITDAaL on one hand and improved level of cash generated on the other led to a decrease of the debt indicator net debt / EBITDAaL down to 2.0x (from 2.2x), which was one of the targets the Supervisory Board set for the Management Board.

In 2020, the Group did not pay a dividend, which the Supervisory Board assessed as a positive decision. As in the previous three years, this decision was dictated by the perspective of business challenges, in particular the need for maximum allocation of funds for strategic investment projects: fibre optic network and new frequencies for 5G technology.

## Conclusions and recommendations for 2021

The Group has met its operational and financial goals for 2020 thanks to consistent implementation of the strategy, value orientation, comprehensive business transformation and significant measures taken by the management to mitigate negative impacts of the pandemic. The Group has successfully completed implementation of Orange.one strategy building a company that is structurally better prepared for future competitive challenges and business opportunities, and which is able to grow in a sustainable way. In 2021, Orange Polska will focus on development on the new strategy and its presentation to the financial community in 2Q 2021.

The Supervisory Board shares the Management Board's opinion that in 2021 the Group should focus its operations in particular on the following key aspects:

- Sustaining strong commercial momentum with special focus on fibre, convergence and B2B
- Execution on FiberCo project
- Covid-19 impact management including plan for new operating model after the pandemic
- Acquisition of 5G spectrum
- Further cost transformation with special focus on automation and digital customer interactions
- Increased focus on digital and Green including finalisation of first projects contributing to increasing energy consumption from renewable sources
- Fulfilment of published financial forecasts and expectations regarding revenue growth and EBITDAaL
- Preparation of a new strategy for 2021-2024 and its announcement in due time.

## IV. ASSESSMENT OF THE GROUP'S INTERNAL CONTROL, RISK MANAGEMENT, COMPLIANCE AND INTERNAL AUDIT

The Supervisory Board is responsible for reviewing the effectiveness of the Group's system of internal control and risk management designed and established by the Management Board, as well as the compliance system and the Internal Audit function.

This system facilitates management of the risk of failure to achieve business objectives and provides reasonable assurance against material misstatement or loss, (Risk management does not mean the full elimination of risk, but provides for better risk identification and the implementation of adequate measures as needed). The relevant processes are designed to give reasonable assurance that the risks significant to the Group are identified and addressed, but such assurances can never be absolute.

The Company continuously monitors the evolution of the control environment. It ensures that all significant changes are sufficiently controlled and any identified deficiencies in the internal control system are addressed with action plans. On a quarterly basis, the internal control system is monitored in a self-assessment tool implemented by the Company and, in addition senior managers certify the effectiveness of the internal controls. On a yearly basis, the controls are subject to testing by the internal control team, internal and external auditors, and the results are reported to the Audit Committee.

The key elements of the system of internal control, including risk management, were presented in the Management Board's Report on the Activity of the Group for 2020, published on 17 February 2021.

In 2020, the Company again completed a comprehensive assessment of its processes of internal control over financial reporting. Main deficiencies both in design and in effectiveness of internal control have been identified and corrected, or appropriate action points have been launched. As a result of the assessment, the Management concluded that there were no weaknesses that would materially impact the internal controls and financial reporting at 31 December 2020.

Both the internal and external auditors report to the Management Board and also to the Audit Committee on control deficiencies which they identified during their audit. Their recommendations are being implemented.

The most important risks are updated annually by the Management Board and presented to the Supervisory Board.

Matters related to compliance are being reported to the Audit Committee of the Supervisory Board in the following areas: ethics, general compliance with laws and regulations, anti-fraud, security and anti-corruption measures related with Anti-Corruption Policy that puts forward zero-tolerance rule towards corruption. The Compliance function carries out activities ensuring adjustment of Company's internal regulations and mechanisms to, among others, the Group's requirements in the scope of current anti-corruption regulations.

Orange Polska anti-corruption policy, complemented with detailed internal regulations, defines the required standards for employees' conduct. On the basis of relevant provisions of the policy, potential consequences are determined in cases of violation of anti-corruption procedures. Under the due diligence process, verification of current and future business partners is conducted with regard to threats related to corruption, fraud, non-compliance with economic sanctions, money laundering and financing of terrorism. The Compliance Management function conducts cyclic reviews of corruption risks, also taking into account control mechanisms and appropriate preventive measures.

Orange Polska employees and stakeholders may use dedicated channels to report their concerns or to ask for advice if they suspect a conflict of interests, bribery or any infringement of internal regulations of the Group or of other regulations of the law. Persons reporting irregularities can do so without fear of negative consequences.

Dedicated training sessions taking into account the exposure of individual areas of OPL to the risk of corruption and communication activities aim to constantly increase knowledge and build employees awareness. OPL also conducts regular reviews in this area, makes necessary improvements and monitors the correctness of payments made.

Activities of Compliance Management function, the results of planned inspections, as well as the results of inspections initiated by notification of irregularities (whistle -blowing) are monitored on the basis of reports submitted periodically. Applied actions and mechanisms are ensuring the effectiveness of Compliance function and maintenance of Group's anti-corruption regulations standards.

The Supervisory Board is presented on annual basis also with information on the implementation and effectiveness of the compliance program, related to the fight against corruption including the risk map as well as the corresponding action plan for the coming year.

The internal audit function, which reports directly to the President of the Management Board, ensures objective and independent assessment of the adequacy, effectiveness and quality of the Group's internal controls. The internal audit works in accordance with a charter approved by the Audit Committee, which also reviews annual internal audit program and analyses the Orange Polska's Internal Audit reports.

## **V. ASSESSMENT OF THE COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES AND THE MANNER OF COMPLIANCE WITH THE RELATED DISCLOSURE OBLIGATIONS**

This section contains the Supervisory Board assessment of the Company's performance of its obligations concerning compliance with the corporate governance principles as defined in the Exchange Rules, and with the regulations on current and periodic reports published by issuers of securities in 2020 in accordance with recommendation no. II.Z.10.3 of the Best Practice for GPW Listed Companies.

Orange Polska as an issuer of shares admitted to trading on a regulated market is obliged to follow the rules of the Best Practice for GPW Listed Companies. Orange Polska accomplished its information



duties concerning compliance with the corporate governance principles defined in the GPW Regulations and the regulations on current and periodic reports published by issuers of securities.

The publication of current reports regarding the application of detailed Corporate Governance rules is governed by the Resolution of the WSE Board (no. 1309/2015) dated 17.12.2015. According to the WSE regulations when a given rule is not applied in a consistent way or is broken incidentally, the Company is obliged to publish a report on its web site in the analogical way as it is applied for a publication of current reports. Reports concerning the application of detailed rules of the corporate governance are passed by means of EBI (Electronic Basis of Information). The decree of the Minister of Finance dated 29 March 2018 defines which information should be mentioned in the declaration on the application of the Corporate Governance constituting a separate part of the Management Board report about the activity of the Company.

The Supervisory Board analysed the declaration about the application of Corporate Governance included in the Management Board report about the activity of Orange Polska S.A. and the Orange Polska Group in 2020. This declaration defines in a detailed way the issues concerning Corporate Governance and contains the information from the decree of the Minister of Finance dated 29 March 2018 on the current and periodic information passed by issuers of securities and on conditions of the consideration as equal of the information required by the law of a state which is not a member.

In the above-mentioned declaration the Management Board described the application of all rules and recommendations of Best Practice for Warsaw Stock Exchange Listed Companies and this is welcomed by the Supervisory Board.

In accordance with the principle I.Z.1. of the Best Practice, Orange Polska runs a website in Polish and English, on which the Company publishes all provided by law and best practice documents and information required by law and best practice, including information on the Company's application of principles and recommendations contained in the Best Practice for GPW Listed Companies.

In the Supervisory Board's opinion, the information provided by Orange Polska is in line with the requirements and honestly follows the rules of the Corporate Governance and the Company duly fulfils its disclosure obligations relating to the application of Corporate Governance principles set out in the Warsaw Stock Exchange Rules and regulations on current and periodic information.

## **VI. ASSESSMENT OF THE RATIONALITY OF THE SPONSORSHIP AND CHARITY POLICY**

This section contains the Supervisory Board assessment of the compliance and rationality of the Group's sponsorship and charity policy in 2020 with recommendation no. II.Z.10.4 of Best Practice for GPW Listed Companies.

The Supervisory Board analysed the amounts expensed by Orange Polska Group in support of culture, sports, charities, the media, social organisations, trade unions, etc. in 2020.

The Supervisory Board states that the sponsorship strategy led by the Company and focused in 2020 on music as the main area supporting the brand brought the appropriate financial and marketing efficiency, although it was curtailed by the Covid-19 pandemic. According to the adopted strategy, in the strategic sponsorship area Orange Polska creates complex long-term projects across the whole of Poland. The projects, in which Orange Polska acts as titular or main sponsor, address the largest possible group of its clients (present and potential).

The Supervisory Board appreciates the charity activity led by Orange Polska in both forms – one led by the Donations' Fund and the other led by the Orange Foundation (created by the Company). The Orange Foundation acts for the modern education of children and youth. Through creative initiatives, Foundation encourages young people to acquire knowledge, participate in culture, and build communities using new technologies.

## **REPORT**

### **on the 2020 activities of the Audit Committee of the Orange Polska S.A. Supervisory Board**

The Audit Committee was established by virtue of the resolution of the Supervisory Board no. 324/V/2002 dated June 14, 2002 regarding the establishment of the Audit Committee as a consultative body acting under the Supervisory Board.

The role of the Committee is to review the integrity of the financial information reported externally, the independence and objectivity of the external auditors of Orange Polska (the "Company", "OPL") and Orange Polska Group (the "Group"), the nature and scope of the audit and the auditors' work as well as internal audit, internal control and risk management systems and significant transactions with related parties, and to advise the Supervisory Board on these issues as appropriate.

#### **Audit committee members**

1. John Russell Houlden – Chairman ("Independent Director")
2. Dr Maria Pasło-Wiśniewska ("Independent Director")
3. Marc Ricau
4. Monika Nachyła ("Independent Director")
5. Jean-Michel Thibaud

The Audit Committee is chaired by Mr. John Russell Houlden, an Independent Director of the Supervisory Board. He has relevant experience and/or qualifications in finance, accounting and audit. Other Independent Directors of the Committee are Dr Maria Pasło-Wiśniewska and Monika Nachyła.

#### **CORPORATE GOVERNANCE**

##### **Letter from the Chairman of the Audit Committee**

Dear Shareholder,

I am pleased to attach my report on the activities of the Audit Committee over the past 12 months.

One of the most important considerations of the Audit Committee in 2020 was monitoring the impact of the Covid-19 pandemic on the Company as well as on the Polish economy. In particular, the Audit Committee monitored the way in which that impact was reflected in the Company's financial reporting and its communication to the market. The Audit Committee received periodic reports on the Covid-19 impact and had regular discussions with Management in this regard. The Audit Committee also received an internal audit review of the impact of Covid-19 on the internal control environment. The Audit Committee is satisfied with the way that the Covid-19 impact is reflected in the Company's financial information as well as its external communication.

The Audit Committee finalised the auditor selection process and recommended the reappointment of Ernst & Young as the auditor for 2020 and KPMG for the years 2021-2025.



In 2020, a significant part of the Audit Committee's activities related to monitoring the implementation of changes to International Financial Reporting Standard 16 (Leases) with regard to the approach to cancellable leases and lease period valuation resulting from the interpretation of the International Financial Reporting Interpretations Committee (IFRIC) issued in December 2019. The Audit Committee thoroughly reviewed the manner of implementation proposed by Management and discussed with Management as well as the auditor the judgments and estimates which were made and the reasons behind them. The Audit Committee is satisfied that the Company has implemented the standard in an appropriate way.

One of the main responsibilities of the Audit Committee is to ensure proper financial reporting by the Company and the Group. As part of this, we review all significant accounting judgments and estimates proposed by Management. In addition to monitoring the Covid-19 impact and IFRS 16 implementation as mentioned above, the most significant areas requiring the exercise of judgement were those regarding the presentation of financial figures and disclosures related to the acquisition of Craftware. The Audit Committee also reviewed the impairment analysis results.

The Audit Committee has also been involved in reviewing internal control and compliance, the risk management processes and the external audit of the Company and Group financial statements. In particular, the Audit Committee worked to ensure the independence of both the external auditor and internal audit team, and had private meetings with the external auditor and the head of the Company's internal audit team to give them an opportunity to discuss any issues which may have arisen in their interactions with Management.

Last, but not least, the Independent Directors on the Audit Committee reviewed and, when necessary, challenged the terms of significant transactions with related parties including, in particular, the majority shareholder, Orange S.A.

A more detailed summary of the activities of the Audit Committee is presented below.

### **Russ Houlden**

Chairman of the Audit Committee

### **Main responsibilities of the committee**

The key functions of the Audit Committee are specified in its Terms of Reference attached to the Regulations of the Supervisory Board and include but are not limited to (i) monitoring the integrity of the financial information reported externally, (ii) reviewing the Group's internal control and risk management systems, (iii) reviewing plans for internal audit and their reports, (iv) reviewing and giving opinions on significant transactions with related parties, (v) recommending the selection and re-appointment of the audit firm, (vi) monitoring the independence and objectivity of the Company's external auditors, the nature and scope of the audit and monitoring the auditors' work, (vii) giving the Supervisory Board recommendations to ensure the faithful representation and relevance of the financial reporting process in the Company and the Group.

The Committee must consist of at least three members, the majority of whom, including the Chairman, are independent of the Company. The Audit Committee must meet (physically or virtually) at least on a quarterly basis before the publication of the financial statements.

The Audit Committee held six meetings in 2020. The meetings were generally attended by the Chief Executive Officer, Chief Financial Officer, as well Internal Audit Director. Other members of the Management Board, Executive Directors and other managers and invited guests attended

the meetings when appropriate. The meetings were also attended by representatives of the Company's external auditor, Ernst & Young.

### **Our approach to monitoring the financial reporting process**

As required by law, the Audit Committee monitored the process of financial reporting. The goal of the Audit Committee was to assess and provide advice to the Supervisory Board on whether the financial statements as well as the Management report on the Company's operations, taken as a whole, secured faithful representation and relevance of the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Audit Committee reviewed the quarterly and annual financial statements. The Committee reviewed also Orange Polska Group's strategic plan as well as budgets. The aim of the review was to ensure that the key messages being followed in the annual and periodic reports were aligned with the Company's position, performance and strategy and that the narrative sections of the reports were consistent with the financial statements. In order to assess that the reports and the financial statements secured faithful representation and relevance of the information, the Audit Committee also reviewed reports on financial performance of the Company, accounting policies and procedures, accounting estimates and judgments, one-off items as well as market guidance and Orange Polska Group's performance against the budget and other information with the aim to assess the Company's position and performance. The Audit Committee was satisfied that all the key events and issues which had been reported by the Management Board during the year, both good and bad, had been adequately referenced or reflected within the annual report.

