



# Annual General Assembly

of Orange Polska S.A.

Warszawa, 12 April 2016

# TRANSLATION

Attachment to the resolution no. 12/16  
of Orange Polska S.A. Management Board  
dated 14.03.2016

## Announcement of the Management Board of Orange Polska Spółka Akcyjna on the Annual General Assembly

### I. Date, time and venue of the Annual General Assembly and the 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, 12th 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 Assembly to be held on *April 12, 2016, 10:00 a.m.*, in Warsaw, in the premises of Orange Polska Spółka Akcyjna building at Aleje Jerozolimskie 160, building E, ground floor, the conference hall – K/CK.

#### Agenda:

- 1) Opening of the Assembly;
- 2) Election of the Chairman;
- 3) Statement that the Assembly is valid and capable to adopt resolutions;
- 4) Adoption of the agenda;
- 5) Election of the Scrutiny Commission;
- 6) Review of:
  - a) the Management Board's Report on the activity of Orange Polska S.A. and the financial statements for the 2015 financial year,
  - b) the Management Board's motion on distribution of the Company's profit for the 2015 financial year and use of part of the financial means from the supplementary capital for distribution of the dividend,
  - c) the Supervisory Board's Report on appraisal of the Management Board's report on the activity of the Company, the financial statements for the 2015 financial year and the Management Board's motion on distribution of the Company's profit for the 2015 financial year,
  - d) the Management Board's motion on offsetting of the Company's loss from previous years,
  - e) the Management Board's Report on the activity of Orange Polska Group and the consolidated financial statements for the 2015 financial year,

- f) the Supervisory Board's Report on appraisal of the Management Board's Report on the activity of Orange Polska Group and the consolidated financial statements for the 2015 financial year,
  - g) the Report on the activity of the Supervisory Board and assessment of Orange Polska Group standing in 2015.
- 7) Adoption of the following resolutions concerning:
- a) approval of the Management Board's Report on the activity of Orange Polska S.A. in the 2015 financial year,
  - b) approval of Orange Polska S.A. financial statements for the 2015 financial year,
  - c) distribution of the Company's profit for the 2015 financial year and use of part of the financial means from the supplementary capital for distribution of the dividend,
  - d) offsetting of the Company's loss from previous years,
  - e) approval of the Management Board's Report on the activity of Orange Polska Group in the 2015 financial year,
  - f) approval of the consolidated financial statements for the 2015 financial year,
  - g) granting approval of performance of their duties as members of Orange Polska S.A governing bodies in the financial year 2015,
- 8) Changes in the Supervisory Board's composition,
- 9) Closing of the Assembly.

## **II. Information on participation rights in the General Assembly of Orange Polska S.A. ('GA')**

### **1. Shareholder's right to request for certain issues to be put on the General Assembly'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 GA 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 registered office at Al. Jerozolimskie 160, 02-326 Warsaw, or send by e-mail to the address [pełnomocnictwo.wza@orange.com](mailto:pełnomocnictwo.wza@orange.com) (pdf file), at least 21 days prior to the date of the General Assembly, i.e., on **March 22, 2016** at the latest.

- 2) 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 GA have the right to table draft resolutions on issues on the GA agenda or those to be put on the agenda.

The drafts shall be filed with the Management Board in writing at the Company's registered office at Al. Jerozolimskie 160, 02-326 Warsaw, or send by e-mail to the address [pełnomocnictwo.wza@orange.com](mailto:pełnomocnictwo.wza@orange.com) (pdf file), not later than 3 days prior to the GA, i.e., on *April 9, 2016* at the latest. The request with the draft resolution shall be accompanied by the documents mentioned in 1b) and 1c).

- 3) Pursuant to art. 401 § 5 of the Commercial Companies Code, each Shareholder authorised to participate in the GA may, during the GA, 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 GA and exercise his/her voting right in person or by a proxy holder.

A Shareholder not being natural person may participate in the GA 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 GA 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 web site [www.orange.pl/investors](http://www.orange.pl/investors).
- 3) Orange Polska S.A. shall be notified about a proxy in electronic form at least 3 days prior to the GA, i.e., on *April 9, 2016 at 4 p.m.* at the latest by e-mail at [pełnomocnictwo.wza@orange.com](mailto:pełnomocnictwo.wza@orange.com) by sending 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 a Shareholder and a 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 GA.
- 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 from the proxy, to be presented when checking the attendance list. 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 Assembly. 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 Assembly, the proxy may authorise to represent exclusively at a single General Assembly.
- 7) The proxy holder, referred to in item 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 item 6) shall vote in line with the instructions received from the Shareholder.

3. The possibility and mode of participating in the General Assembly by means of electronic communication

The Company does not allow for participation in the General Assembly by means of electronic communication.

4. The method of speaking at the GA by means of electronic communication

The Company does not allow for speaking at the General Assembly by means of electronic communication.

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

The Company does not allow for executing the voting right by correspondence or by means of electronic communication.

6. The record date

*March 27, 2016* shall be the record date.

7. The right to participate in the General Assembly

- 1) Only persons being Orange Polska S.A. shareholders as of the record date, i.e., *March 27, 2016*, shall have the right to participate in the General Assembly. A Personal certificate of entitlement to attend the General Assembly is issued by the entity operating a securities account, not later than in the first business day after the day of registration, i.e. *March 29, 2016*.
- 2) The list of Shareholders authorised to participate in the General Assembly 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 Assembly issued by the entity maintaining the securities account.
- 3) Shareholders shall be allowed to take part in the GA on producing their identity document, while proxy holders shall be allowed to take part in the GA 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.

**III. Access to documentation**

- 1) Any information and documents to be presented to the General Assembly together with draft resolutions, shall be placed at the Company's web site [www.orange.pl/investors](http://www.orange.pl/investors) beginning on the day the General Assembly has been convened.
- 2) Beginning on *April 5, 2016*, a Shareholder shall have the right to request a copy of motions on the issues on agenda.

## point 6.

of the meeting agenda

Review of:

- a) the Management Board's Report on the activity of Orange Polska S.A. and the financial statements for the 2015 financial year,
- b) the Management Board's motion on distribution of the Company's profit for the 2015 financial year and use of part of the financial means from the supplementary capital for distribution of the dividend,
- c) the Supervisory Board's Report on appraisal of the Management Board's report on the activity of the Company, the financial statements for the 2015 financial year and the Management Board's motion on distribution of the Company's profit for the 2015 financial year,
- d) the Management Board's motion on offsetting of the Company's loss from previous years,
- e) the Management Board's Report on the activity of Orange Polska Group and the consolidated financial statements for the 2015 financial year,
- f) the Supervisory Board's Report on appraisal of the Management Board's Report on the activity of Orange Polska Group and the consolidated financial statements for the 2015 financial year,
- g) the Report on the activity of the Supervisory Board and assessment of Orange Polska Group standing in 2015.

