

REPORT
**from the activities of the Strategy Committee
of the Supervisory Board of Orange Polska S.A. in 2017**

The Strategy Committee was established by virtue of the Resolution of the Supervisory Board no. 417/05 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 2017:

Chairman:

Gervais Pellissier

Members:

Dr. Henryka Bochniarz ("Independent Director")
Jean-Marie Culpin
Eric Debroeck
Prof. Michał Kleiber ("Independent Director")
Patrice Lambert de Diesbach
Dr. Maria Pasło-Wiśniewska ("Independent Director")

Permanent guests:

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

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

In 2017 the Strategy Committee held three ordinary meetings.

On the Strategy Committee's agenda for 2017

Orange Polska fibre strategy and its execution, including participation in Digital Poland Operational Programme

Without surprise and as already concluded by the Committee in 2016, fibre (FTTH) investment remains critical to Orange Polska's success. This is why this topic remained focal on the Committee's agenda in 2017.

Apart from tracking the development and execution of the Company's fibre strategy and investment programme, the Committee notably analysed Orange Polska's participation in the government-subsidised Digital Poland Operational Programme (POPC). The objective of POPC programme is to breach the digital divide, most importantly through European-funded fibre investments, mainly in rural areas, as well as supporting the country's digital transformation with a variety of projects in education or public services.

The Committee had a positive opinion on the Company's approach to POPC and the financial mechanism of its involvement in the Programme, balancing POPC and own fibre investments, and carefully looking into the profitability of different projects. Orange Polska's POPC participation proved successful. In the second POPC tender, Orange Polska won 18 out of 79 possible zones: over 360 thousand households and two thousand schools are to be covered in the Orange Polska-won area.

5G

Even if its standards have not yet been finalised, nor are there 5G-enabled devices available, the Committee shares the opinion that 5G will be a crucial technology step, linked with the evolution in the use of data: both its exponential growth and new usages, in B2C as well as in B2B. This topic remained, therefore, high on the Committee's agenda in the past year.

Different approaches to 5G in Asia and US were regarded and compared with European situation, objectives and requirements - especially in view of the 4G deployment still to be completed. Spectrum necessities were also analysed and discussed in view of the future 5G launch and deployment needs.

Orange Polska spectrum assets and strategy

Future 5G needs and spectrum opportunities were only one of the aspects of the Company's spectrum portfolio discussed by the Committee. While having a 28% market share in SIM cards, Orange Polska has only 19% of the relevant frequencies (800-2600 MHz), which translates into a very intensive use of its radio resources and the need to continuously monitor the situation and its challenges. This area will continue to be of key importance in the works of the Committee in the coming years.

Gervais Pellissier

Chairman of the Strategy Committee