In 2020, as a result of significant changes in accounting standards, the Committee gave special attention to Alternative Performance Measures (APMs) to make sure that the new APMs reported by the Orange Polska Group were in line with the ESMA guidelines, relevant and understandable to shareholders and reflected properly the way in which the Management Board manages the operations of the Orange Polska Group.

The auditor was regularly participating in the meetings of the Audit Committee and gave its view on issues significant from an accounting perspective as they arose during the year. Subsequently, the auditor presented, and the Audit Committee reviewed and where appropriate discussed with the auditor, the additional report prepared as required by the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

### **Our approach to monitoring the performance of the auditor**

The Audit Committee is responsible for the relationship with the external auditor and that role involves examining the effectiveness of the audit process as well as the independence of the auditor. The auditor is Ernst & Young and 2020 was the sixth year of Ernst & Young being the auditor of the Orange Polska Group. The reappointment of Ernst & Young for a sixth year was authorised by the Financial Supervisory Authority as required by law.

The Audit Committee reviewed the external auditor's proposed audit plan for 2020 including key auditing matters to be focused on, the materiality level set for audit testing and schedule of planned works and reporting along with planned interactions with the Audit Committee. Subsequently, the Audit Committee reviewed and discussed the auditor's recommendations, observations and comments on key areas requiring special consideration taking into account also the views of the Management Board on those issues. The key auditing personnel participated in the meetings of the Audit Committee to allow for discussion of all issues as they arose during the year. Also, private meetings with the auditor were held

by the Audit Committee to ensure open and transparent discussion between the auditor and the Audit Committee without the presence of the Management Board. The Audit Committee monitored the progress of the audit and its quality against the audit plan throughout the year.

In order to assess the performance and independence of the auditor as well as generally the relationship with the auditor feedback was sought from all members of the Audit Committee, the Management Board, key members of the senior management team and those who have regular contact with the auditor. The feedback was collated and presented to the Audit Committee in July 2020. The Audit Committee also asked the auditor for its feedback on the co-operation with the Company. The conclusions were discussed and it was noted that over previous periods the co-operation, had improved significantly and so there were now no issues requiring special attention.

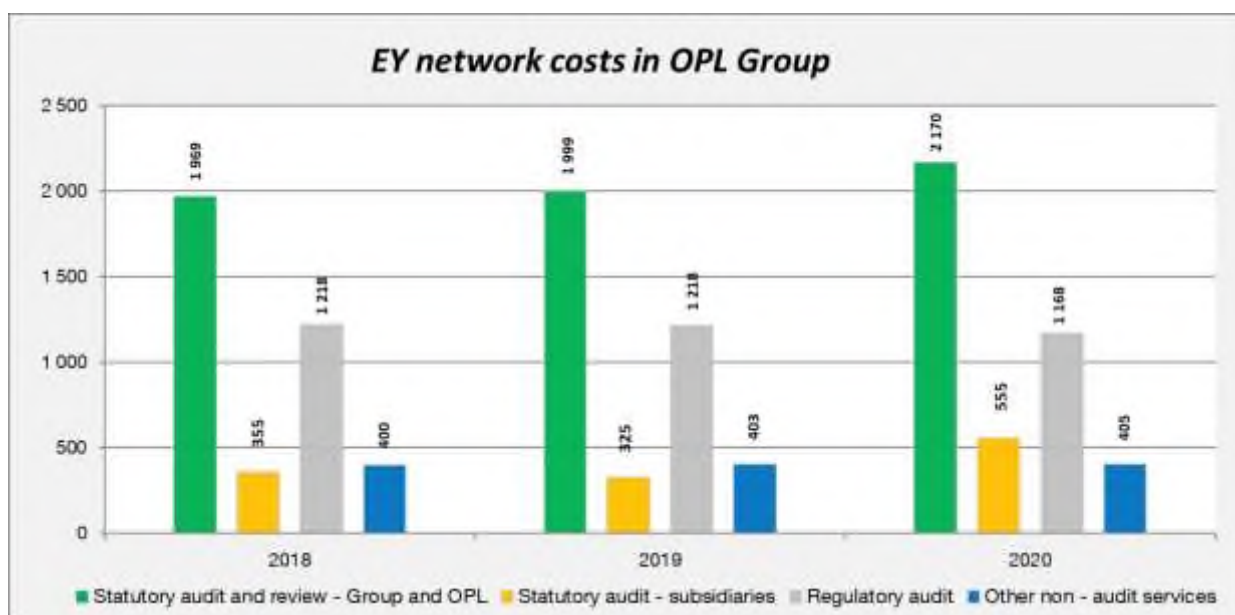
In summary, the Audit Committee concluded that the overall external audit process and services were effective and met the Group's high audit quality requirements.

### **Our approach to assessing the independence of the external auditor**

There are three aspects to auditor independence that the Audit Committee monitors to ensure the external auditor remains independent of the Company.

First, in assessing the independence of the auditor from the Company, the Audit Committee takes into account the information and assurances provided by the auditor. The Audit Committee received the auditor's statement on independence made in accordance with the Polish Act on Auditors of 11 May 2017 (Polish Audit Act) and the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Audit Regulation).

Second, the Audit Committee reviews the proportion of the value of non-audit services rendered by the auditor or its affiliated entities and the audit fees. As required by law, the Company has a Policy on the provision of authorised non-audit services by the audit firm and its affiliated entities. Following the Policy all authorised non-audit services should be approved in advance by the Audit Committee taking into account their potential influence on the independence of the auditor. Also, any non-audit service allowed by the law requires prior consent from the Audit Committee. According to the relevant law as well as the Policy, authorised non-audit services are subject to a fee cap of no more than 70 per cent of the average annual statutory audit fee for the three consecutive financial years preceding the year in which the cap will apply. The 70% rule has been applicable since 17 June 2016 under the Audit Regulation. Management provides the Audit Committee with information on the value of non-audit services compared to the average statutory audit fee presenting data for the previous three years. Non audit services provided by Ernst & Young were 17% of the audit fee in 2020, similar to 2019. Ernst & Young provides also a regulatory audit relating to the costs of regulated services rendered by the Company. That audit is commissioned by the regulator but its costs are borne by the Company. The costs of regulatory audit are also shown in the chart below.



Third, the feedback questionnaire referred to in the previous section included questions relating to the independence of the audit firm and individuals in the audit staff. There was no case of auditor's independence threat observed and reported by the respondents.

Taking into account all aspects described above the Audit Committee was satisfied that the auditor continues to be independent.

#### Recommendation on the appointment of the statutory auditor

The Company, around the same time as the Orange SA Group, last undertook a formal tender process for statutory audit services in 2014. The tender process for the Company was separate from the tender process for the Orange SA Group. Based on the tender, Ernst & Young was selected as an auditor of the Company and independently Ernst & Young was also selected as one of two auditors of the Orange SA Group. Ernst & Young presented their first audit report of the Orange Polska Group for the year ended 31 December 2015.

In 2017, based on the Polish Audit Act and Audit Regulation, a new Policy on the audit firm's selection was adopted by the Supervisory Board of the Company. The Policy formalised most of the requirements which were already followed by the Company but a new requirement was the time limitation for the appointment of an auditor to 5 consecutive years (with certain exceptions). The year 2019 was the fifth year of Ernst & Young acting as the statutory auditor of the Company. Ernst & Young was eligible to be reappointed for another year only in exceptional circumstances based upon consent of the Financial Supervisory Authority.

In 2019, the Company launched the tenders for statutory audit service for 2020 (if Ernst & Young turned out to have submitted the best offer) or 2020-2021 (if another company have submitted the best offer as it is not possible to appoint a new auditor for less than two years) and also for the following five year period. The Audit Committee Chairman monitored the process of the audit firm's selection and actively participated in this process, including discussions with the Financial Supervisory Authority.

As regards the year 2020, the offer of Ernst & Young was assessed to be the best based on a high quality audit team, the knowledge of the Polish telecom market and also the knowledge of the Orange Polska Group. Therefore, the Company applied to the Financial Supervisory Authority for its consent for Ernst &

Young being reappointed for another year explaining its high quality auditing standards and the special situation facing the Group in the year 2020 being, among others, the last year of implementation of its long term strategic plan and the number and diversity of lease contracts to be assessed in response to the December 2019 decision of IFRIC. In January 2020, the Financial Supervisory Authority issued its consent and the Audit Committee recommended to the Supervisory Board the reappointment of Ernst & Young as the statutory auditor for 2020.

As regards the following five year period, the offers of KPMG and Deloitte both met the Group's high audit quality standards and were similarly priced. The Audit Committee selected KPMG partly because of the high quality of the audit team proposed and partly to provide a fresh view of the audit given that KPMG, unlike Deloitte, had not audited the Group in the last decade. As a result, the Audit Committee recommended to the Supervisory Board KPMG as the auditor for the years 2021-2025.

The Supervisory Board followed both recommendations of the Audit Committee.

### **Significant issues considered by the Audit Committee in relation to the financial statements and how these were addressed**

In relation to the Group's financial statements, the Audit Committee reviewed the following principal areas of judgement:

- 1) Covid-19 pandemic. As a result of the Covid-19 pandemic, the year 2020 was a turbulent period for the worldwide economy and businesses. The Company was no exception and its business has been and continues to be affected generally by the crisis and specifically by some of the restrictions aimed at slowing the pace of the pandemic within Poland. The Audit Committee reviewed the Company's approach to the analysis of the Covid-19 impact on its financial statements and the results of the analysis. The Audit Committee paid special attention to the impact on the Company's financial plans and impairment tests, bad debt allowance calculation, valuations based on interest rates and foreign exchange rates, as well as all other potentially affected areas including provisions and commitments;
- 2) The Group's key judgments and estimates relating to significant one-off transactions such as:
  - a) Acquisition of Craftware, a company operating in the area of analysis, design and implementation of customer relationship management (CRM) systems. The Audit Committee focused on the recognition and valuation of the assets and treatment of post-transaction services;
  - b) Amendment to the Collective Labour Agreement. The Audit Committee focused on the impact of the amendment on the value of the related provision and on the income statement;
- 3) New accounting standard IFRS 16. The new standard was implemented by the Company in 2019 but, in December 2019, IFRIC issued an interpretation which necessitated a significant change to the accounting policy adopted in 2019 regarding cancellable leases and their lease period valuation;
- 4) Management's assessment of risks relating to claims and litigation, tax proceedings as well as other matters and the level of related provisions or decisions on the lack of provisions;
- 5) Approach to immaterial errors identified in 2020;
- 6) Impairment indicators and impairment test prepared by Management as well as goodwill recognition and deferred tax recoverability;
- 7) Management's assessment of the length of the economic useful life of assets;
- 8) Disclosures in the Financial Statements and Management Report relating to new matters
- 9) Distributable capital calculation.

## Internal control

Management implements internal controls at various levels of the organisation. The scope of these controls includes, but is not limited to, transactional level controls, line managers' or corporate reviews, trend analysis, reconciliation controls and entity level controls. The aim is to provide reasonable assurance in safeguarding assets, detecting errors, the accuracy and completeness of accounting records, and the overall reliability of the financial statements. The Company continuously monitors the evolution of the control environment. It ensures that all significant changes are sufficiently controlled and any identified deficiencies in the internal control system are addressed with action plans. On a quarterly basis, the internal control system is monitored in a self-assessment tool implemented by the Company and, in addition, senior managers certify the effectiveness of the internal controls in their areas of responsibility. On a yearly basis, the controls are subject to testing by the internal control team, internal and external auditors, and the results are reported to the Audit Committee.

The Audit Committee received reports from Management on the internal control system, and monitored the appropriateness of the "control culture" as well as the way risks were identified, managed and disclosed. The Committee also reviewed reports from Management on implementation of actions in response to comments on internal controls from the internal and external auditors. In addition, the Audit Committee received assurance from management after completion of a yearly comprehensive assessment of Orange Polska Group's internal controls over financial reporting. All deficiencies identified were corrected or appropriate action points have been adopted. Management concluded that there were no weaknesses that would materially impact internal control over financial reporting in the year ended 31 December 2020 and the Audit Committee was satisfied that Management's conclusion was reasonable in light of the reports it had received.

## Internal audit function and assessing the effectiveness of the internal audit function

The Internal Audit function provides the Audit Committee, the Management Board and senior management with independent and objective assurance and advice on governance, risk management and internal control. It assists the organisation in reaching its objectives by systematically and methodically evaluating its processes, risk management and internal control system.

In addition to reviewing the effectiveness of these areas and reporting on aspects of the Orange Polska Group's compliance with them, Internal Audit makes recommendations to address any key issues and improve processes. Once any recommendations are agreed with management, Internal Audit monitors their implementation and reports to the Audit Committee on progress made at every meeting.

Internal Audit considers all of Orange Polska Group's activities, and reports to the Audit Committee, and to the Management Board President. The Director of Internal Audit attends all scheduled meetings of the Audit Committee, and also has the power to raise any matters with the members of the Committee without the presence of management.

Internal Audit responsibilities are clearly defined and approved as stated in the internal audit charter which is reviewed and approved annually by the Audit Committee. The Internal Audit function acts in conformity with the Standards for the professional practice of Internal Auditing and the Code of Ethics issued by the Institute of Internal Auditors (IIA). Internal Audit plans are drawn up annually and take account of risk assessment, changing business needs and issues raised by management, follow-up on prior audit findings and cyclical review planning. The approach also builds reserved hours into the plan for ad-hoc, specially requested audits, and for urgent audit issues that arise throughout the year. The annual plan of Internal Audit approved by the Management Board President and then submitted for review of the Audit



Committee. Progress against the annual Internal Audit plan, is monitored and regularly reported to the Audit Committee.

In the course of its work, the Internal Audit function also liaises with the statutory auditor, discussing relevant aspects of their respective activities and assisting them in internal control testing which ultimately supports the assurance provided to the Audit Committee and management.

The effectiveness of the Internal Audit is monitored using the quality assurance and improvement programme which is composed of internal assessment activities and annual external assessment by IFACI - l'Institut Francais de l'Audit et du Controle Interne (the French Chapter of the IIA). Following the assessment carried out in 2020, Orange Polska's Internal Audit maintained its IIA certification from IFACI.

The Audit Committee reviews the annual plan of Internal Audit, its budget and progress reports. The Committee monitors the periodic reporting on internal audit actions and findings and responsiveness of management to Internal Audit recommendations. In addition, the Committee meets privately with the Director of Internal Audit and reviews the independence of the Internal Audit process.

### **Risk management**

The Audit Committee monitors the effectiveness of the risk management system. An update report on the system's design and operation was reviewed by the Audit Committee in July 2020.

Risks are identified within all relevant business units. The risks which are perceived by members of the Management Board or by Executive Directors as most significant for Orange Polska operations are qualified as top risks. In addition to top risks, emerging risks which may become top risks in the longer term are also identified. Review of top risks along with emerging risks and their update is done and reported twice a year.

The Supervisory Board received a report on top and emerging risks in July 2020.