TRANSLATION

**resolution no. 5/O/16**

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

of 15.02.2016

on approval of the Management Board's report on the activity of Orange Polska S.A. in the 2015 financial year and IFRS financial statements for 2015

**§ 1**

Orange Polska S.A. Management Board approves the Management Board's report on the Orange Polska S.A. activity in 2015.

**§ 2**

Orange Polska S.A. Management Board approves the Orange Polska S.A. IFRS financial statements for the 2015 financial year, including:

- 1) balance sheet as at 31.12.2015, with the balance sheet total of PLN 23 164 million (in words: PLN twenty three billion one hundred sixty four million),
- 2) profit and loss account for 2015 showing a net profit of PLN 257 million (in words: PLN two hundred fifty seven million),
- 3) change in equity for 2015 showing a decrease in equity by PLN 420 million (in words: PLN four hundred twenty million),
- 4) cash flow account showing an increase in net cash and cash equivalents by PLN 13 million (in words: PLN thirteen million),
- 5) notes to the financial statement.

**§ 3**

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

**§ 4**

1. Orange Polska SA Management Board decides to move to the Annual General Meeting a motion for consideration and approval of the report and statements, referred to in § 1 and § 2.
2. Orange Polska SA Management Board decides to submit to the Supervisory Board the report and statements, referred to in § 1 and § 2 for appraisal.

3. The draft of relevant Annual General Meeting resolutions have been included in attachments 2 and 3.

#### **§ 5**

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



# Management Board's Report

on the activity of Orange Polska S.A.  
and the financial statements for the 2015 financial year

(separate document)

## TRANSLATION

### resolution no. 6/O/16

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

of 15.02.2016

on Management Board's motion on distribution of the Orange Polska S.A. profit for the 2015 financial year and use of a part of the financial means from the supplementary capital for distribution of the dividend

#### § 1

Orange Polska S.A. Management Board adopts the following motion on distribution of the Orange Polska S.A. net profit for the 2015 financial year of PLN 256,676,261.09 (in words: PLN two hundred and fifty six million six hundred and seventy six thousand two hundred and sixty one 09/100):

- 1) for a dividend – PLN 251,542,735.87 (in words: PLN two hundred and fifty one million five hundred and forty two thousand seven hundred and thirty five 87/100),
- 2) to the reserve capital – PLN 5,133,525.22 (in words: PLN five million one hundred and thirty three thousand five hundred and twenty five 22/100).

#### § 2

1. The amount of dividend shall be PLN 0.25 (in words: twenty five groszy) for each entitled share. For this purpose, part of the funds from the supplementary capital in the amount of PLN 76,546,633.88 (in words: PLN seventy six million five hundred and forty six thousand six hundred and thirty three 88/100) representing the difference between the product of the amount of PLN 0.25 and number of shares entitled to dividend at the Dividend Day and the amount of part of the net profit for the 2015 financial year, referred to in § 1 item 1) shall be allocated and distributed for the dividend.
2. Total amount for distribution of the dividend shall be PLN 328,089,369.75 (in words: PLN three hundred and twenty eight million and eighty nine thousand three hundred and sixty nine 75/100).

#### § 3

1. Orange Polska S.A. Management Board decides to move to the Annual General Assembly a motion on distribution of the Company's net profit for 2015 and use a part of the financial means from the supplementary capital for distribution of the dividend, referred to in § 1 and § 2.
2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board a motion, referred to in § 1 and § 2 for appraisal.
3. Draft of the relevant Annual General Assembly resolution has been included in attachment to this resolution.

#### § 4

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

# resolution no.10/16

of the Supervisory Board  
of Orange Polska S.A.

dated 9 March 2016

on adoption of the report on the appraisal of the Management Board's report on the Company's activity, the financial statements and the Management Board's motion on the distribution of the Company's profit for the 2015 financial year

Pursuant to article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Articles of Association of Orange Polska SA (hereinafter referred to as the Company), the following is resolved:

## § 1

The Supervisory Board adopts the report from results of the appraisal of:

- the Management Board's report on the Company's activity in 2015,
- the Company's IFRS financial statements for the financial year 2015, and
- the Management Board's motion on distribution of the Company's profit for 2015 and use of a part of the financial means from the supplementary capital for distribution of the dividend,

included in attachment hereto, and decides to submit this report to the Annual General Assembly.

## § 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Gervais Pellissier
4. Marc Ricau
5. Henryka Bochniarz
6. Jean-Marie Culpin
7. Eric Debroeck
8. Ramon Fernandez
9. Mirosław Gronicki
10. Russ Houlden
11. Marie-Christine Lambert
12. Maria Pasło-Wiśniewska
13. Gérard Ries
14. Wiesław Rozłucki
15. Valérie Thérond

## **REPORT**

**of Orange Polska S.A. Supervisory Board**

**on the appraisal of the Management Board Report on the Company's activity, the financial statements and the Management Board's motion on the distribution of the Company's profit for the 2015 financial year**

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, has examined and appraised the following documents:

- a) the Management Board's report on the Company's activity in 2015;
- b) the Company's IFRS financial statements for the 2015 financial year, including:
  - 1) balance sheet as at 31.12.2015, with the balance sheet total of PLN 23 164 million (in words: PLN twenty three billion one hundred sixty four million),
  - 2) profit and loss account for 2015 showing a net profit of PLN 257 million (in words: PLN two hundred fifty seven million),
  - 3) change in equity for 2015 showing a decrease in equity by PLN 420 million (in words: PLN four hundred twenty million),
  - 4) cash flow account showing an increase in net cash and cash equivalents by PLN 13 million (in words: PLN thirteen million),
  - 5) notes to the financial statement.
- c) Resolution No. 5/O/16 of the Company's Management Board dated 15 February 2016 on approval of the Management Board's report on the activity of Orange Polska S.A. in the 2015 financial year and IFRS financial statements for 2015;
- d) Resolution No. 6/O/16 of the Company's Management Board dated 15 February 2016 on Management Board's motion on distribution of the Orange Polska S.A. profit for the 2015 financial year and use of a part of the financial means from the supplementary capital for distribution of the dividend.