The top risk analysis is taken into account in the preparation of the annual Internal Audit plan. The plan addresses different aspects of top risks. The plan is submitted to the President of the Management Board for his approval and then to the Audit Committee for its review.

### **Compliance**

Matters related to the implementation of the Compliance Management Programme are reported to the Audit Committee in the following areas: ethics, general compliance with laws and regulations, anti-fraud, security and anti-corruption. As part of its periodic reports, the Compliance Management area informs the Audit Committee about activities carried out, including among others the corruption risk map, communication activities and results of inspections initiated by notification of irregularities through dedicated channels. Orange Polska actively cooperates with the Compliance areas within the international Orange Group, sharing good practice and maintaining the Group's anti-corruption standards.

The Compliance Management Programme in Orange Polska embraces the Company's obligations to act in line with the law, applicable standards, regulations, market and industry standards, as well as ethical principles, both in dealings with clients and business partners and between employees. One of the key elements of the Compliance Management Programme is the Anti-Corruption Policy, through which the Company adopts a zero-tolerance approach towards corruption with regard to every aspect of its activities. The correct application of Anti-Corruption Policy rules is supported by internal regulations with detailed guidelines and instructions aiming to identify and effectively prevent irregularities.

Also, in order to prevent potential risks of corruption, non-compliance with economic sanctions, money laundering, terrorism financing and frauds, Orange Polska applies due diligence procedures in relationships with its business partners.

The Compliance Management area provides continuous information and training to build employees' awareness and knowledge. If a problematic situation arises, employees can access ongoing consultation, advice and opinions.

### **Whistleblowing**

The Company provides different channels of communications where all employees and stakeholders can also report their doubts or observed irregularities (such as conflict of interest, cases of corrupt behaviour or other violations of applicable laws) through dedicated channels, either anonymously or openly, without fear of negative consequences. All such notifications are treated confidentially and examined and addressed with due diligence. The whistleblowing system is fully confidential and guarantees anonymity. The Audit Committee reviews the summary of cases reported via the whistleblowing system.

### **Monitoring changes in the legal environment and changes in accounting standards**

Relevant changes in the legal environment, together with updates to accounting standards and recommendations from regulatory bodies, were considered by the Audit Committee, as well as the question of how Orange Polska Group approached and implemented them. The Audit Committee in particular looked also into the Company's preparation for the implementation of the European Single Electronic Format, approach to the General Presentation and Disclosures to be adopted by International Accounting Standards Board as well climate related financial disclosures.

### **Other areas of interest**

The Audit Committee reviewed and issued opinions on significant transactions with related parties, in line with internal regulations and best practices of corporate governance. Orange SA's nominees are excluded from voting at Supervisory Board meetings and Audit Committee meetings on transactions involving Orange SA or its subsidiaries. The Committee reviewed other matters of interest, including but not limited to revenue assurance, hedging, insurance and M&A transactions. Also the Audit Committee issued opinions on other matters referred to the Committee by the Supervisory Board and/or the Management Board including financing and granting bank guarantees to OPL's subsidiaries.



## **REPORT**

### **on the 2020 activities of the Remuneration Committee of the Supervisory Board of Orange Polska S.A.**

The Remuneration Committee was established by virtue of the Resolution of the Supervisory Board no. 385/04 dated June 16, 2004 as a consultative body of the Supervisory Board.

#### **Remuneration Committee members**

1. Maria Pasło-Wiśniewska, PhD ("Independent Director") – the Chairwoman
2. Thierry Bonhomme – until June 17, 2020
3. Prof. Michał Kleiber ("Independent Director")
4. Marc Ricau
5. Jean-Marc Vignolles – since June 17, 2020

The Secretary of the Committee was Jacek Kowalski, Management Board Member in charge of Human Capital.

#### **Letter from the Chairwoman of the Remuneration Committee**

Dear Shareholders,

To start with a formal matter, I would like to inform you that in June 2020 the composition of the Remuneration Committee changed – Mr. Thierry Bonhomme left the Committee and we were joined by Mr. Jean Marc Vignolles.

Thank you very much, Thierry, for your contribution to the work of the Committee and welcome Jean Marc with the hope that you strengthen the Committee.

The year 2020 was unique. The Company had to adjust its functioning to the unexpected conditions set by the coronavirus pandemic. It was not an easy task. The Members of the Committee supported the Management Board and executive directors with an advisory voice in the preparation of the new rules of organisation and functioning of the Company which would ensure both the safety of employees and business continuity. The connectivity has become extremely important to people staying in the isolation caused by the pandemic. Orange Polska served clients continuously. The crisis management exam on an unprecedented scale has been passed successfully.

At the same time, the Committee faced the challenge to replace Jean-François Fallacher, the CEO of Orange Polska, who was asked to take the responsibility for the management of Orange Spain. The Committee recommended the Supervisory Board to appoint Julien Ducarroz as the Company's new CEO.

Additionally, at the same time Mariusz Gaca, the deputy CEO in charge of the Consumer Market was promoted to the position of the CEO of Orange Moldova. Following the discussion with the new CEO, it was decided that for some time the managers of Consumer Market will report directly to him. A possible new division of duties among Management Board Members will be discussed later after the recognition of the Company's situation and designing proposal by Julien Ducarroz.

Besides these extraordinary tasks the Committee carried out all its planned activities.

All the details about the activity of the Remuneration Committee in 2020 you will find in the report below, which I am pleased to present to the Shareholders.

As I mentioned before, the year 2020 was a great challenge for the Management Board and all employees of the Company. It was also a challenge for the Members of the Committee. The common goal was the implementation of the Company's strategy, keeping the high quality of customer services and strengthening the position of Orange Polska on the market as the best ways of delivering value to the Shareholders.

I can proudly say that it was successfully done. So let me take this occasion to express my gratitude to all Members of the Committee, to our colleagues from HR division, supporting us in the performance of our tasks, and to all employees of Orange Polska.

I wish everyone good health, so that we can successfully continue service of the growing number of Poles who have trusted us.

**Maria Paśo-Wiśniewska**

Chairwoman of the Remuneration Committee

### **Main responsibilities of the Committee**

The Remuneration Committee should meet at least four times a year. The task of the Committee is to advise the Supervisory Board and Management Board on the general remuneration policy of Orange Polska Group and to make recommendations on appointments to the Management Board.

The Committee's detailed tasks include:

- determining the conditions of employment and remuneration of the Members of the Management Board;
- considering proposals made by the President or the Supervisory Board concerning new appointments to the Management Board, taking part in the final stage of the process and making the appropriate recommendation to the Supervisory Board about the candidates;
- considering proposals made by the President or the Supervisory Board regarding resignation of any Member(s) of the Management Board and making, if necessary, a relevant recommendation to the Supervisory Board;
- giving recommendations to the Supervisory Board regarding the amounts of bonuses for the Members of the Management Board;
- providing an opinion on the remuneration policy for most senior executives, and on the general policy for the wider Orange Polska Group: in both cases having regard to the relative positioning on the market of Orange Polska Group's terms of engagement and remuneration levels;
- producing a report for the Supervisory Board on the activity of the Committee and assessment of the remuneration policy of Orange Polska Group.

The Remuneration Committee had five meetings in 2020. During these meetings the Committee discussed and made recommendations to the Supervisory Board on the following matters:

- 1) appointment from September 1, 2020 and the conditions of employment of the new CEO of Orange Polska;
- 2) appointment from July 21, 2020 and the conditions of employment of the new CFO of the Company, as well as changes in the division of duties among Management Board Members;

- 3) appointment of the Management Board Members in charge of Consumer Market, Wholesale Market & Real Estate Sale and Human Capital for the next term of office starting from June 17, 2020;
- 4) changes in the remuneration of the Management Board Members in charge of Consumer Market, Wholesale Market & Real Estate Sale and Human Capital in order to adjust it to the scale of their contribution to the implementation of the Company's strategy and tasks as well as the market levels of remuneration of persons of similar qualifications holding comparable positions;
- 5) assuming direct responsibility for the Consumer Market function by the new CEO after the deputy CEO in charge of this division left for the position of the CEO of Orange Moldova;
- 6) establishment of the common and individual goals for the Management Board Members for 2020, and determination of the rules of variable components of their remuneration depending on the level of implementation of these objectives;
- 7) evaluation of the achievement by the individual Management Board Members of their goals in the first and second half of 2020, and determination of their bonuses for these half-year periods, provided that the bonuses for the first half of the year constitute an advance payment towards their annual variable remuneration, which is contingent upon the achievement by the Company of its annual objectives;
- 8) terms of participation of the Members of the Management Board of Orange Polska in the Orange S.A. Group Long Term Incentive Plan for 2020–2022;
- 9) the list of eligible persons to acquire the Second Supplementary Pool Phantom Shares according to the Orange.One Incentive Programme.

The Remuneration Committee was strongly involved in the process of preparation and implementation of the "Remuneration Policy for Members of the Management Board and Supervisory Board of Orange Polska S.A." in line with the Act of 16 October 2019 amending the act on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies, and certain other acts.

This Policy was approved by the Shareholders at the Annual General Assembly held on August 27, 2020.

The Remuneration Committee assessed the implementation of the Remuneration Policy in 2019 and, in accordance with Best Practice for GPW Listed Companies 2016, submitted its assessment to the Supervisory Board in a report, which is a part of the Orange Polska Integrated Report 2019.

The Remuneration Committee was very much focused on keeping the highest standards of reporting information for Shareholders.

In order to ensure the performance by the Committee of all its tasks in 2021, the working plan for 2021 was prepared. In addition to the Committee's permanent responsibilities related to:

- the appointment of and division of duties among the Management Board Members;
- monitoring the adequacy of the Company's remuneration system to its strategy and the market situation; and
- establishment of the goals for the Management Board Members, their evaluation and determination of the variable components of their remuneration;

the Committee, as part of its advisory role to the Management Board and Supervisory Board, planned discussions on the subjects related to human resources management in the rapidly changing economic and social environment in Poland and worldwide.

**REPORT**  
**from the activities of the Strategy Committee**  
**of the Supervisory Board of Orange Polska S.A. in 2020**

The Strategy Committee was established by virtue of the Resolution of the Supervisory Board dated June 15, 2005.

The Strategy Committee is a collegial body whose role is to support the work of the SVB, in particular in the following areas:

- strategic plans set out by the Management Board and especially their main strategic options;
- the Management's planning processes;
- strategic projects related to the development of Orange Polska (such as strategic agreements, alliances, technological and industrial cooperation agreements; significant acquisitions and sales of assets).

The Strategy Committee provides, furthermore, support and advice to the Management Board in these areas.

**Strategy Committee members in 2020:**

Chairman:

Jean-Marc Vignolles

Members:

Dr. Henryka Bochniarz ("Independent Director")  
Thierry Bonhomme – since 17 June 2020  
Eric Debroeck  
Patrice Lambert de Diesbach  
Monika Nachyla ("Independent Director")  
Dr. Maria Pasło-Wiśniewska ("Independent Director")  
Gervais Pellissier – until 20 October 2020

Permanent guests:

Maciej Witucki, Chairman of the Supervisory Board  
Russ Houlden, Chairman of the Audit Committee

All Supervisory Board Members are invited to participate in Strategic Committee meetings.

Supervisory Board members and Orange Polska Management Board actively participated in the works of the Committee, whenever appropriate.

Secretary of the Strategy Committee in 2020 was Maria Janczar, Orange Polska Corporate Strategy & Market Research Director.

In 2020 the Strategy Committee held three meetings.

## Letter from the Chairman of the Strategy Committee

Dear Shareholders,

The year 2020 was a year of unprecedented challenges for telecom market and for the whole world. It was also a year of accelerated digital transformation for our customers and for our internal operations. The Covid-19 pandemic has led to an inevitable surge in the use of digital technologies and revealed the importance of telecommunication services, especially fast and reliable internet connection.

Orange Polska has been investing in its fiber network rollout since 2015 and up to current date has covered over 5 million households in 154 Polish cities. The overview of market potential for further development of fiber infrastructure in Poland and the most value creative opportunities for the company rollout were the top priority topics discussed during our three Committee meetings in year 2020.

With final year of successful execution of Orange.one strategy a lot of Committee's attention was also devoted to long term vision of the company including sustained impact of coronavirus pandemic on future market environment and customer needs.

I want to thank all Committee members and guests for their valuable contribution to development of the company investment plan and strategic discussion enriching formulation of Orange Polska long term vision.

**Jean-Marc Vignolles**

Chairman of the Strategy Committee

## Issues on the Strategy Committee's agenda for 2020

### *FTTH market perspectives and fiberCo concept.*

Considering the market perspectives for further development of fibre network in Poland, strong demand for high-speed Internet among customers and significant value-creation potential for the Company, the Committee analysed the concept of continuation of roll-out of FTTH access network in areas devoid of high-speed broadband infrastructure in a dedicated company created in cooperation with external partner. The FiberCo would operate as an open network granting access on wholesale terms to Orange Polska and other retail operators.

### *OPL long term vision*

The Committee discussed long term trends for evolution of telco environment including especially accelerated society and businesses digitalization, change in consumer needs resulting from coronavirus pandemic and future macroeconomic conditions. The principal assumptions and directions of OPL long term vision were analyzed.

### *Cash perspectives and dividend policy*

The Committee reviewed current financial situation and the most probable cash scenarios for the coming years considering investors' expectations regarding the prospects of further business development of the Group.

## point 5.

of the meeting agenda

Adoption of the following resolutions concerning:

- a) approval of Orange Polska S.A. separate financial statements for the 2020 financial year,
- b) distribution of the Orange Polska S.A. profit for the 2020 financial year,
- c) distribution of the Orange Polska S.A. profit from previous years,
- d) approval of the Management Board's report on the activity of Orange Polska Group and Orange Polska S.A. in the 2020 financial year,
- e) approval of the Orange Polska Group consolidated financial statements for the 2020 financial year,
- f) approval of the Supervisory Board report for the 2020 financial year,
- g) granting the members of the governing bodies of Orange Polska S.A. the approval of performance of their duties,

**Attachment no. 2** to the resolution no. 7/O/21  
of Orange Polska S.A. Management Board  
dated 17.02.2021

**resolution no. ...**  
of the Annual General Meeting  
of Orange Polska S.A.

**dated** xx.xx.2021

**on** approval of the Orange Polska S.A. IFRS financial statements for 2020

On the basis of art. 53 clause 1 of the Accounting Act and art. 393 item 1, art. 395 § 2 item 1 of the Commercial Companies Code and § 13 item 1 of the Orange Polska S.A. Articles of Association, the following resolution is hereby adopted:

**§ 1**

The Annual General Meeting approves the Orange Polska S.A. IFRS financial statements for 2020 which include:

- 1) income statement for 2020 showing net income of PLN 47 million (in words: PLN forty seven million),
- 2) statement of comprehensive income for 2020 showing total comprehensive income of PLN 34 million (in words: PLN thirty four million),
- 3) statement of financial position as at 31 December 2020, with the balance sheet total of PLN 23,904 million (in words: PLN twenty three billion nine hundred and four million),
- 4) statement of changes in equity for 2020 showing an increase in equity by PLN 43 million (in words: PLN forty three million),
- 5) statement of cash flows for 2020 showing a decrease in net cash and cash equivalents by PLN 46 million (in words: PLN forty six million),
- 6) notes to the financial statements.