Having analysed the above mentioned documents and taking into consideration the opinion and report of an independent auditor on examination of Orange Polska S.A. financial statements for the year ended 31 December 2015, the Supervisory Board states as follows:

- The Management Board report on the Company's activity and the financial statements for the 2015 financial year are in compliance with the books and documents, and remain in conformity with the factual status and mandatory legal provisions.

The Supervisory Board recommends the Annual General Assembly:

- to approve the Management Board's report on the Company's activity in 2015 and the financial statements for the 2015 financial year;
- to adopt a resolution on distribution of the Company's profit for the 2015 financial year according to the motion of the Management Board included in the resolution 6/O/16;
- to grant approval of the performance by the members of the Management Board of their duties in 2015.

## **resolution no. 7/O/16**

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

of 15.02.2016

on Management Board's motion on offsetting Orange Polska S.A. loss from previous years

### **§ 1**

Orange Polska S.A. Management Board adopts the motion on offsetting Company's previous years loss in the amount of PLN 44,559,148.81 (in words: forty four million five hundred and fifty nine thousand one hundred and forty eight 81/100), disclosed in the Company's Financial Statements for the 2015 financial year, against reserve capital of the Orange Polska S.A.

### **§ 2**

1. Orange Polska S.A. Management Board decides to move to the Annual General Assembly the motion on offsetting the Company's loss from previous years, as 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 of the relevant Annual General Assembly resolution has been included in attachment 1 to this resolution.

### **§ 3**

The reason of the motion has been included in attachment 2 to the resolution.

### **§ 4**

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

Attachment no 2 to the resolution no. 7/O/16  
of Orange Polska S.A. Management Board  
dated 15.02.2016

#### Reason

The Company recognised an adjustment amounting to PLN 45 million (net of deferred tax) relating to immaterial errors in recognition of pre-paid revenue in prior periods. The impact of this adjustment was recognised directly in retained earnings and presented as other movements in the statement of changes in equity.

# resolution no. 11/16

of the Supervisory Board  
of Orange Polska S.A.

dated 9 March 2016

on expressing of an opinion on the Management Board's motion addressed to the Annual General Assembly  
on offsetting of the Company's loss from previous years

Pursuant to § 23.2.2 and 7 of the Articles of Association of Orange Polska SA (hereinafter referred to as the Company), the following is resolved:

## § 1

The Supervisory Board expresses a positive opinion on the Management Board's motion expressed in the resolution no. 7/O/16 dated 15 February 2016 and recommends the Annual General Assembly to adopt a resolution on offsetting of the Company's loss from previous years.

## § 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Gervais Pellissier
4. Marc Ricau
5. Henryka Bochniarz
6. Jean-Marie Culpin
7. Eric Debroeck
8. Ramon Fernandez
9. Mirosław Gronicki
10. Russ Houlden
11. Marie-Christine Lambert
12. Maria Paśło-Wiśniewska
13. Gérard Ries
14. Wiesław Rozłucki
15. Valérie Thérond

## TRANSLATION

### **resolution no. 8/O/16**

of Orange Polska SA Management Board  
adopted by correspondence

of 15.02.2016

on approval of the Management Board report on the activity of Orange Polska Group in the 2015 financial year and IFRS consolidated financial statements for 2015

#### **§ 1**

Orange Polska S.A. Management Board approves the Management Board report on the activity of Orange Polska Group in the 2015 financial year.

#### **§ 2**

Orange Polska S.A. Management Board approves the Orange Polska Group IFRS consolidated financial statements for 2015 including:

- 1) consolidated balance sheet as at 31.12.2015, showing the balance sheet total of PLN 21 652 million (in words: PLN twenty one billion six hundred fifty two million),
- 2) consolidated profit and loss account for 2015 showing consolidated a net profit after taxation of PLN 254 million (in words: PLN two hundred fifty four million), including a net profit attributable to equity holders of Orange Polska S.A. of PLN 254 million (in words: PLN two hundred fifty four million),
- 3) changes in total consolidated equity for 2015 showing a decrease in total consolidated equity by PLN 421 million (in words: PLN four hundred twenty one million), including a decrease of equity attributable to equity holders of Orange Polska S.A. by PLN 421 million (in words: PLN four hundred twenty one million),
- 4) consolidated cash flow statement showing an increase in net cash and cash equivalents by PLN 18 million (in words: PLN eighteen million),
- 5) notes to consolidated financial statement.

#### **§ 3**

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

#### **§ 4**

1. Orange Polska S.A. Management Board decides to move to the Annual General Assembly a motion for consideration and approval of 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 drafts of relevant Annual General Assembly resolutions have been included in attachments 2 and 3.

**§ 5**

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

# Management Board's Report

on the activity of Orange Polska Group  
and the consolidated financial statements for the 2015 financial year

(separate document)

# resolution no. 12/16

of the Supervisory Board  
of Orange Polska S.A.

dated 9 March 2016

on adoption of the report on the appraisal of the Management Board's report on the activity of Orange Polska Group and the consolidated financial statements for the 2015 financial year

Pursuant to article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Articles of Association of Orange Polska SA (hereinafter referred to as the Company), the following is resolved:

## § 1

The Supervisory Board approves the report on the appraisal of the Management Board's report on the activity of Orange Polska Capital Group and IFRS consolidated financial statements for the 2015 financial year, included in attachment hereto, and decides to submit this report to the Annual General Assembly.

## § 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Gervais Pellissier
4. Marc Ricau
5. Henryka Bochniarz
6. Jean-Marie Culpin
7. Eric Debroeck
8. Ramon Fernandez
9. Mirosław Gronicki
10. Russ Houlden
11. Marie-Christine Lambert
12. Maria Pasło-Wiśniewska
13. Gérard Ries
14. Wiesław Rozłucki
15. Valérie Thérond

## **REPORT**

### **of Orange Polska SA Supervisory Board**

**on the appraisal of the Management Board's report on the activity of Orange Polska Group and the consolidated financial statements for the 2015 financial year**

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, has examined and appraised the following documents:

- a) The Management Board's report on the activity of Orange Polska Group in the 2015 financial year;
- b) The IFRS consolidated financial statements for 2015 that include:
  - 1) consolidated balance sheet as at 31.12.2015, showing the balance sheet total of PLN 21 652 million (in words: PLN twenty one billion six hundred fifty two million),
  - 2) consolidated profit and loss account for 2015 showing consolidated a net profit after taxation of PLN 254 million (in words: PLN two hundred fifty four million), including a net profit attributable to equity holders of Orange Polska S.A. of PLN 254 million (in words: PLN two hundred fifty four million),
  - 3) changes in total consolidated equity for 2015 showing a decrease in total consolidated equity by PLN 421 million (in words: PLN four hundred twenty one million), including a decrease of equity attributable to equity holders of Orange Polska S.A. by PLN 421 million (in words: PLN four hundred twenty one million),
  - 4) consolidated cash flow statement showing an increase in net cash and cash equivalents by PLN 18 million (in words: PLN eighteen million),
  - 5) notes to consolidated financial statement.
- c) Resolution No. 8/O/16 of the Company's Management Board dated 15 February 2016 on approval of the Management Board report on the activity of Orange Polska Group in the 2015 financial year and IFRS consolidated financial statements for 2015.