**§ 2**

The resolution comes into force on the day of its adoption.

**Attachment** to the resolution no 30/O/21  
of Orange Polska S.A. Management Board  
dated 19.05.2021

## **resolution no...**

of the Annual General Meeting  
of Orange Polska S.A.

**dated** .....

**on** distribution of Orange Polska S.A. net profit for the 2020 financial year

On the basis of art 395 § 2 item 2 of the Commercial Companies Code and § 13 point 2 of Orange Polska S.A. Articles of Association, the following resolution is hereby adopted:

### **§ 1**

The net profit of Orange Polska S.A. for the 2020 financial year of PLN 46,754,503.75 (in words: PLN forty six million, seven hundred and fifty four thousand, five hundred and three 75/100) shall be divided in the following manner:

- 1) to the reserve capital, referred to in § 31 clause 3 of the Articles of Association – PLN 935,090.08 (in words: PLN nine hundred and thirty five thousand and ninety 08/100),
- 2) to the reserve capital – PLN 45,819,413.67 (in words: PLN forty five million, eight hundred and nineteen thousand, four hundred and thirteen 67/100).

### **§ 2**

The amount allocated to the reserve capital, referred to in § 1 point 2 may be distributed as a dividend.

### **§ 3**

The resolution comes into force on the day of its adoption.



## TRANSLATION

**Attachment no 1** to the resolution no. 31/O/21  
of Orange Polska S.A. Management Board  
dated 19.05.2021

### **resolution no ...**

of the Annual General Meeting  
of Orange Polska S.A.

**dated.....**

**on** distribution of the Orange Polska S.A. net profit from previous years

On the basis of art 395 § 2 item 2 of the Commercial Companies Code and § 13 item 2 of Orange Polska S.A. Articles of Association, the following resolution is hereby adopted:

#### **§ 1**

The net profit from previous years of Orange Polska S.A. disclosed in the Company's Financial Statements for the 2020 financial year of PLN 18 055 143.94 (in words: PLN eighteen million fifty five thousand one hundred and forty three 94/100), shall be distributed in the following manner:

- 1) to the reserve capital, referred to in § 31 clause 3 of the Articles of Association – PLN 361,102.88 (in words: PLN three hundred and sixty one thousand, one hundred and two 88/100),
- 2) to the reserve capital – PLN 17,694,041.06 (in words: PLN seventeen million, six hundred and ninety four thousand, forty one 06/100).

#### **§ 2**

The amount allocated to the reserve capital, referred to in § 1 point 2 may be distributed as a dividend.

#### **§ 3**

The resolution comes into force on the day of its adoption.

**Attachment no. 2** to the resolution no. 10/O/21  
of Orange Polska S.A. Management Board  
dated 17.02.2021

## **resolution no. ...**

of the Annual General Meeting  
of Orange Polska S.A.

**dated** .....

**on** approval of the Management Board report on the activity of Orange Polska Group and Orange Polska S.A.  
in the 2020 financial year

On the basis of art. 63c clause 4 of the Accountancy Act and art. 395 § 5 of the Commercial Companies Code, the following resolution is hereby adopted:

### **§ 1**

The Annual General Meeting approves the Management Board report on the activity of Orange Polska Group and Orange Polska S.A. in the 2020 financial year.

### **§ 2**

The resolution comes into force on the day of its adoption.

**Attachment no. 3** to the resolution no. 10/O/21  
of Orange Polska S.A. Management Board  
dated 17.02.2021

**resolution no. ...**  
of the Annual General Meeting  
of Orange Polska S.A.

**dated .....**

**on approval of the IFRS consolidated financial statements for 2020**

On the basis of art. 63c clause 4 of the Accountancy Act and art. 395 § 5 of the Commercial Companies Code the following resolution is hereby adopted:

**§ 1**

The Annual General Meeting approves the Orange Polska Group IFRS consolidated financial statements for 2020, which include:

- 1) consolidated income statement for 2020 showing net income of PLN 46 million (in words: PLN forty six million), including net income attributable to owners of Orange Polska S.A. of PLN 46 million (in words: PLN forty six million),
- 2) consolidated statement of comprehensive income for 2020 showing total comprehensive income of PLN 33 million (in words: PLN thirty three million), including total comprehensive income attributable to owners of Orange Polska S.A. of PLN 33 million (in words: PLN thirty three million),
- 3) consolidated statement of financial position as at 31 December 2020, with the balance sheet total of PLN 24,300 million (in words: PLN twenty four billion three hundred million),
- 4) consolidated statement of changes in equity for 2020 showing an increase in total equity by PLN 42 million (in words: PLN forty two million), including an increase in equity attributable to owners of Orange Polska S.A. by PLN 42 million (in words: PLN forty two million),
- 5) consolidated statement of cash flows for 2020 showing a decrease in net cash and cash equivalents by PLN 48 million (in words: PLN forty eight million),
- 6) notes to the consolidated financial statements.

**§ 2**

The resolution comes into force on the day of its adoption.

**resolution no. ...**  
**of the Annual General Meeting**  
**of Orange Polska SA**

**dated 25 June 2021**

**on approval of the Supervisory Board report for the 2020 financial year**

Pursuant to § 13 clause 12 of the Company's Articles of Association, the following is resolved:

**§ 1**

The Supervisory Board of the Orange Polska S.A. report for the 2020 financial year is approved.

**§ 2**

The resolution enters into force upon adoption.

**List of persons performing the functions of the Management Board's members  
in the financial year 2020**

- |     |                             |                  |                                 |
|-----|-----------------------------|------------------|---------------------------------|
| 1.  | Jean-François Fallacher     | - President      | <i>(until 31 August 2020)</i>   |
| 2.  | Julien Ducarroz             | - President      | <i>(since 1 September 2020)</i> |
| 3.  | Mariusz Jerzy Gaca          | - Vice President | <i>(until 31 October 2020)</i>  |
| 4.  | Bożena Katarzyna Leśniewska | - Vice President |                                 |
| 5.  | Witold Ryszard Drożdż       | - Member         |                                 |
| 6.  | Jolanta Barbara Dudek       | - Member         |                                 |
| 7.  | Piotr Tadeusz Jaworski      | - Member         |                                 |
| 8.  | Jacek Kowalski              | - Member         |                                 |
| 9.  | Jacek Marek Kunicki         | - Member         | <i>(since 21 July 2020)</i>     |
| 10. | Maciej Mateusz Nowohoński   | - Member         |                                 |

**List of persons performing the functions of the Supervisory Board's members  
in the financial year 2020**

- |     |   |                   |                                |
|-----|---|-------------------|--------------------------------|
| 1.  | Maciej Krzysztof Witucki                    | - Chairman        |                                |
| 2.  | Gervais Pellissier                          | - Deputy Chairman | <i>(until 20 October 2020)</i> |
| 3.  | Ramon Fernandez                             | - Deputy Chairman |                                |
| 4.  | Marc Ricau                                  | - Secretary       |                                |
| 5.  | dr. Henryka Teodora Bochniarz               | - Board Member    |                                |
| 6.  | Thierry Bonhomme                            | - Board Member    |                                |
| 7.  | Eric Debroeck                               | - Board Member    |                                |
| 8.  | John Russell Houlden                        | - Board Member    |                                |
| 9.  | Marie-Noëlle Jégo-Laveissière               | - Board Member    | <i>(since 20 October 2020)</i> |
| 10. | prof. Michał Kleiber                        | - Board Member    |                                |
| 11. | Patrice Pierre Philippe Lambert de Diesbach | - Board Member    |                                |
| 12. | Monika Aleksandra Nachyła                   | - Board Member    |                                |
| 13. | dr. Maria Paśło-Wiśniewska                  | - Board Member    |                                |
| 14. | Jean-Michel Thibaud                         | - Board Member    |                                |
| 15. | Jean-Marc Vignolles                         | - Board Member    |                                |

**resolution no. ...**  
**of the Annual General Meeting**  
**of Orange Polska SA**

**dated 25 June 2021**

**on granting approval of the performance of duties of the Management Board's President/member of Orange Polska S.A.**

Pursuant to article 393 point 1 and article 395 § 2 point 3 of the Commercial Companies Code and § 13.3 of the Company's Articles of Association, the following is resolved:

**§ 1**

The approval of the performance by Mr/s ..... of his/her duties as the President / a member of the Orange Polska S.A. Management Board in financial year 2020 is granted.

**§ 2**

The resolution enters into force upon adoption.

**resolution no. ...**  
**of the Annual General Meeting**  
**of Orange Polska SA**

**dated 25 June 2021**

**on granting approval of the performance of duties of the Supervisory Board member of Orange Polska S.A.**

Pursuant to article 393 point 1 and article 395 § 2 point 3 of the Commercial Companies Code and § 13.3 of the Company's Articles of Association, the following is resolved:

**§ 1**

The approval of the performance by Mr/s. .... of his/her duties as a member of the Orange Polska S.A. Supervisory Board in financial year 2020 is granted.

**§ 2**

The resolution enters into force upon adoption.

point 6.

of the meeting agenda

Adoption of the resolution on expressing an opinion on the annual report on remuneration prepared by the Supervisory Board.



## Uchwała nr 17/21

(Resolution no.)

**Rady Nadzorczej**

(of the Supervisory Board of)

**Orange Polska S.A.**

z dnia (dated) 19.05.2021 r.

**w sprawie przyjęcia sprawozdania Rady Nadzorczej  
o wynagrodzeniach**

**on adoption of the Supervisory Board's report  
on remuneration**

Na podstawie § 23 ust. 1 Statutu Spółki, uchwała się,  
co następuje:

Pursuant to § 23 clause 1 of the Company's Articles of  
Association, the following is resolved:

### § 1

Rada Nadzorcza przyjmuje Sprawozdanie o  
wynagrodzeniach Członków Zarządu oraz Rady Nadzorczej  
Orange Polska S.A. za lata 2019-2020, stanowiące załącznik  
do niniejszej uchwały oraz postanawia przedłożyć je  
Zwyczajnemu Walnemu Zgromadzeniu do zaopiniowania.

### § 1

The Supervisory Board adopts the Report  
on the Remuneration of the Members of the Management  
Board and Supervisory Board of Orange Polska S.A.  
in 2019-2020, included in attachment hereto, and decides  
to submit it to the Annual General Meeting for an opinion.

*(English text of the resolution is the translation)*

1. Maciej Witucki

2. Ramon Fernandez

3. Marc Ricau

4. Henryka Bochniarz

5. Thierry Bonhomme

6. Eric Debroeck

7. John Russell Houlden

8. Marie-Noëlle Jégo-Laveissière

9. Michał Kleiber

10. Patrice Lambert de Diesbach

11. Monika Nachyła

12. Maria Paśło-Wiśniewska

13. Jean-Michel Thibaud

14. Jean-Marc Vignolles

*Attachment*

*to the Supervisory Board resolution  
no. 17/21 dated 19 May 2021*

**Report on the Remuneration of  
the Members of the Management Board and  
Supervisory Board of Orange Polska S.A.  
in 2019–2020**

This Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. ("the Remuneration Report") has been developed by the Supervisory Board of Orange Polska S.A. ("the Company") in compliance with the Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies ("the Public Offering Act").

The Report covers the financial years 2019–2020 and provides an overview of the remuneration granted in line with the Remuneration Policy of Orange Polska S.A. and, from 17 June 2020, also the Remuneration Policy for Members of the Management Board and the Supervisory Board of Orange Polska S.A. with subsequent amendments ("the Remuneration Policies"). The Remuneration Policies support the implementation of the Company's strategy and the protection of its long-term interests. In particular, by ensuring market-competitive base salaries and additional benefits, the Company strives to recruit and retain the Company's key people. The purpose of the short-term and long-term variable remuneration, which depends on the Company's key financial indicators, is to motivate the Management Board Members to achieve strategic goals, which are subsequently cascaded to employees at lower levels in the form of management goals.

The Remuneration Policies applied by the Company are also an element of its comprehensive strategy. By enabling the recruitment, retention and motivation of the best managers and professionals in the specialised areas existing in Orange Polska S.A. they provide people prepared to achieve the strategic goals of the Company.

Remuneration levels within Orange Polska S.A. are regularly compared to the practices of competitive companies in the market. Total remuneration depends in particular on the Company's financial results as well as one's individual contribution and performance.

## **1. Changes in the Company's Boards**

On 19 February 2019, the Supervisory Board reappointed Jean-François Fallacher for the next term of office as the President of the Management Board of Orange Polska. On 6 February 2020, the Supervisory Board reappointed Mariusz Gacza (Gaca), Jacek Kowalski and Maciej Nowohoński for the next terms of office as Members of the Management Board. In line with the *Best Practice for WSE Listed Companies*, the renewals were made three months before the expiration of the current terms of office.

Effective on 31 March 2020, the following decisions on further changes in the composition of the Company's Management Board were made:

- i. Jacek Kunicki was appointed to the position of the Chief Financial Officer as the Executive Director in charge of Finance and, from 21 July 2020, as the Management Board Member in charge of Finance;
- ii. The scope of responsibilities of Maciej Nowohoński as the Management Board Member changed. Currently, he is in charge of Carriers Market and Real Estate Sales (previously he was in charge of Finance and, from 6 February 2020, also Carriers Market).

Julien Ducarroz has been the President of the Management Board since 1 September 2020.

Ultimately, as of 31 December 2020, the Company's Management Board was composed of: Julien Ducarroz, Bożena Leśniewska, Witold Drożdż, Jolanta Dudek, Piotr Jaworski, Jacek Kowalski, Jacek Kunicki and Maciej Nowohoński.

Regarding Supervisory Board Members, on 24 April 2019 the mandates of Federico Colom Artola, Eric Debroeck, Prof. Michał Kleiber, Gervais Pellissier, Marc Ricau, Dr. Wiesław Rozłucki and Maciej Witucki expired. On the same day, the Annual General Meeting appointed the following persons as Members of the Supervisory Board: Eric Debroeck (for another term of office), Prof. Michał Kleiber (for another term of office), Monika Nachyła, Gervais Pellissier (for another term

of office), Marc Ricau (for another term of office), Jean-Michel Thibaud and Maciej Witucki (for another term of office).

On 17 June 2020, the mandates of John Russell Houlden and Patrice Lambert-de Diesbach expired. On the same day, the Annual General Meeting appointed the aforementioned persons, that is John Russell Houlden and Patrice Lambert-de Diesbach, for the next terms of office.

On 20 October 2020, Gervais Pellissier resigned his position as a Member of the Supervisory Board and the Deputy Chairman of the Supervisory Board of Orange Polska S.A. On the same day, the Supervisory Board appointed Marie-Noëlle Jégo-Laveissière as a Member of the Supervisory Board.