Having analysed the abovementioned documents and taking into consideration the opinion and report of an independent auditor on examination of the consolidated financial statements for the year ended 31 December 2015, the Supervisory Board states as follows:

- I. The Management Board's report on the activity of Orange Polska Group in the 2015 financial year and the consolidated IFRS financial statements for the 2015 financial year are in compliance with the books and documents, and remain in conformity with the factual status and mandatory legal provisions.
- II. The Supervisory Board recommends the Annual General Assembly to approve the Management Board's report on the activity of Orange Polska Group in the 2015 financial year and the consolidated IFRS financial statements for the 2015 financial year.

# resolution no. 13/16

of the Supervisory Board  
of Orange Polska S.A.

dated 9 March 2016

on adoption of the report on the activity of the Supervisory Board and its committees and the assessment of the Orange Polska Group's standing in 2015

Pursuant to article 382 § 1 of the Commercial Companies Code, § 23.1.12 of the Company's Articles of Association, the following is resolved:

## § 1

The Supervisory Board adopts the Report on the activities of the Supervisory Board of Orange Polska S.A. and its committees and the assessment of the Orange Polska Group's standing in 2015, including an assessment of the Group's internal control, risk management, compliance and internal audit included in attachment hereto, and decides to submit it to the Annual General Assembly.

## § 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Gervais Pellissier
4. Marc Ricau
5. Henryka Bochniarz
6. Jean-Marie Culpin
7. Eric Debroeck
8. Ramon Fernandez
9. Mirosław Gronicki
10. Russ Houlden
11. Marie-Christine Lambert
12. Maria Paśo-Wiśniewska
13. Gérard Ries
14. Wiesław Rozłucki
15. Valérie Thérond

## REPORT

on the activity of the Supervisory Board of Orange Polska S.A. and its committees  
and assessment of the Orange Polska Group's standing in 2015

### I. COMPOSITION:

Composition of the Supervisory Board on 1 January 2015:

1. Maciej Witucki - Chairman
2. Prof. Andrzej K. Koźmiński - Deputy Chairman and Independent Board Member
3. Gervais Pellissier - Deputy Chairman and Chairman of the Strategy Committee
4. Marc Ricau - Secretary
5. Dr. Henryka Bochniarz - Independent Board Member
6. Jean-Marie Culpin - Board Member
7. Eric Debroeck - Board Member
8. Ramon Fernandez - Board Member
9. Dr. Mirosław Gronicki - Independent Board Member
10. Russ Houlden - Independent Board Member and Chairman of the Audit Committee
11. Sławomir Lachowski - Independent Board Member
12. Marie-Christine Lambert - Board Member
13. Gérard Ries - Board Member
14. Dr. Wiesław Rożucki - Independent Board Member and Chairman of the Remuneration Committee
15. Valérie Thérond - Board Member

In 2015 the following changes occurred in the composition of the Supervisory Board:

On 9 April 2015, the mandates of Ms. Henryka Bochniarz, Mr. Ramon Fernandez, Mr. Andrzej K. Koźmiński, Mr. Sławomir Lachowski, Ms. Marie-Christine Lambert and Mr. Wiesław Rożucki expired.

On the same day, Ms. Henryka Bochniarz, Mr. Ramon Fernandez, Mr. Andrzej K. Koźmiński, Ms. Marie-Christine Lambert, Ms. Maria Pasło-Wiśniewska and Mr. Wiesław Rożucki were appointed by the Annual General Assembly as Members of the Supervisory Board.

Composition on 31 December 2015:

1. Maciej Witucki - Chairman
2. Prof. Andrzej K. Koźmiński - Deputy Chairman and Independent Board Member
3. Gervais Pellissier - Deputy Chairman and Chairman of the Strategy Committee
4. Marc Ricau - Secretary
5. Dr. Henryka Bochniarz - Independent Board Member
6. Jean-Marie Culpin - Board Member
7. Eric Debroeck - Board Member
8. Ramon Fernandez - Board Member
9. Dr. Mirosław Gronicki - Independent Board Member
10. Russ Houlden - Independent Board Member and Chairman of the Audit Committee
11. Maria Pasło-Wiśniewska - Independent Board Member
12. Marie-Christine Lambert - Board Member
13. Gérard Ries - Board Member

14. Dr. Wiesław Rozłucki - Independent Board Member and Chairman of the Remuneration Committee  
15. Valérie Théron - Board Member

At present, the Supervisory Board has six independent members, namely Messrs. Dr. Henryka Bochniarz, Dr. Mirosław Gronicki, Russ Houlden, Prof. Andrzej K. Koźmiński, Maria Pasło-Wiśniewska and Dr. Wiesław Rozłucki.

On 3 February 2016 Prof. Andrzej K. Koźmiński resigned from the position as Member of the Supervisory Board with effect on 12 April 2016.

Three permanent committees operate within the Supervisory Board. Their composition was the following (as of 31 December 2015):

- **Audit Committee:** Russ Houlden – Chairman, Marie-Christine Lambert, Maria Pasło-Wiśniewska and Marc Ricau – members;
- **Remuneration Committee:** Dr. Wiesław Rozłucki – Chairman, Prof. Andrzej K. Koźmiński, Marc Ricau and Valérie Théron – members;
- **Strategy Committee:** Gervais Pellissier – Chairman, Dr Henryka Bochniarz, Eric Debroeck, Dr. Mirosław Gronicki, Maria Pasło-Wiśniewska and Gérard Ries – members.

The Audit Committee is chaired by an independent member of the Supervisory Board with relevant experience and qualifications in finance, accounting and audit.

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

## II. OPERATION

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 2015 the Supervisory Board fulfilled its duties resulting from the provisions of the Commercial Companies Code:

1. Appraisal of the Management Board's report on Orange Polska SA operations and the financial statements for the financial year 2014 and the Management Board's motion for distribution of the Company's profit;
2. Appraisal of the Management Board's report on Orange Polska Group's operations and the consolidated financial statements for the financial year 2014;
3. Filing with the General Assembly 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 Companies listed on the Warsaw Stock Exchange, of which the following should be mentioned:

- 1) expressing opinions on motions addressed to the General Assembly,
- 2) selecting an independent auditor to audit the Company's financial statements,
- 3) preparing opinions on Orange Polska S.A. and Orange Polska Group budget,
- 4) concise assessment of the Orange Polska Group's standing in 2014, including an assessment of the internal control system and the significant risks management system,
- 5) deciding on the composition of the Management Board and the evaluation of its performance.

The Supervisory Board met 6 times in 2015 and adopted 23 resolutions, of which 6 were in writing (by correspondence).

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

The reports of the three permanent committees of the Supervisory Board on their activities in 2015 are attached hereto.

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 was regularly monitoring the execution of its resolutions and recommendations, analysing the information presented by the Management Board.

The Supervisory Board evaluates that:

- knowledge, experience and competence of each member and the composition, organisation and operation of the Supervisory Board and its committees allowed them effective supervision over the activities of Orange Poland,
- properly and with due care performed its duties in 2015.

### **III. ASSESSMENT OF ORANGE POLSKA GROUP'S STANDING IN 2015**

This section contains the Supervisory Board assessment of the Orange Polska Group's performance in 2015 in accordance with the recommendation no. II.Z10.1 of the Code of Best Practices for WSE Listed Companies 2016, introduced by the Warsaw Stock Exchange. The assessment is based on the 2015 financial results of the Group (the Company and its subsidiaries) as well as on the information obtained by the Supervisory Board during conducting its statutory tasks.

Throughout 2015, the Supervisory Board focused on the following issues:

- a) implementation of the medium term action plan for 2013–2015;
- b) Group's financial results and performance in comparison to the budget;
- c) participation of Orange Polska in the auction for the reservation of frequencies in the 800 and 2600 MHz bands;
- d) new philosophy and visual identity for Orange in Poland - listening and responding to customer needs;
- e) convergent offer;
- f) concluding financing agreements with Orange Group;
- g) monitoring of the key programs for the Group's future, particularly the program of mobile access co-use with T-Mobile;
- h) customer satisfaction – the customer excellence programme;
- i) investments in the rollout of the fibre network;
- j) real estate portfolio optimisation.

The Supervisory Board, through the work of its committees and all its members (including six independent members), was actively engaged in the process of evaluation 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 review and challenge the control, risk management and budgeting functions performed by the Management.

#### **Group's Operational Review**

In 2015 Orange Polska business continued to develop in line with the priorities that were set a year ago. Namely: investments in connectivity, growth in customer satisfaction and further efficiency



improvements. It was a very intensive period marked by several developments with long-term significance and consequences.

In April Orange Polska launched a new philosophy and visual identity for Orange brand in Poland. It is now more in tune with the digital world and engaged in active dialogue with our customers. The new marketing slogan is "always in touch to connect what's essential in your life", and the new guidelines for both the Group's internal culture and its external actions are based on listening and responding to customer needs. The new approach contributed to a significant improvement in Net Promoters' Score (NPS) an indicator that reflects customers' holistic experience with the operator, including not only customer care but also quality of connectivity and how well the offers fit their needs. NPS in December 2015 was on the highest ever level for Orange Polska.

This all translated into much better results in commercial activity especially in mobile post-paid. Mobile post-paid customer base in 2015 grew by 682k, or almost 9% year-on-year. This was the highest annual increase since 2007. As a result, according to Company's estimates Orange Polska market share increased in this category and exceeded 27%. This success – well-balanced across all segments of the market – was the consequence of a number of actions. On the mass market, customers responded very well to the new multi-SIM Family offers and a new innovative mobile broadband offer. On the business market, the main growth drivers were simplification of offers, anti-churn actions and good performance in key accounts.

In 2015, Orange Polska continued a strong focus on the convergent offer, Orange Open, combining mobile and fixed line products. Its customer base grew by nearly 35% to 728 thousand and constituted also 35% of all fixed broadband users. The customer base of fixed broadband decreased by 136,000, with ADSL and CDMA as the sole reasons of the decrease. The number of users of fast VHBB services grew more than 80%, accounting for 15% of all customers by the end of the year.

In 2015 Orange Polska started significant investments in the rollout of the fibre network as a response to strong demand for fast Internet and an opportunity to win back market share back from cable operators. Rollout conducted in 2015 included 638 thousand of connectable households, in line with the plan. However due to savings, the plan was delivered at a lower than expected cost.

At a result of long auction process, Orange Polska purchased 2 blocks of 800MHz spectrum and 3 blocks of 2,600MHz spectrum. This is the best possible outcome. Orange Polska secured desired amount of spectrum at a price below the average paid by its competitors. Although the price was high, it was a fair reflection of the rules of the process and the high level of competition. The auction outcome improves the competitive environment very much to the benefit of Orange Polska, and is crucial to its long-term strategy not only in mobile but also in fixed services.

In December, Orange Polska signed new social plan with Trade Unions covering 2016-2017. According to the plan up to 2050 employees may benefit from voluntary departures.

### **Group's Financial Overview**

The Group's key goals in 2015 were to:

- Drawing benefits from the fixed broadband market deregulation
- Execution of the fibre access network project that includes coverage of up to 650,000 households with the very fast fixed broadband service in fibre technology
- Further growth of LTE network coverage on 1,800MHz
- Participation in the spectrum auction for 800MHz and 2,600MHz frequencies so as to facilitate access to LTE spectrum
- Development of new commercial actions to strengthen the company's position in all of its markets of operation, in particular use of the Group's unique resources to fully utilise the benefits of convergent opportunities
- Launch action to counteract competitive pressure in the business segment
- Continuing the development of the new initiatives – Orange Finance and Orange Energy

- Increasing customer satisfaction and loyalty, also by further implementation of the customer excellence program
- Generating organic cash flow of around PLN 900 million<sup>1</sup>
- Further optimisation of the Company's assets, including disposal of unused properties
- Development of new cost optimisation initiatives to mitigate impact of revenue pressure
- Maintaining financial stability and monitor closely the level of debt ratios
- Further enhancing internal control and risk management measures
- Monitoring business performance closely to be able to react quickly to unfavourable changes in market environment
- Monitoring and analysing any acquisition opportunities on the market
- Remunerating shareholders at a reasonable level, taking into consideration the Group's financial structure and future capital requirements

Consolidated revenues totalled PLN 11,840 million in 2015, marking a year-on-year decrease of 2.9% or PLN 351 million. The regulatory impact was limited to only PLN 52 million versus PLN 255 million in 2014. Excluding this regulatory impact, revenue evolution remained under pressure, primarily due to the fall in fixed services (stemming mainly from structural erosion of fixed voice and wholesale), and price pressure, which negatively impacted mobile voice services (especially in the B2B segment). These factors were partially offset by higher sales of mobile equipment (by PLN 216 million), higher mobile interconnect revenues (by PLN 163 million) and higher other revenues.