## **2. Description of the Remuneration Policies**

In line with the requirements set in the Public Offering Act, on 17 June 2020 the Annual General Meeting adopted the Remuneration Policy for Members of the Management Board and the Supervisory Board of Orange Polska S.A., which was subsequently amended on 27 August 2020. Under this Policy, the Company's remuneration system for the Management Board Members consists of fixed and variable components, including:

- i. base salary;
- ii. performance-based bonus (variable component of remuneration);
- iii. benefits and allocation benefits;
- iv. long-term capital remuneration;
- v. base premium for participation in the pension scheme;
- vi. jubilee awards;
- vii. employment termination benefits;
- viii. other benefits arising out of the provisions of labour law.

The remuneration paid in 2019–2020 was structured in compliance with the adopted Remuneration Policies and thus furthered the key objectives thereof.

The detailed terms of remuneration have been regulated in individual employment contracts with Members of the Management Board.

Some remuneration components due to the Management Board Members employed by the Company (including employee pension scheme premiums or some non-pecuniary benefits) were granted based on internal regulations which apply also to other employees of the Company.

In line with the Company's Articles of Association, Members of the Management Board were appointed by the Supervisory Board. The term of office of each Member of the Management Board is three years. Remuneration payments to the Management Board Members were effected pursuant to employment contracts concluded for their term of office.

Julien Ducarroz, who has been the President of the Management Board of Orange Polska S.A. since 1 September 2020, remains employed by Orange Global International Mobility S.A. ("OGIM"), an Orange S.A. Group company, and performs his duties as the CEO based on posting to Orange Polska S.A.

Members of the Supervisory Board are appointed and removed by the General Meeting. Their term of office is three years. No contracts related to their functions in the Supervisory Board are concluded with Supervisory Board Members. Their remuneration is payable pursuant to the relevant resolution appointing the Supervisory Board Member, Resolution No. 33 of the General Meeting of Orange Polska S.A. dated 9 March 2015 on the terms of remuneration of Members of the Supervisory Board, and the Remuneration Policy for Members of the Management Board and the Supervisory Board of Orange Polska S.A. Simultaneously, the Supervisory Board Members other than Independent Members may remain employed by an Orange S.A. Group company; then, no remuneration is due to such Supervisory Board Members for their functions in the Supervisory Board of Orange Polska S.A. At least four members of the Supervisory Board of

Orange Polska S.A. should be Independent Members, meeting the independence criteria specified in the Articles of Association of Orange Polska S.A. and the Act of 11 May 2017 on certified auditors, audit firms and public supervision with respect to Independent Members of the Audit Committee. Until 24 April 2019, Orange Polska S.A. had four independent members in the Supervisory Board, namely Dr. Henryka Bochniarz, John Russell Houlden, Prof. Michał Kleiber and Dr. Maria Pasło-Wiśniewska.

From 24 April 2019, the independence criteria are met by five members of the Supervisory Board, namely Dr. Henryka Bochniarz, John Russell Houlden, Prof. Michał Kleiber, Monika Nachyła and Dr. Maria Pasło-Wiśniewska.

### **3. Remuneration of the Members of the Management Board**

#### **a. Base salary**

The terms of base salaries of the Management Board Members take into account the remuneration standards for particular positions related to the scope of duties and the market valuation of the work performed. Orange Polska S.A. monitors the remuneration market by comparing, at least annually, the Company's salaries and remuneration practices to those adopted by other companies in the Polish market.

In the reported period, Orange Polska S.A. determined remuneration terms based on non-discrimination, particularly with respect to gender, age, disability, race, religion, nationality, political opinion, trade union membership, ethnic origin and sexual orientation. The Company regularly reviewed its remuneration practices for non-discrimination.

Furthermore, with respect to the Management Board Members, the Remuneration Committee of the Supervisory Board has the right to recommend the terms of employment, including the amount of base salary, based on the following premises:

- i. scope of responsibilities and complexity specific to the position;
- ii. market competitiveness of the remuneration;
- iii. recommendation of the President of the Management Board (does not apply to the remuneration of the latter);
- iv. recommendation of the Member of the Management Board in charge of Human Capital in the Company (does not apply to the remuneration of the latter);
- v. individual contribution of the Management Board Member to the implementation of the Company's strategy.

Based on recommendations of the Remuneration Committee of the Supervisory Board, the Supervisory Board determined base salaries of the Management Board Members. The Supervisory Board accepted recommendations as to the base salaries of Jean-François Fallacher and Bożena Leśniewska in 2019 and of Mariusz Gatza (Gaca), Jacek Kowalski, Maciej Nowohoński and Jacek Kunicki in 2020. On 21 July 2020, the Supervisory Board of Orange Polska S.A., upon a positive recommendation of the Remuneration Committee of the Supervisory Board, determined the terms of performance of the function of the President of the Management Board by Julien Ducarroz based on posting from OGIM, an Orange S.A. Group company.

#### **b. Benefits**

The Company provided a package of benefits to its employees, including Members of the Management Board of Orange Polska S.A., in order to build a valuable offer supporting employee recruitment and retention, improving the quality of life and promoting employee integration. Orange Polska S.A. wants all its employees to be the ambassadors of the Orange brand; therefore, it provides them with access to its own products and services. Furthermore, Members of the Management Board were provided with benefits aimed to enable and facilitate the performance of their duties within the Company.

Members of the Management Board employed by Orange Polska S.A. were entitled to the following non-pecuniary remuneration components:

- i. training and studies aimed at improving professional qualifications;
- ii. medical care package for Members of the Management Board and their relatives (children, partners/spouses);
- iii. life insurance;
- iv. landline Internet at the place of residence (Orange Polska S.A.'s telecommunications infrastructure permitting);
- v. protection in the case of liability arising from the performance of the Management Board Member's duties, including in the form of insurance protection;
- vi. other non-pecuniary benefits to which the Company's employees are entitled in accordance with the internal regulations of Orange Polska S.A.

Members of the Management Board posted to Poland are entitled to all or some of the benefits listed above or benefits available according to regulations of the posting company, provided that they are approved by the Supervisory Board of Orange Polska S.A.

In 2019–2020, Members of the Management Board employed by Orange Polska S.A. were actually granted the following benefits (accounted for in the Table 1 below):

- i. medical care package for Members of the Management Board and their relatives;
- ii. life insurance;
- iii. landline Internet at the place of residence.

Members of the Management Board were also entitled to liability insurance in 2019–2020.

Members of the Management Board were granted some benefits from which also persons closely associated with them could benefit in line with the terms of their employment contracts. The value of such benefits was indicated in the Table 1 below.

While performing the duties of the President of the Management Board of Orange Polska S.A., Jean-François Fallacher and Julien Ducarroz were entitled to benefits resulting from the International Mobility Policy of the Orange Group, payable by Orange Polska pursuant to the employment contract in the case of Jean-François Fallacher or an agreement between Orange Polska S.A. and OGIM in the case of Julien Ducarroz. The amount of remuneration and benefits is shown in the Table 1 below.

In the reported period, Members of the Management Board of Orange Polska S.A., excluding Julien Ducarroz posted to the position of the President of the Management Board, did not receive remuneration from other Orange S.A. Group companies except for eligibility to participate in the Long Term Incentive Plan (LTIP).

**c. Other benefits eligible to Members of the Management Board on the same terms as to all employees**

Members of the Management Board employed by Orange Polska S.A. had the right to join the Employee Pension Scheme ("EPS"), which is financed by Orange Polska S.A. This scheme is a pension fund (Orange Polska Employee Pension Fund). Members of the Management Board become eligible after they have worked for at least six months in Orange Polska S.A. The Company finances a monthly base premium in the amount of 7% of the gross remuneration amount which constitutes the base for calculation of pension and disability insurance premiums. In 2019–2020, Members of the Management Board employed by Orange Polska S.A. made use of this benefit.

Members of the Management Board employed by Orange Polska S.A. had the right to jubilee awards for long service, namely for 10, 15, 20, 25 and 30 years of work, in accordance with the provisions of the Collective Labour Agreement for Employees of Orange Polska S.A. In 2019 no jubilee awards were granted, while in 2020 jubilee awards were granted to Jolanta Dudek and Mariusz Gatza (Gaca).

#### **d. Benefits related to termination of employment with Orange Polska S.A.**

In case of employment termination, employment contracts with Members of the Management Board employed by Orange Polska S.A. are terminated with a six-month notice, and they are entitled to base salary during this period.

In case of employment termination by Orange Polska S.A., in the cases specified in the employment contracts, Members of the Management Board were entitled to severance pay in the amount of their six-month base salary.

All Members of the Management Board are obliged to refrain from engaging in any competitive activities for twelve months after the termination of employment with Orange Polska S.A., and in return for refraining from competitive activities they are entitled to receive compensation in the amount of their six-month base salary.

In 2020, Jean-François Fallacher and Mariusz Gatza (Gaca) received compensation for the termination period and severance pay on the account of termination of their employment contracts.

On 21 July 2020, the Supervisory Board of Orange Polska S.A. determined the terms related to the end of tenure of Julien Ducarroz as the President of the Management Board of Orange Polska S.A.

#### **e. Variable remuneration component**

Each Member of the Management Board was entitled to variable remuneration component dependent on the achievement of annual and semi-annual financial and non-financial objectives.

The purpose of the bonus system was to motivate Members of the Management Board to achieve high performance by attaining the predefined and agreed objectives which support the implementation of the Company's strategy and growth of customer satisfaction. In addition, the system of objectives stimulated co-operation among employees and business units by setting some solidarity objectives in addition to individual ones.

For Members of the Management Board, the variable component of remuneration is more related to the Company's performance and depends more on the achievement of solidarity goals, which are financial objectives shared by all Members of the Management Board, than in the case of other employees of the Company.

The variable component of remuneration was determined in semi-annual settlement periods, and its calculation was based on the evaluation of the achievement of objectives defined for each Member of the Management Board in their individual task sheets.

The annual and semi-annual objectives for Members of the Management Board depended on the Company's business plans for a given period, scope of responsibility of the particular Member of the Management Board, recommendations of the President of the Management Board and recommendations of the Member of the Management Board in charge of Human Capital in the Company.

Solidarity objectives included EBITDAaL (EBITDA after leases), Organic Cash Flow, Revenues (for the whole Orange Polska Group or certain segments of its activity), Perception NPS (customer satisfaction with Orange services), and in 2019 also Fibre & Convergent Net Adds. Individual objectives were related to functional performance and management quality.

If objectives were assessed to have been achieved in 100%, the amount of the variable remuneration component was 50% of the base salary due for a given period under the employment contract. The achievement of the set objectives below or above 100% entailed a lower or higher amount of the variable remuneration, respectively. Performance in 2019 and 2020 permitted granting the variable remuneration component to all Members of the Management Board, which is reflected in the Tables 2a and 2b below.

In addition, the President of the Management Board of Orange Polska S.A. was entitled to the Stretch Bonus based on EBITDAaL and eCAPEX as financial triggers. This bonus was up to 35% or, from August 2020, 40% of his annual base salary. The Company's financial performance permitted payment of the Stretch Bonus for 2019. The amount of and the conditions of granting the Stretch Bonus were determined by the Supervisory Board in 2020. The amount of the Stretch Bonus for 2019 is included in the variable remuneration of the President of the Management Board in the Table 1a below.

**Table 1a. Total remuneration of Members of the Management Board in 2019**

| Full name               | 1. Fixed remuneration (PLN '000) |          |                        |                                |                                |                          | 2. Variable remuneration (PLN '000) <sup>1)</sup> |                                     |                             | Total remuneration for 2019 (PLN '000) | Proportion between fixed and variable remuneration granted in 2019 (%) | Variable remuneration for 2018 paid in 2019 (PLN '000) |
|-------------------------|----------------------------------|----------|------------------------|--------------------------------|--------------------------------|--------------------------|---|-------------------------------------|-----------------------------|--|--|--|
|                         | Base salary                      | Benefits | Benefits for relatives | Compensation and severance pay | Other payments (including EPS) | Total fixed remuneration | Granted for the first half of 2019                | Granted for the second half of 2019 | Total variable remuneration |  |  |  |
| Jean-François Fallacher | 1516                             | 579      | 27                     | -                              | 989                            | 3111                     | 310   | 961*                                | 1271                        | 4382                                   | 71%/29%  | 681  |
| Bożena Leśniewska       | 1320                             | 25       | 0                      | -                              | 141                            | 1486                     | 310   | 437                                 | 747                         | 2233                                   | 67%/33%  | 365  |
| Mariusz Gatza (Gaca)    | 1500                             | 36       | 0                      | -                              | 163                            | 1699                     | 341   | 489                                 | 830                         | 2529                                   | 67%/33%  | 443  |
| Witold Drożdż           | 864                              | 29       | 0                      | -                              | 82                             | 975                      | 196   | 282                                 | 478                         | 1453                                   | 67%/33%  | 86   |
| Jolanta Dudek           | 900                              | 26       | 0                      | -                              | 97                             | 1023                     | 207   | 298                                 | 505                         | 1528                                   | 67%/33%  | 252  |
| Piotr Jaworski          | 888                              | 32       | 0                      | -                              | 85                             | 1005                     | 204   | 289                                 | 493                         | 1498                                   | 67%/33%  | 85   |
| Jacek Kowalski          | 1044                             | 31       | 0                      | -                              | 114                            | 1189                     | 240   | 338                                 | 578                         | 1767                                   | 67%/33%  | 314  |
| Maciej Nowohórski       | 1080                             | 29       | 0                      | -                              | 117                            | 1226                     | 247   | 348                                 | 595                         | 1821                                   | 67%/33%  | 323  |

<sup>1)</sup> Figures in the Table include the 2019 Stretch Bonus for the President of the Management Board