Restated EBITDA for full year amounted to PLN 3,521 million (at 29.7% of revenues), down by PLN 395 million or 10.1% year-on-year. This decline reflects mainly revenue erosion, higher interconnect costs (by PLN 139 million), and higher direct commercial expenses (by PLN 156 million). The latter was a consequence of our aggressive marketing strategy focused on intensive customer acquisition, which resulted in a 9% year-on-year increase in our mobile post-paid customer base.

The Company generated PLN 952 million of organic cash flow, in line with the guidance of around PLN 900 million. It was impacted by the first year of fibre network rollout, which constitutes an investment into future connectivity improvement. Excluding the cash effect of this investment organic cash flow would be almost on similar level with 2014.

In 2015, the Group paid a dividend of PLN 656 million, an equivalent of PLN 0.5 per share, payable in cash.

### **Conclusions and 2016 Recommendations**

In 2015 Orange Polska significantly improved its strategic position on the Polish telecom market. Commercial strategy brought excellent results in mobile post-paid and increase in market share. Customers' perception of Orange services significantly improved. The Group is much better equipped with mobile spectrum and delivered on its first year of fibre network rollout. Financial results were in line with objectives. Achievements of 2015 give solid ground for execution of new medium-term action plan that the Orange Polska has announced in February 2016.

The Supervisory Board's opinion is that in 2016 the Group should, focus its activities on execution of its new action plan, in particular, in the following key aspects:

- Further extension of coverage of LTE technology and launch of services on newly purchased mobile spectrum
- Continue fibre network rollout to cover up to 800,000 new households connectable
- Development of commercial strategy aimed mainly at monetisation of new mobile spectrum, commercialisation of fibre network and actions to strengthen the Company's position in all of its markets of operation,
- Use of the Group's unique resources to fully utilise the benefits of convergent opportunities

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<sup>1</sup> excluding one-offs: acquisition of any new spectrum, potential payment of the EC fine, and certain other claims and litigations

- Increasing customer satisfaction and loyalty, also by further implementation of the customer excellence program
- Further optimisation of the Company's assets, including disposal of unused properties
- Development of new cost optimisation initiatives to mitigate impact of revenue pressure
- Maintaining financial stability and monitor closely the level of debt ratios (net debt-to-restated EBITDA not to exceed 2.2)
- Deliver restated EBITDA in the guidance range of PLN 3.15-3.30 billion
- Monitoring and analysing any acquisition opportunities on the market
- Remunerating shareholders at a reasonable level, taking into consideration the Group's financial structure and future capital requirements

#### **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 of internal control and risk management facilitates the 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, but cannot give absolute, assurance that the risks significant to the Group are identified and addressed.

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 2015, published on 15 February 2016.

In 2015, the Group again completed a comprehensive assessment of its processes of internal control over financial reporting within the framework of the Sarbanes-Oxley Program of Orange S.A. 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 2015.

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.

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 Supervisory Board's Audit Committee in following areas: ethics, general compliance with laws and regulations, anti- fraud, security and anti-corruption. Activities of the Compliance Management function, the results of planned inspections, as well as the results of inspections initiated by notification of irregularities (whistle-blowing) are monitoring on the basis of reports submitted periodically. Applied actions and mechanisms are ensuring the effectiveness of the Group's compliance function.

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.

**REPORT**  
**on the 2015 activities of**  
**the Audit Committee**  
**of the Orange Polska S.A. Supervisory Board**

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

The principal tasks of the AC are to advise the Supervisory Board on proper implementation of budgetary and financial reporting and internal control (including risk management) principles in Orange Polska S.A. (the "Company", "OPL") and Orange Polska Group (the "Group"), and to liaise with its auditors.

**Composition**

In 2015, the AC was composed of the following persons:

Chairman: Mr. Russ Houlden ("Independent Director")

Members: Ms. Marie-Christine Lambert  
until 9 April 2015 Mr. Sławomir Lachowski ("Independent Director")  
from 9 April 2015 Ms. Maria Pasło-Wiśniewska ("Independent Director")  
Mr. Marc Ricau

The Secretary of the AC was Mr. Jacek Hutyra (until 31 August 2015) and Ms. Jolanta Tropaczyńska (from 1 September 2015).

Chief Executive Officer (Mr. Bruno Duthoit) and Chief Financial Officer (Mr. Maciej Nowohoński), as well as Internal Audit Director (Mr. Jacek Chaber) generally attended all meetings of the AC. Other members of the Management Board, Executive Directors and other managers and invited guests attended the meetings when appropriate. The AC meetings were also attended, when appropriate, by representatives of the Company's external auditor, Deloitte or, from June 2015, Ernst & Young.

**Functions 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) monitoring the independence and objectivity of the Company's external auditors, the nature and scope of the audit and monitoring the auditors' work.

### Activity in 2015

The Audit Committee held 7 regular meetings in 2015. The AC performed in particular the following activities:

- 1) Review of the Group's 2015 budget and addressing recommendations on it to the Supervisory Board;
- 2) Review of the Company's and Group's quarterly and annual financial statements, review of the accounting policies and approaches, and in particular quarterly consideration of all accounting issues, one-offs, estimates and judgments, as well as of the application of the IFRS revenue recognition rules; particular attention was paid to those aspects where judgment is required, e.g.:
  - a) Impairment of assets including goodwill. The Audit Committee reviewed the key assumptions used to determine recoverable amounts such as cash flow projections, discount rates, growth rate to perpetuity.
  - b) Revenue recognition. The Audit Committee reviewed the accounting approach to significant one-off transactions or new streams of revenue in the current period or anticipated for next periods, including judgements made in allocation of revenue between each separable component of a multiple-element arrangement and recognition of revenue on a net versus gross basis.
  - c) Useful lives of tangible and intangible assets and their valuation. The Audit Committee reviewed assumptions used to determine useful lives of fixed assets and the method of depreciation and amortisation as well as the valuation methodology.
  - d) Provisions for legal, tax and regulatory cases, dismantling provisions and provisions for employment termination expense.
  - e) Employee benefits. The Audit Committee reviewed assumptions underlying the measurement and recognition of liabilities related to long-term employee benefits. The Audit Committee concurred with the Management Board's conclusion.
  - f) Fair value of derivatives and other financial instruments. The Audit Committee reviewed valuation models and assumptions underlying the measurement of fair values derivatives and other financial instruments.
  - g) Deferred tax. The Audit Committee reviewed assumptions underlying the recognition and measurement of deferred tax assets.
  - h) Changes in accounting standards. The Audit Committee reviewed impact of the new accounting regulations on OPL's accounts and concurred with the Management's conclusion.