**Table 1b. Total remuneration of Members of the Management Board in 2020**

| Full name                             | 1. Fixed remuneration (PLN '000) |          |                        |                                |                                |                          | 2. Variable remuneration (PLN '000) <sup>1)</sup> |                                     |                             | Total remuneration for 2020 (PLN '000) | Proportion between fixed and variable remuneration granted in 2020 (%) | Variable remuneration for 2019 paid in 2020 (PLN '000) |
|---------------------------------------|----------------------------------|----------|------------------------|--------------------------------|--------------------------------|--------------------------|---|-------------------------------------|-----------------------------|--|--|--|
|                                       | Base salary                      | Benefits | Benefits for relatives | Compensation and severance pay | Other payments (including EPS) | Total fixed remuneration | Granted for the first half of 2020                | Granted for the second half of 2020 | Total variable remuneration |  |  |  |
| Bożena Leśniewska                     | 1320                             | 25       | 0                      | -                              | 151                            | 1496                     | 379   | 373                                 | 752                         | 2248                                   | 67%/33%  | 437  |
| Witold Drożdż                         | 864                              | 28       | 0                      | -                              | 100                            | 992                      | 251   | 244                                 | 495                         | 1487                                   | 67%/33%  | 282  |
| Jolanta Dudek                         | 900                              | 25       | 0                      | -                              | 179                            | 1104                     | 259   | 261                                 | 520                         | 1624                                   | 68%/32%  | 298  |
| Piotr Jaworski                        | 871                              | 28       | 0                      | -                              | 101                            | 1000                     | 253   | 251                                 | 504                         | 1504                                   | 66%/34%  | 289  |
| Jacek Kowalski                        | 1131                             | 29       | 0                      | -                              | 127                            | 1287                     | 326   | 322                                 | 648                         | 1935                                   | 67%/33%  | 338  |
| Jacek Kunicki <sup>1)</sup>           | 377                              | 4        | 0                      | -                              | 27                             | 408                      | 0   | 206                                 | 206                         | 614                                    | 66%/34%  | 0  |
| Maciej Nowohórski                     | 1167                             | 29       | 0                      | -                              | 130                            | 1326                     | 325   | 321                                 | 646                         | 1972                                   | 67%/33%  | 348  |
| Jean-François Fallacher <sup>2)</sup> | 1176                             | 329      | 3                      | 1718                           | 1181                           | 4407                     | 503   | 167                                 | 670                         | 5077                                   | 87%/13%  | 961  |
| Mariusz Gatza (Gaca) <sup>2)</sup>    | 1304                             | 21       | 0                      | 1560                           | 308                            | 3193                     | 440   | 296                                 | 736                         | 3929                                   | 81%/19%  | 489  |

<sup>1)</sup> Remuneration for a period from the date of appointment

<sup>2)</sup> Remuneration for a period to the date of termination of employment



**Table 1c. The amounts paid by Orange Polska S.A. on account of the reimbursement of the costs related to posting of the President of the Management Board**

| Full name                     | 1. Fixed remuneration (PLN '000) | 2. Variable remuneration (PLN '000) <sup>1)</sup> | Total remuneration (PLN '000) | Proportion between fixed and variable remuneration (%) |
|-------------------------------|----------------------------------|---|-------------------------------|--|
| Julien Ducarroz <sup>2)</sup> | 1036                             | 303   | 1339                          | 77%/23%  |

<sup>1)</sup> The figure includes bonuses accrued in 2020 and payable in 2021

<sup>2)</sup> From the date of appointment as the President of the Management Board of Orange Polska S.A.

#### **f. Variable remuneration objectives for Members of the Management Board**

The indicators presented above constituted the basis for setting solidarity objectives for Members of the Management Board and were settled in direct relation to the Company's annual performance. The total remuneration of each Member of the Management Board complied with the adopted Remuneration Policy of Orange Polska S.A. and the Remuneration Policy for Members of the Management Board and the Supervisory Board of Orange Polska S.A. The objectives and the way of setting them were approved, following a review, by the Remuneration Committee of the Supervisory Board.

The objectives for the Management Board Members were settled on a semi-annual basis (with reference to the Company's annual results) by the Supervisory Board of Orange Polska S.A. upon recommendations of the Remuneration Committee of the Supervisory Board. Orange Polska S.A. reports the financial indicators which determine the Company's financial standing to the stock exchange. The objectives pursued by the Management Board were closely related to these financial indicators, and the achievement thereof had a direct impact on the amount of the variable component of remuneration payable to each Member of the Management Board. Therefore, the achievement of these objectives contributed to the long-term performance of the Company.

Solidarity goals in 2019 and 2020 were as follows:

- i. In 2019: EBITDAaL, Organic Cash Flow, Fibre & Convergent Net Adds, Perception NPS;
- ii. In 2020: EBITDAaL, Organic Cash Flow, Revenues, Perception NPS.

The variable component of remuneration was determined on the basis of the achievement of both solidarity objectives and individual objectives.

**Table 2a. Year-average share (%) of different categories of objectives in the amount of variable remuneration granted for 2019**

| Full name                | Share of solidarity objectives (%) | Share of individual objectives (%) |
|--------------------------|------------------------------------|------------------------------------|
| Jean -François Fallacher | 89%                                | 11%                                |
| Mariusz Gatza (Gaca)     | 76%                                | 24%                                |
| Bożena Leśniewska        | 74%                                | 26%                                |
| Jolanta Dudek            | 75%                                | 25%                                |
| Piotr Jaworski           | 75%                                | 25%                                |
| Maciej Nowoński          | 75%                                | 25%                                |
| Jacek Kowalski           | 75%                                | 25%                                |
| Witold Drożdż            | 76%                                | 24%                                |

**Table 2b. Year-average share (%) of different categories of objectives in the amount of variable remuneration granted for 2020**

| Full name                     | Share of solidarity objectives (%) | Share of individual objectives (%) |
|-------------------------------|------------------------------------|------------------------------------|
| Jean - François Fallacher     | 79%                                | 21%                                |
| Julien Ducarroz <sup>1)</sup> | 82%                                | 18%                                |
| Mariusz Gatza (Gaca)          | 76%                                | 24%                                |
| Bożena Leśniewska             | 77%                                | 23%                                |
| Witold Drożdż                 | 76%                                | 24%                                |
| Jolanta Dudek                 | 76%                                | 24%                                |
| Piotr Jaworski                | 77%                                | 23%                                |
| Jacek Kowalski                | 76%                                | 24%                                |
| Jacek Kunicki <sup>2)</sup>   | 80%                                | 20%                                |
| Maciej Nowohoński             | 80%                                | 20%                                |

<sup>1)</sup> From 1 September 2020

<sup>2)</sup> Accounting for twelve months of 2020

In 2019–2020, Orange Polska S.A. did not exercise the option to demand the return of the variable components of remuneration.

**g. Orange Polska S.A. Incentive Programme in the form of phantom shares settled in cash**

On 4 September 2017, the Supervisory Board of Orange Polska S.A. adopted the incentive programme for the key executives of Orange Polska S.A., including Members of the Management Board of Orange Polska S.A., based on derivatives (phantom shares), where the underlying instrument is the price of Orange Polska S.A. shares listed on the Warsaw Stock Exchange (WSE).

The purpose of the Programme was to link remuneration of Members of the Management Board to the Company's share price in the long term. According to the Programme Regulations, Members of the Management Board of Orange Polska S.A. voluntarily purchased phantom shares from the basic pool for a price of PLN 1 per phantom share and, as the NPS ranking condition specified in the Programme Regulations was met, they also purchased an additional package of phantom shares. Consequently, each Management Board Member and Executive Director purchased 9,000 additional phantom shares, while other programme participants purchased 4,500 additional phantom shares each. The price per phantom share was PLN 1. In 2020, the condition of the minimum Orange Polska share price on the WSE, obligating the participants to purchase an additional package of phantom shares, was not met.

According to the Programme Regulations, phantom shares will be bought back from Members of the Management Board by the Company at the average Orange Polska S.A. share price in the first quarter of 2021, provided that it is not lower than the arithmetic mean of Orange Polska share closing prices in the third quarter of 2017, which was PLN 5.46; otherwise, phantom shares will not be bought back and the participants will lose the invested funds.

**Table 3. Incentive Programme in the form of phantom shares and the related costs recognised by Orange Polska S.A.**

| Full name                             | Award date | Additional pool award date | Effective purchase date | Purchase price | Phantom shares – initial pool (number) | Phantom shares – additional pool for the NPS condition (number) | Phantom shares – additional pool for the share price condition (number) | Recognised cost for 12 months of 2019 (PLN '000) | Recognised cost for 12 months of 2020 (PLN '000) <sup>4)</sup> |
|---------------------------------------|------------|----------------------------|-------------------------|----------------|--|---|---|--|--|
| Jean-François Fallacher <sup>1)</sup> | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 0                                      | 0   | 0   | 324  | -423   |
| Mariusz Gatza (Gaca) <sup>2)</sup>    | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 50 000                                 | 9 000   | 0   | 246  | -94  |
| Bożena Leśniewska                     | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 50 000                                 | 9 000   | 0   | 246  | -7   |
| Witold Drożdż                         | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 50 000                                 | 9 000   | 0   | 246  | -5   |
| Jolanta Dudek                         | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 50 000                                 | 9 000   | 0   | 246  | -7   |
| Piotr Jaworski                        | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 50 000                                 | 9 000   | 0   | 246  | -5   |
| Jacek Kowalski                        | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 50 000                                 | 9 000   | 0   | 246  | -7   |
| Jacek Kunicki <sup>3)</sup>           | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 15 000                                 | 9 000   | 0   | n/a  | 30   |
| Maciej Nowohoński                     | 4 Sep 2017 | 1 Oct 2020                 | 1 Apr 2021              | PLN 1          | 50 000                                 | 9 000   | 0   | 246  | -7   |

<sup>1)</sup> On 31 August 31 2020, Jean-François Fallacher ceased to be the President of the Management Board of Orange Polska and withdrew from further participation in the Programme; the Company redeemed his phantom shares and returned the amount of PLN 70 000 which had been paid for them.

<sup>2)</sup> Costs to the end of tenure as the Member of the Management Board of Orange Polska S.A.

<sup>3)</sup> Costs from the date of appointment as the Member of the Management Board of Orange Polska S.A.

<sup>4)</sup> Costs recognised in 2020 are negative mainly as a result of reversal of costs of an additional pool of phantom shares recognised in previous years, as the condition of the Orange Polska S.A. share price was not met in the third quarter of 2020. In case of Jacek Kunicki, reversal was related to the costs recognised before the date of his appointment as the Member of the Management Board, so it was not accounted for in the table above.

#### **h. Long Term Incentive Plan of the Orange Group**

The Long Term Incentive Plan of the Orange Group is effected in three-year editions. It includes key managers in the Orange Group and conjuncts with the Orange Group's strategic plan.

Members of the Management Board were awarded a predefined number of free shares of Orange S.A. under the following conditions: continuous service in the Orange Group throughout the Plan and some performance-based criteria.

The Plan aims to recognise the engagement of the Group's key managers, to share the value created by the Orange Group's strategic plan, to achieve a balance between short-term and long-term remuneration, and to rely on well-known, monitored performance indicators.

The first edition of the Plan functioned between 2017 and 2019.

In July 2018, the next edition of the Long Term Incentive Plan of the Orange Group for 2018–2020 was made available.

In July 2019, the next edition of the Long-term Incentive Plan of the Orange Group for 2019–2021 was made available, and in October 2019 the Plan became operational.

In July 2020, the next edition of the Long Term Incentive Plan of the Orange Group for 2020–2022 was made available.

The conditions for receiving a predefined number of free shares of Orange S.A. are indicated in the Table 4 below. In the Long Term Incentive Plan of the Orange Group for 2017–2019, 2018–2020 and 2019–2021, shares were or are awarded upon achieving the objective in 100%.

The Board of Directors of Orange S.A. can modify the number of awarded shares by 15% depending on some criteria resulting from the strategic plan. Simultaneously, each participant of the Plan cannot realise a greater number of shares than awarded in the initial pool.

The terms of the Long Term Incentive Plan of the Orange Group for 2020–2022 were modified so that shares based on the achievement of the Organic Cash Flow objective can be awarded upon achieving it at the level equal to or greater than 95% of the target. With respect to other objectives, shares are awarded upon achieving them in 100%.

**Table 4. Detailed parameters of the Long Term Incentive Plan**

| Name of the Plan                              | LTIP 2017–2019                                      | LTIP 2018–2020                                      | LTIP 2019–2021                                      | LTIP 2020–2022                                      |
|---|---|---|---|---|
| Performance assessment period                 | Years 2017–2019                                     | Years 2018–2020                                     | Years 2019–2021                                     | Years 2020–2022                                     |
| Award date                                    | 19 July 2017  | 18 July 2018  | 18 July 2019  | 21 July 2020  |
| Ending date of the edition                    | 31 December 2019                                    | 31 December 2020                                    | 31 December 2021                                    | 31 December 2022                                    |
| Award condition                               | Continuous service in 2017–2019                     | Continuous service in 2018–2020                     | Continuous service in 2019–2021                     | Continuous service in 2020–2022                     |
| a) Financial indicator<br>b) Indicator weight | a) Organic Cash-Flow <sup>1)</sup><br>b) 50%        | a) Organic Cash-Flow <sup>1)</sup><br>b) 50%        | a) Organic Cash-Flow <sup>1)</sup><br>b) 50%        | a) Organic Cash-Flow <sup>1)</sup><br>b) 40%        |
| a) Financial indicator<br>b) Indicator weight | a) Total Shareholder Return <sup>2)</sup><br>b) 50% | a) Total Shareholder Return <sup>3)</sup><br>b) 50% | a) Total Shareholder Return <sup>3)</sup><br>b) 50% | a) Total Shareholder Return <sup>3)</sup><br>b) 40% |
| a) Financial indicator<br>b) Indicator weight | n/a   | n/a   | n/a   | a) CSR <sup>4)</sup><br>b) 20%                      |

<sup>1)</sup> The Orange Group's Organic Cash Flow should be higher than budgeted in each year of the performance assessment period.

<sup>2)</sup> The increase in Total Shareholder Return should be higher than in TSR for the Stoxx Europe 600 Telecoms index between the first four months of the year preceding the first year of performance assessment and the last four months of the last year of performance assessment.

<sup>3)</sup> The increase in Total Shareholder Return should be higher than in TSR for the Stoxx Europe 600 Telecoms index between the last four months of the year preceding the first year of performance assessment and the last four months of the last year of performance assessment.

<sup>4)</sup> 10% of the CSR objective corresponds to the achievement of the goal related to using energy from renewable sources at the end of the assessment period and the remaining 10% of the CSR objective corresponds to the intensity of CO<sub>2</sub> emissions with respect to customer service at the end of the assessment period.