After appropriate challenge and, where appropriate, adjustment the Audit Committee concurred with the Management Board's conclusions.

- 3) Review of the progress of Management's preparation for the implementation of IFRS 15;
- 4) Review of the improvement of non-GAAP measures disclosure;
- 5) Review of reserves available for distribution as dividends and their reconciliation to retained earnings;
- 6) Review of the 2015 dividend proposed by the Management;
- 7) Monitoring the accounting standards evolution and expected relevant changes in the legislation;
- 8) Review of the prior year performance of the external auditor and recommending to the Supervisory Board on the selection of the external auditor, its remuneration and terms of engagement. In accordance with the Code of the Best Practices for companies listed

on the Warsaw Stock Exchange, the Audit Committee recommended to the Supervisory Board the appointment of Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa to the audit of the Company and the Group for the financial year 2015 and to review half-yearly financial statements for the period of six months ended June 30, 2015. Ernst & Young Audyt Polska Sp. z o.o. Sp. k. was appointed in 2015 and replaced Deloitte Polska Sp. z o.o. Sp. k. which was the auditor of the Company and the Group between 2009 and 2014;

- 9) Review of the scope and the results of the external audit, independence and objectivity (including scepticism) of the auditors and reporting its conclusions to the Supervisory Board. All non-audit services provided by external auditors were approved in advance by the Chairman of the Audit Committee. In addition, the Audit Committee reviewed the external auditors' proposed audit plan for the financial year 2015, including the materiality level set for audit testing, in the light of the Group's present circumstances and changes in accounting and auditing standards. The Committee has also monitored the Company's responsiveness to the recommendations from the external auditor made in its management letter. In addition, the Committee met privately with the lead partner of the statutory audit firm;
- 10) Review of the Group's system of internal control and risk management as reported by the Management Board and, in particular, whether the Management Board sets the appropriate "control culture" and the way risks were identified, managed and disclosed by the Management. The Audit Committee received reports from Management on action plans in response to comments on internal controls from the internal and external auditors;
- 11) Review of the annual plan of Internal Audit, its budget and progress reports, as well as monitoring the responsiveness of management to Internal Audit findings and recommendations. In addition, the Committee met privately with the Director of the Group's Internal Audit and reviewed the independence of Internal Audit. The Committee was also provided with a report regarding the renewal in 2015 of the certification of Internal Audit activities by Institut Français de l'Audit et du Contrôle Interne (IFACI);
- 12) Review of the Company's compliance system in the following areas: overall compliance with laws and regulations; ethics, anti-fraud; security; anti-corruption. The Committee monitored the operations of the Group's Ethics Committee and of the Group's Compliance office, as well as the results of investigations initiated by whistle-blowing;
- 13) Review of and opinions on significant transactions with related parties as defined by the corporate rules, in particular regarding the financing arrangements with the Orange Group (and the operation thereof); in line with internal regulations and best practices of corporate governance, the independent members of the Committee played the leading role in these considerations;
- 14) Issuing opinions on other matters referred to the Committee by the Supervisory Board and/or the Management Board;
- 15) Review of other matters of interest to the Committee, including but not limited to revenue assurance, hedging and insurance.

The Audit Committee complied with the *Recommendations on the work of the Audit Committee* issued in November 2010 by the Office of the Financial Supervision Authority in Poland.

Russ Houlden  
Chairman of the Audit Committee of the Supervisory Board  
24 February 2016

**REPORT**  
**on the activity of the Remuneration Committee**  
**of the Supervisory Board of Orange Polska S.A. in 2015**

The Remuneration Committee was established by virtue of the Resolution of the Supervisory Board no. 385/04 dated June 16, 2004 regarding TP S.A. Supervisory Board's Remuneration Committee establishment as a consultative body acting under the Supervisory Board.

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, performance objectives, conditions of remuneration and amounts of bonuses for the Members of the Management Board.

**Composition:**

In 2015, the Remuneration Committee was composed of the following persons:

Chairman: Dr. Wiesław Rozłucki ("Independent Director")

Members: Prof. Andrzej K. Koźmiński ("Independent Director")  
Marc Ricau  
Valerie Therond

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

**Activity in 2015:**

In 2015, the Remuneration Committee held 5 meetings and in particular developed recommendations for Supervisory Board consideration focused on the following remuneration-related issues:

1. RemCo accepted the RemCo Annual Report 2014.
2. RemCo acknowledged and accepted the implementation of the new social insurance regulations for the Supervisory Board Members in Orange Polska enforced from 1 January 2015.
3. RemCo confirmed the recommendation of remuneration changes for the Management Board Members in charge of Human Resources and for the Management Board Member in charge of Finance.
4. RemCo positively recommended to the Supervisory Board the new function of Piotr Muszyński as the President of the Foundation Council for the Development of Radiocommunications and Multimedia Techniques.
5. RemCo positively recommended to the Supervisory Board three nominations to the Management Board in Orange Polska and the contract conditions of: Bożena Leśniewska as the Management Board Member in charge of Sales and Commercial Digitisation; Jolanta Dudek as the Management Board Member in charge of Customer Care and Customer Excellence and Michał Paschalis-Jakubowicz as the Management Board Member in charge of Marketing.
6. The evaluation of the MBO goals for the Management Board Members for H2 2014, the establishment of goals for the Management Board Members for H1 2015 and the evaluation of their MBO goals for H1 2015, and the establishment of goals for the Management Board Members for H2 2015.

Wiesław Rozłucki

Chairman of the Remuneration Committee

*9 March, 2016*

**REPORT**  
**from the activities of the Strategy Committee  
of the Supervisory Board of Orange Polska S.A. in 2015**

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 2015:**

Chairman:

Gervais Pellissier

Members:

Dr. Henryka Bochniarz ("Independent Director")  
Eric Debroeck  
Dr. Mirosław Gronicki ("Independent Director")  
Sławomir Lachowski ("Independent Director") – until 9 April 2015  
Maria Pasło-Wiśniewska ("Independent Director") – from 9 April 2015  
Gérard Ries

Permanent guests:

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

**Activities in 2015:**

In 2015 the Strategy Committee held three ordinary meetings as well as an extraordinary informal session on Orange Group innovations.