**Table 5a. Number of shares held in the Long Term Incentive Plan**

| Full name               | Shares to be awarded (number) |                |                |                | Disposable shares awarded in LTIP 2017–2019 (number) |
|-------------------------|-------------------------------|----------------|----------------|----------------|--|
|                         | LTIP 2017–2019                | LTIP 2018–2020 | LTIP 2019–2021 | LTIP 2020–2022 |  |
| Julien Ducarroz         | -                             | 2 000          | 2 000          | 2 000          | -  |
| Jean-François Fallacher | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |
| Mariusz Gatza (Gaca)    | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |
| Bożena Leśniewska       | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |
| Witold Drożdż           | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |
| Jolanta Dudek           | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |
| Piotr Jaworski          | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |
| Jacek Kowalski          | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |
| Jacek Kunicki           | -                             | 1 000          | 1 000          | 1 000          | -  |
| Maciej Nowochoński      | 2 000                         | 2 000          | 2 000          | 2 000          | 1 717  |

**Table 5b. Cost of share-based payments in the Long Term Incentive Plan recognised by Orange Polska S.A.**

| Full name                             | Cost of share-based payments (PLN '000) |                                   |                                   |                                   |                                   |                                   |                                   |                                   |
|---------------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                       | LTIP 2017-2019 <sup>1)</sup>            |                                   | LTIP 2018-2020                    |                                   | LTIP 2019-2021                    |                                   | LTIP 2020-2022                    |                                   |
|                                       | For 12 months to 31 December 2019       | For 12 months to 31 December 2020 | For 12 months to 31 December 2019 | For 12 months to 31 December 2020 | For 12 months to 31 December 2019 | For 12 months to 31 December 2020 | For 12 months to 31 December 2019 | For 12 months to 31 December 2020 |
| Julien Ducarroz <sup>2)</sup>         | n/a                                     | n/a                               | -                                 | 11                                | -                                 | 9                                 | n/a                               | 10                                |
| Jean-François Fallacher <sup>2)</sup> | 24                                      | n/a                               | 30                                | 22                                | 12                                | 18                                | n/a                               | 3                                 |
| Mariusz Gatza (Gaca) <sup>2)</sup>    | 24                                      | n/a                               | 30                                | 28                                | 12                                | 23                                | n/a                               | 7                                 |
| Bożena Leśniewska                     | 24                                      | n/a                               | 30                                | 33                                | 12                                | 27                                | n/a                               | 12                                |
| Witold Drożdż                         | 24                                      | n/a                               | 30                                | 33                                | 12                                | 27                                | n/a                               | 12                                |
| Jolanta Dudek                         | 24                                      | n/a                               | 30                                | 33                                | 12                                | 27                                | n/a                               | 12                                |
| Piotr Jaworski                        | 24                                      | n/a                               | 30                                | 33                                | 12                                | 27                                | n/a                               | 12                                |
| Jacek Kowalski                        | 24                                      | n/a                               | 30                                | 33                                | 12                                | 27                                | n/a                               | 12                                |
| Jacek Kunicki <sup>2)</sup>           | n/a                                     | n/a                               | -                                 | 7                                 | -                                 | 6                                 | n/a                               | 6                                 |
| Maciej Nowohoński                     | 24                                      | n/a                               | 30                                | 33                                | 12                                | 27                                | n/a                               | 12                                |

<sup>1)</sup> The Plan was settled in 2020. Disposable shares were awarded upon completion of the Plan.

<sup>2)</sup> Costs corresponding to the tenure as the Management Board Member.

#### 4. Remuneration of the Members of the Supervisory Board

The remuneration of the Members of the Supervisory Board was determined by the General Meeting of Orange Polska S.A.

Members of the Supervisory Board were entitled to fixed monthly remuneration regardless of the number of meetings held in a given month. Members of the Supervisory Board were also entitled to additional remuneration depending on functions performed in the Supervisory Board, particularly sitting on any of the Committees of the Supervisory Board.

Within the Supervisory Board, there are three standing committees: Audit Committee, Remuneration Committee and Strategy Committee. Furthermore, the Supervisory Board may establish other Committees and define their tasks at its own discretion. In 2019–2020, the Supervisory Board did not establish any further Committees. If a person was a Member or the Chairman of several Committees of the Supervisory Board in the reported period, they did not receive the sum of additional remuneration but the highest remuneration to which they were entitled.

Members of the Supervisory Board employed by Orange S.A. or Orange S.A.'s subsidiaries did not receive remuneration for performing the function of Members of the Supervisory Board of Orange Polska S.A. or its Committees.

All Members of the Supervisory Board were entitled to reimbursement of costs related to their participation in the Board's work. Members of the Supervisory Board could be covered by protection against liability arising from the performance of the Supervisory Board Member's duties, particularly in the form of insurance.

In 2019, Members of the Supervisory Board were granted additional benefits in the form of invitations to sports, cultural, business events, etc.

**Table 6a. Remuneration of the Members of the Supervisory Board for 2019**

| Full name                   | Remuneration for performing the function (PLN '000) | Of which: Remuneration for sitting on a committee (PLN '000) | Notes |
|-----------------------------|---|--|-------|
| Maciej Witucki              | 432   | 0  |       |
| Gervais Pellissier          | 0   | 0  | 1)    |
| Marc Ricau                  | 0   | 0  | 1)    |
| Dr. Henryka Bochniarz       | 221   | 79   |       |
| Thierry Bonhomme            | 210   | 79   |       |
| Federico Colom Artola       | 0   | 0  | 1) 2) |
| Eric Debroeck               | 0   | 0  | 1)    |
| Ramon Fernandez             | 0   | 0  | 1)    |
| John Russell Houlden        | 394   | 263  |       |
| Prof. Michał Kleiber        | 214   | 79   |       |
| Patrice Lambert-de Diesbach | 0   | 0  | 1)    |
| Monika Nachyła              | 155   | 54   |       |
| Dr. Maria Pasło-Wiśniewska  | 287   | 151  |       |
| Dr. Wiesław Rozłucki        | 104   | 58   | 2)    |
| Jean-Michel Thibaud         | 0   | 0  | 1)    |
| Jean-Marc Vignolles         | 0   | 0  | 1)    |

1) A person employed by Orange S.A. who did not receive remuneration for the function performed.

2) A person who was not a Member of the Supervisory Board of the Company as at 31 December 2019.

**Table 6b. Remuneration of the Members of the Supervisory Board for 2020**

| Full name                     | Remuneration for performing the function (PLN '000) | Of which: Remuneration for sitting on a committee (PLN '000) | Notes |
|-------------------------------|---|--|-------|
| Maciej Witucki                | 422   | 0  |       |
| Gervais Pellissier            | 0   | 0  | 1) 2) |
| Ramon Fernandez               | 0   | 0  | 1)    |
| Marc Ricau                    | 0   | 0  | 1)    |
| Dr. Henryka Bochniarz         | 217   | 79   |       |
| Thierry Bonhomme              | 210   | 79   |       |
| Eric Debroeck                 | 0   | 0  | 1)    |
| Marie-Noëlle Jégo-Laveissière | 0   | 0  | 1)    |
| John Russell Houlden          | 394   | 263  |       |
| Prof. Michał Kleiber          | 218   | 79   |       |
| Patrice Lambert-de Diesbach   | 0   | 0  | 1)    |
| Monika Nachyła                | 215   | 79   |       |
| Dr. Maria Pasło-Wiśniewska    | 317   | 184  |       |
| Jean-Michel Thibaud           | 0   | 0  | 1)    |
| Jean-Marc Vignolles           | 0   | 0  | 1)    |

1) A person employed by Orange S.A. who did not receive remuneration for the function performed.

2) A person who was not a Member of the Supervisory Board of the Company as at 31 December 2020.

## 5. Derogations from the remuneration policy and from the process of its implementation

In 2019 and 2020, Orange Polska S.A. effected remuneration payments in line with the adopted Remuneration Policies, and there were no derogations from the rules specified therein.

## 6. Information on changes in remuneration terms and the Company's performance

On 27 August 2020, the General Meeting adopted a resolution on amendment to the Remuneration Policy for Members of the Management Board and the Supervisory Board of Orange Polska S.A.

Total remuneration of Members of the Management Board, selected financial metrics of Orange Polska S.A. and remuneration of employees other than Members of the Management Board and the Supervisory Board, for 2020 and the preceding five years, are shown in the Table 7 below. Remuneration of all persons performing the function of Management Board Members in 2015–2020 is included in the Table, excluding the impact of benefits related to the termination of employment.

The Table indicates percentage changes in individual indicators versus their value in the preceding year.

**Table 7. Changes in the remuneration of Members of the Management Board and performance of Orange Polska S.A. over the last five years**

| Dynamics of changes in Orange Polska's consolidated results (%/PLN million)  |        |        |        |                      |                   |                     |
|--|--------|--------|--------|----------------------|-------------------|---------------------|
| The Orange Polska Group reports a single operating segment in its IFRS financial statements as decisions about resources to be allocated and assessment of performance are made on a consolidated basis. |        |        |        |                      |                   |                     |
| Annual results   | 2015   | 2016   | 2017   | 2018                 | 2019              | 2020                |
| EBITDA/EBITDAaL <sup>(1)</sup>   | 3 521  | 3 163  | 3 011  | 2 881                | 3 006             | 2 797               |
| EBITDA/EBITDAaL evolution <sup>(2)</sup>   | -      | -10,1% | -4,8%  | 3,1% <sup>(3)</sup>  | 7% <sup>(1)</sup> | 2,9% <sup>(4)</sup> |
| Revenue  | 11 840 | 11 538 | 11 381 | 11 101               | 11 406            | 11 508              |
| Revenue evolution <sup>(2)</sup>   | -      | -2,4%  | -1,4%  | -0,7% <sup>(3)</sup> | 2,9%              | 0,9%                |
| NPS<br>(Net promoter score - place on<br>the Polish market of<br>telecommunications operators)   | 3      | 3      | 2      | 3                    | 2                 | 1                   |

<sup>(1)</sup> Starting from 2019, following the adoption of IFRS 16 "Leases", Orange Polska redefined the performance measures used and EBITDA was replaced by EBITDAaL (EBITDA after leases).

<sup>(2)</sup> Evolution of performance measures was calculated on a comparable basis. Where applicable, previous year's results were restated to reflect changes in accounting policies, deconsolidation of subsidiaries and to conform to new definitions of performance measures.

<sup>(3)</sup> In 2018, Orange Polska adopted IFRS 15 "Revenue from Contracts with Customers". Evolution of Orange Polska's results in 2018 was calculated on a comparable basis, i.e. based on IAS 18 "Revenue" and other standards and interpretations concerning revenue recognition applicable in 2017.

<sup>(4)</sup> Starting from 2020, gains on disposal of assets are excluded from EBITDAaL. Evolution of EBITDAaL in 2020 was calculated on a comparable basis to conform to new definition used in 2020.

### Management Board remuneration in thousand PLN gross <sup>(1) (3)</sup>



| Name and Surname   | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Julien Ducarroz <sup>(2)</sup>   | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 1 339         |
| Fallacher Jean-François <sup>(1) (3)</sup>   | n.a.          | 1 989         | 3 804         | 3 772         | 4 382         | 3 359         |
| Gaca Mariusz <sup>(1) (3)</sup>  | 2 148         | 2 186         | 2 544         | 2 422         | 2 529         | 2 369         |
| Dudek Jolanta <sup>(3)</sup>   | 292           | 1 272         | 1 339         | 1 377         | 1 528         | 1 624         |
| Kowalski Jacek   | 1 725         | 1 729         | 1 776         | 1 712         | 1 767         | 1 935         |
| Leśniewska Bożena <sup>(3)</sup>   | 327           | 1 449         | 1 820         | 1 960         | 2 233         | 2 248         |
| Nowohoński Maciej  | 1 607         | 1 696         | 1 783         | 1 771         | 1 821         | 1 972         |
| Drożdż Witold <sup>(3)</sup>   | n.a.          | n.a.          | n.a.          | 242           | 1 453         | 1 487         |
| Jaworski Piotr <sup>(3)</sup>  | n.a.          | n.a.          | n.a.          | 244           | 1 498         | 1 504         |
| Kunicki Jacek <sup>(3)</sup>   | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 614           |
| Muszyński Piotr <sup>(1) (3)</sup>   | 2 476         | 2 443         | 3 134         | n.a.          | n.a.          | n.a.          |
| Duthoit Bruno <sup>(1) (3)</sup>   | 3 140         | 1 799         | n.a.          | n.a.          | n.a.          | n.a.          |
| Paschalis-Jakubowicz Michał <sup>(1) (3)</sup>   | 340           | 775           | n.a.          | n.a.          | n.a.          | n.a.          |
| <b>TOTAL</b>   | <b>12 055</b> | <b>15 338</b> | <b>16 200</b> | <b>13 500</b> | <b>17 211</b> | <b>18 451</b> |
| <b>Employee remuneration (excluding the Management Board and Supervisory Board) <sup>(1) (4)</sup></b> |               |               |               |               |               |               |
| Average total gross salary <sup>(5)</sup> in thousand PLN  | 106           | 107           | 105           | 110           | 115           | 122           |
| Total remuneration <sup>(5)</sup> employees in thousand PLN gross in subsequent years                  | 1 379 765     | 1 370 370     | 1 488 359     | 1 410 988     | 1 338 585     | 1 275 836     |
| Management Board remuneration to employee remuneration ratio (%)                                       | 0,87%         | 1,12%         | 1,09%         | 0,96%         | 1,29%         | 1,45%         |
| Number of employees <sup>(5) (6)</sup>   | 13 078        | 12 840        | 14 109        | 12 873        | 11 687        | 10 489        |

Comments:

n.a. - not applicable

<sup>(1)</sup> remuneration without taking into account paid compensation and severance pay in connection with termination of employment (including compensation for non-competition after termination of employment).

<sup>(2)</sup> the amount borne by Orange Polska S.A. for reimbursement of costs related to the delegation to perform the function of the President of the Management Board.

<sup>(3)</sup> total remuneration and benefits for Members of the Management Board (including the Employee Pension Program) without benefits from the social fund due from the date of appointment as a Member of the Management Board until the date of performing the function of a Member of the Management Board.

<sup>(4)</sup> total salaries and benefits for employees (including the Employee Pension Program) excluding benefits from the social fund.

<sup>(5)</sup> in October 2016, Orange Polska S.A. merged with Orange Customer Service Sp. z o.o. which influenced the average salary and employment in Orange Polska S.A.

<sup>(6)</sup> average annual employment according to the GUS methodology (excluding the Management Board) in full-time jobs.

The evolution of the total remuneration of Members of the Management Board was the result of changes in its composition during 2015-2020, in particular, it was related to appointments



to the Management Board in the fourth quarter of the year - hence, for example, the decrease in remuneration in 2018 and an increase in 2019, where the Management Board operated in full composition throughout 2019. The increase in remuneration of Management Board Members in 2018-2020 was correlated with the improvement in the trend of revenue dynamics and operating profitability (EBITDA / EBITDAaL) in this period.

This Report presents developments related to the remuneration of Members of the Management Board and Supervisory Board, while omits developments related to changes in the terms of remuneration of the employees of Orange Polska other than Members of the Management Board or Supervisory Board, which occurred in 2019. The latter were disclosed in the Orange Polska Integrated Report 2019.

In 2020, changes were made in the Remuneration Policy of Orange Polska S.A., which applies to all employees. These were disclosed in the Management Board's Report on the Activity of the Orange Polska Group in 2020.

The detailed regulations concerning remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. are set out in the Remuneration Policy for Members of the Management Board and the Supervisory Board of Orange Polska S.A., which was adopted at the General Meeting on 27 August 2020.



*This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.*

# Independent Auditor's Reasonable Assurance Report

## To the General Shareholders' Meeting and Supervisory Board of Orange Polska S.A.

### Scope of service

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At the request of the Orange Polska S.A. (the "Entity") we performed an independent reasonable assurance engagement relating to evaluation of the remuneration report of the Management Board and the Supervisory Board for the years 2019 and 2020 (the "Remuneration report") in terms

of the inclusion of the information required under Article 90g paragraphs 1-5 and paragraph 8 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005 ("the Act").

### Responsibility of the Supervisory Board of the Entity

Members of the Entity's Supervisory Board are responsible for the preparation of the Remuneration report in accordance with Article 90g of the Act. This responsibility also includes designing, implementing and maintaining internal control relevant to the preparation of the Remuneration report that is free from material misstatement whether due to fraud or error.



### Auditor's Responsibility

Our objective was to evaluate the completeness of the information included in the Remuneration report against the criteria set out in the section "Identification of the criteria" and to issue an independent reasonable assurance conclusion based on the evidence obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' as adopted by the National Council of Statutory Auditors ('NCSA') as National Standard on Assurance Engagements 3000 (R). That standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether the Remuneration report has been prepared completely and that the information has been disclosed with the level of detail required by Article 90g paragraphs 1-5 and paragraph 8 of the Act.

The firm applies International Standard on Quality Control 1 „*Quality Control For Firms That Perform Audits And Reviews Of Financial Statements, And Other Assurance And Related Services Engagements*” as adopted by NCSA as national standard on quality control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and ethics requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board For Accountants (IESBA) as adopted by the resolution of the National Council of Statutory Auditors, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior as well as other independence and ethical requirements, applicable to this assurance engagement in Poland.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement in Remuneration report, whether due to fraud or error. In making

those risk assessments, we have considered internal control relevant to the preparation of the Remuneration report in accordance with Article 90g paragraphs 1-5 and paragraph 8 of the Act in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of internal control.

Our procedures included, in particular:

- reading the content of the Remuneration report and assessing whether it contains quantitative and qualitative (descriptive) disclosures to the extent required by the Act;
- determining, by comparing to corporate documents, a list of persons for whom there is a requirement to include information in the Remuneration report and determining, by inquiring of persons responsible for preparing the Remuneration report, whether all information provided for in the criteria for preparation of the Remuneration report has been disclosed;
- reading the resolutions of the General Shareholders Meeting of the Entity regarding the remuneration policy for Members of the Management Board and Supervisory Board and assessing whether the information presented in the Remuneration report is consistent with the remuneration policy adopted by the Entity and effective during the period covered by the report;
- determining, by performing inquiries and verification of employment contracts, whether the remuneration of the Members of the Management Board and Supervisory Board includes cash or non-cash benefits granted to their closest family members in accordance with the requirements of the Act;
- determining whether the information concerning granted or offered financial instruments, including the number and general terms - complies with the adopted and approved variable remuneration component program adopted by the Entity.



The Remuneration report was not subject of audit within the meaning of National Standards on Auditing. The procedures performed by us do not constitute either an audit or review of this financial information, therefore we are not responsible for issuing or updating any reports or opinions on the Entity's historical financial information.

Our procedures were solely aimed at obtaining evidence that the information included by the Supervisory Board in the Remuneration report, in terms of its completeness complies with the applicable requirements. The purpose of our work was not to assess the sufficiency of the

information included in the Remuneration report in terms of the purpose of preparing the Remuneration report, or to assess the correctness and integrity of the information contained therein, in particular as to the amounts disclosed, including estimates made for prior years, figures, dates, analysis, allocation methods and compliance with the adopted remuneration policy.

Our procedures also included an assessment of whether the subject matter of the engagement is appropriate and the criteria adopted for preparation of the Remuneration report are appropriate to the given circumstances.

### Identification of the criteria

The evaluation criteria of the Remuneration report are set out in Article 90g paragraphs 1-5 and paragraph 8 of the Act.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined above.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the Remuneration report, in all material respects, contain all the elements listed in Article 90g paragraphs 1-5 and paragraph 8 of the Act.

### Restriction of Use of Our Report

Our report has been prepared for the General Shareholders' Meeting and Supervisory Board in order to meet the requirements of the Article 90g paragraph 10 of the Act and shall not be used for any other purpose.

KPMG accepts no liability in relation to this report, arising from contractual or non-contractual relationships (including negligence) in relation to third parties. The above does not exclude our liability where such exclusion is disallowed by law.

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On behalf of audit firm

**KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.**

Registration No.: 3546

*Signed on the Polish original*

Marek Gajdziński

Certified auditor  
Registration No. 90061  
*Limited Partner, Proxy*

Warsaw, 19 May 2021

**resolution no. ...**  
**of the Annual General Meeting**  
**of Orange Polska SA**

**dated 25 June 2021**

**on expressing an opinion on the annual report on remuneration prepared by the Supervisory Board**

Pursuant to § 13 clause 12 of the Company's Articles of Association, the following is resolved:

**§ 1**

A positive opinion on the annual report on remuneration prepared by the Supervisory Board is expressed.

**§ 2**

The resolution enters into force upon adoption.

point 7.

of the meeting agenda

Changes in the Supervisory Board's composition

*- Draft -*

***Resolution no [...] of Annual General Meeting of Orange Polska S.A.  
dated 25 June 2021  
on appointment/removal of a Supervisory Board member***

Pursuant to article 385 of the Commercial Companies Code and § 13.9 of the Company's Articles of Association, the following is resolved:

**§ 1**

Mr/s. .... is appointed/removed to/from the Orange Polska S.A. Supervisory Board.

**§ 2**

The resolution enters into force upon adoption.

**Candidates to the Supervisory Board of Orange Polska S.A. to be discussed during the Annual General Meeting on 25 June 2021**

Due to the fact that seven Orange Polska S.A. Supervisory Board members' mandates would expire at the Annual General Meeting of Orange Polska S.A. scheduled for June 21, 2021, Orange SA informed Orange Polska S.A. that it intends to propose the following persons as candidates for Orange Polska S.A. Supervisory Board Members at the Meeting:

- Mr. Philippe Béguin
- Ms. Bénédicte David
- Mr. Ramon Fernandez
- Ms. Mari-Noëlle Jégo-Laveissière
- Ms. Maria Pasło-Wiśniewska - (independent candidate)
- Ms. Wioletta Rosołowska - (independent candidate)
- Mr. Jean-Marc Vignolles

**Resume of the candidates:**

**Philippe Béguin** (born in 1970) is Senior Vice President Group regulatory affairs at Orange since 1 January 2021.

He started his career in 1997 as project manager for the deployment of Internet networks within France Telecom - Orange. He then managed the Information System department for IP and ATM networks.

He then joined the wholesale division where he was first Marketing Director, and became Director of THD networks, in charge of defining and marketing Orange's wholesale FttH offers and managing Orange's public initiative networks.

In 2017, he joined the Regulatory Affairs Department in charge of regulation in France.

Philippe Béguin is a graduate from Ecole Normale Supérieure and Ecole Nationale Supérieure des Télécommunications.

**Bénédicte David** (born in 1964) since October 2020, she joined Orange Wholesale and International Network division in charge of wholesale line of business for all international Orange Affiliates in Europe (except Orange France) and Middle East & Africa.

She joined the Orange Group in September 1989 and dedicated her entire career in accompanying the key evolutions of the company. She occupied multiple senior management positions at Orange France, then in Orange Group Innovation division, including the launch of Innovation Centers dedicated to Middle East & Africa Orange affiliates. She then moved up in 2015 to Orange Middle East & Africa zone (OMEA) as Head of Strategy & Customer experience, and then in September 2016, as Head of the West and Central Africa Zone in charge of 6 OMEA affiliates, a position that led her to become Board members of all these affiliates as well as Chairman of the Board of Orange Cameroun and Orange Central African Republic.

She graduated from the French school « Ecole Normale Supérieure – ENS (Paris) with a specialization in Physics.

She also holds a Master's degree in telecommunications at ParisTech College (Paris) as well as an executive certificate in business management at CEDEP executive management school (Fontainebleau, France).

**Ramon Fernandez** (born in 1967) Delegate CEO, Finance, Performance and Development Ramon Fernandez has been Delegate CEO of Orange SA since January 1, 2016. He is also Executive Director Finance, Performance and Development since September 1, 2020.

He joined the Orange group on September 1, 2014 as Deputy Managing Director in charge of the Group's finance and strategy. From May 2018 to the end of August 2020, he was Executive Director Finance, Performance and Europe. Ramon Fernandez is also Chairman of the Board of Orange Bank, and Compagnie Financière of Orange Bank, member of the Boards of Orange Middle East and Africa, Medi Telecom, and Buyin, member of the Supervisory Boards of Orange Polska SA, Iris Capital Management SAS and Orange Ventures. He is also member of the Boards of Axa, of the Fondation Nationale des Sciences Politiques, as well as the Institut du Capitalisme Responsable.

He spent two years with the International Monetary Fund in Washington (1997 to 1999) before returning to the French Treasury, where he had briefly worked after he graduated. This time, he went on to hold a number of important positions in different areas.



Mr. Fernandez was also Advisor to the Minister of the Economy, Finance and Industry (2002-2003) and to the President of the French Republic (2007-2008). He was then appointed Chief of Staff to the Minister of Labour, Social Relations, Family and Solidarity (2008-2009).

Mr. Fernandez arrived at Orange from his former position as Chief Executive Officer of the French Treasury, which he had held since 2009, and Chairman of the France Trésor Agency and Chairman of the Club de Paris. Mr. Fernandez is a graduate of the Institut d'Études Politiques in Paris and the École Nationale d'Administration (1993).

Member of the Orange Polska Supervisory Board since October 9, 2014.

**Mari-Noëlle Jégo-Laveissière** (born in 1968) holds the position of Orange Deputy CEO in charge of Europe since September 1st 2020. She joined the Orange Group Executive Committee in 2014, as Deputy CEO in charge of Technology and Global Innovation.

She held various executive positions in the Group since she joined the France Telecom Group in 1996: Senior Vice President of International & Backbone Network Factory, Senior Vice President for Research and Development, Vice President for the Home Marketing Division of Orange France, Head of the French Region, where she was in charge of technical & commercial entities for mass markets and business clients.

Mari-Noëlle obtained an engineering degree from Ecole des Mines de Paris. She is a post-graduate in quantum chemistry with a doctor's degree from the University of Paris XI-Waterloo University and Ecole Normale Supérieure. She is a Board Member of Engie and Valeo, a member of the Médecins du Monde Foundation and President of the School Council of Telecom ParisTech.

Member of the Orange Polska Supervisory Board since October 20, 2020.

**Maria Pasło-Wiśniewska** (born in 1959), Ph.D. in sociology, economist, graduated from the University of Economics in Poznan and the Kellogg School of Management at the Northwestern University in Chicago.

She started her professional career at Narodowy Bank Polski (the Polish National Bank). Between 1988 and 1996 she worked at Wielkopolski Bank Kredytowy in Poznan reaching the position of Vice-President of the Management Board. In 1997, she was the President of the Management Board of TFI SKARBIEC (the SKARBIEC Mutual Fund).

As the President of the Management Board of Pekao SA in 1998-2003, Maria Pasło-Wiśniewska conducted the merger of four banks of the Pekao Group, followed by privatization and restructuring (as a result of the transformation Pekao SA became the largest – in terms of accumulated capital – and one of the most efficient banks in Central and Eastern Europe). Between 2008 and 2012 she was the President of the Management Board of the Corporation of European Pharmaceutical Distributors NV in Amsterdam, a company to become Europe's fourth largest in terms of the number of managed pharmacies.

She also served a number of other functions including the chairmanship of supervisory boards of Allianz Bank Poland SA (2008-2011) and DOZ SA (2008-2012), as well as non-executive Board membership at UAB NFG (2010-2012). In 2005-2007 she was a member of the Sejm (the lower house of the Polish Parliament).

She is a member of the Programme Board of the Institute of Public Affairs, the Chairman of the Advisory Council of the Lewiatan Confederation, the largest organisation of private employers in Poland and Vice President of the Management Board of the “Artes Liberales” Institute which operates at the University of Warsaw. She lectures leadership sociology at the University of Warsaw.

Member of the Orange Polska Supervisory Board since April 9, 2015.

**Wioletta Rosołowska** (born in 1964) as the CEO/ General Manager L’Oréal for the Austrian/German market drives forward with her team the sustainable growth of the business agenda of L’Oréal, the world leader in beauty. L’Oréal Austria/Germany markets represent one of the biggest consumer markets for these beauty categories worldwide with a strong vision and transformation agendas in Beauty Tech and Sustainability.

Wioletta Rosołowska before that represented L’Oréal as President of the Management Board of the L’Oréal Poland Baltics , being responsible for leading the business of in these four countries. In her leadership role she led all four Divisions: Consumer Goods, Professional Division, Luxe Division and Active Cosmetics Division, with Distribution Centre Operation and co-responsibility for L’Oréal Warsaw Plant located in Poland.

Before joining L’Oréal, Wioletta Rosołowska had been working at Tchibo GmbH for 20 years. The last six years she was responsible as Executive Board Member for Central Eastern Europe. She was also Supervisory Board Member (2007-2013), being responsible for the FMCG part of the business, retail and E-Commerce in eleven countries in Eastern and Central Europe.

Wioletta Rosołowska's expertise was called upon as the Supervisory Board Member of Bank Pekao S.A. (2012-2016) and as an Independent Board Member of Wizz Air Holdings (2016 - 2018).

Wioletta Rosołowska honoured her leadership skills at Business Schools in INSEAD Alumni and Harvard Business School. Among different Executive Studies Wioletta Rosolowska accomplished International Director Program at Insead with certification in Corporate Governance.

Wioletta Rosołowska remains a Member of the Executive Committee of the Industry Associations in Austria and Germany.

She is a Member of the worldwide business executives organization YPO Gold (since 2001) and Program Council Member of United Nations Global Compact - the world's largest initiative for corporate social responsibility and sustainable development.

**Jean-Marc Vignolles** (born in 1953) was appointed Chief Operating Officer for Europe, as from May 2018 and a Member of Orange Group Management Committee until April 2020.

In March 2016, Jean-Marc Vignolles was appointed Deputy General Manager and Chief Operating Officer (COO) of Orange Middle East and Africa (OMEA) Holding company, monitoring the operational performance of Orange subsidiaries within the MEA region. He has been Member of the Board of Directors of several companies of Orange Group in various countries in Europe, Middle East and Africa.

From 2007 to 2015, Jean-Marc Vignolles was Chief Executive Officer of Orange Spain, which, under his leadership and following the acquisition of Jazztel in 2015, grew to number two position on the Spanish market. Prior to that, he was the COO (2001-2004) and CEO (2004-2007) of PTK Centertel sp. z o.o. as well as member of the Management Board of Telekomunikacja Polska S.A. (2004-2007) – presently both operating under a name Orange Polska S.A.

Beginning 1983, Jean-Marc Vignolles worked at France Telecom, occupying various key, upper-level positions, including Vice President for Central and Eastern Europe in the International Development Division (1994-2000), Key Account Manager in the France Telecom Key Account Division (1990-1994), and Head of Department in the IT Division (1983-1990).

Mr. Vignolles received his Agrégation d'anglais certification in 1977 and graduated from Institut d'Etudes Politiques (Paris) in 1976 and from Ecole Normale Supérieure in 1973.

Member of the Orange Polska Supervisory Board since April 20, 2018.