Throughout the year the activities of the Strategy Committee concentrated primarily on analyzing the execution of Orange Polska mid-term strategy, as well as on supporting the development of a new strategic plan including the FTTH investment plan.



Additionally, the Committee focused on supporting the Management in several other key areas, including:

- developing and deploying an appropriate TV content strategy for Poland's different geographical zones;
- transformation of OPL sales approach from country level perspective towards a micro level;
- innovation and new growth areas, in particular: strategic positioning for Internet of Things, embedded SIM and monitoring the Orange Energy project.

The members of the Management Board actively participated in the works of the Committee, whenever appropriate.

Gervais Pellissier

Chairman of the Strategy Committee

*9 March 2016*

## point 7.

of the meeting agenda

Adoption of the following resolutions concerning:

- a) approval of the Management Board's Report on the activity of Orange Polska S.A. in the 2015 financial year,
- b) approval of Orange Polska S.A. financial statements for the 2015 financial year,
- c) distribution of the Company's profit for the 2015 financial year and use of part of the financial means from the supplementary capital for distribution of the dividend,
- d) offsetting of the Company's loss from previous years,
- e) approval of the Management Board's Report on the activity of Orange Polska Group in the 2015 financial year,
- f) approval of the consolidated financial statements for the 2015 financial year,
- g) granting approval of performance of their duties as members of Orange Polska S.A. governing bodies in the financial year 2015,

Attachment no. 2 to the resolution no. 5/O/16  
of Orange Polska S.A. Management Board  
dated 15.02.2016

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

dated .....

on approval of the Management Board's report on the Orange Polska S.A. activity in 2015

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

§ 1

The General Assembly approves the Management Board's report on the Orange Polska S.A. activity in 2015.

§ 2

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

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

dated .....

on approval of the Orange Polska S.A. IFRS financial statements for 2015

On the basis of art. 53 clause 1 of the Accountancy 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 General Assembly approves the Orange Polska S.A. IFRS financial statements for 2015 that include:

- 6) balance sheet as at 31.12.2015, with the balance sheet total of PLN 23 164 million (in words: PLN twenty three billion one hundred sixty four million),
- 7) profit and loss account for 2015 showing a net profit of PLN 257 million (in words: PLN two hundred fifty seven million),
- 8) change in equity for 2015 showing a decrease in equity by PLN 420 million (in words: PLN four hundred twenty million),
- 9) cash flow account showing an increase in net cash and cash equivalents by PLN 13 million (in words: PLN thirteen million),
- 10) notes to the financial statement.

**§ 2**

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

## TRANSLATION

Attachment to the resolution no 6/O/16  
of Orange Polska S.A. Management Board  
on 15.02.2016

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

dated .....

on distribution of Orange Polska S.A. profit for the 2015 financial year and use of part of the financial means from the supplementary capital for distribution of the dividend

On the basis of art 395 § 2 item 2 of the Commercial Companies Code and § 13 clause 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 2015 financial year of PLN 256,676,261.09 (in words: PLN two hundred and fifty six million six hundred and seventy six thousand two hundred and sixty one 09/100) shall be distributed in the following way:

- 3) for a dividend – PLN 251,542,735.87 (in words: PLN two hundred and fifty one million five hundred and forty two thousand seven hundred and thirty five 87/100),
- 4) to the reserve capital – PLN 5,133,525.22 (in words: PLN five million one hundred and thirty three thousand five hundred and twenty five 22/100).

#### § 2

3. The amount of dividend shall be PLN 0,25 (in words: twenty five groszy) for each entitled share. For this purpose, part of the funds from the supplementary capital in the amount of PLN 76,546,633.88 (in words: PLN seventy six million five hundred and forty six thousand six hundred and thirty three 88/100) representing the difference between the product of the amount of PLN 0.25 and number of

## TRANSLATION

shares entitled to dividend at the Dividend Day and the amount of part of the net profit for the 2015 financial year, referred to in § 1 item 1) shall be allocated and distributed for the dividend.

4. Total amount for distribution of the dividend shall be PLN 328,089,369.75 (in words: PLN three hundred and twenty eight million and eighty nine thousand three hundred and sixty nine 75/100).

### **§ 3**

Persons being the Company's shareholders on 22.06.2016 (the Dividend Day) shall be entitled to the dividend.

### **§ 4**

The dividend shall be paid on 7.07.2016.

### **§ 5**

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

Attachment no 1 to the resolution no. 7/O/16  
of Orange Polska S.A. Management Board  
dated 15.02.2016

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

dated.....

on offsetting Orange Polska S.A. loss from previous years

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

**§ 1**

The previous years loss of Orange Polska S.A. in the amount of PLN 44,559,148.81 (in words: forty four million five hundred and fifty nine thousand one hundred and forty eight 81/100), disclosed in the Company's Financial Statements for the 2015 financial year, will be covered from the reserved capital.

**§ 2**

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

Attachment no. 2 to the resolution no. 8/O/16  
of Orange Polska S.A. Management Board  
dated 15.02.2016

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

dated .....

on approval of the Management Board report on the activity of Orange Polska Group in the 2015 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 General Assembly approves the Management Board report on the activity of Orange Polska Group in the 2015 financial year.

**§ 2**

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



Attachment no. 3 to the resolution no. 8/O/16  
of Orange Polska S.A. Management Board  
dated 15.02.2016

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

dated .....

on approval of the IFRS consolidated financial statements for 2015

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 General Assembly approves the Orange Polska Group IFRS consolidated financial statements for 2015, that include:

- 1) consolidated balance sheet as at 31.12.2015, showing the balance sheet total of PLN 21 652 million (in words: PLN twenty one billion six hundred fifty two million),
- 6) consolidated profit and loss account for 2015 showing consolidated a net profit after taxation of PLN 254 million (in words: PLN two hundred fifty four million), including a net profit attributable to equity holders of Orange Polska S.A. of PLN 254 million (in words: PLN two hundred fifty four million),
- 7) changes in total consolidated equity for 2015 showing a decrease in total consolidated equity by PLN 421 million (in words: PLN four hundred twenty one million), including a decrease of equity attributable to equity holders of Orange Polska S.A. by PLN 421 million (in words: PLN four hundred twenty one million),
- 8) consolidated cash flow statement showing an increase in net cash and cash equivalents by PLN 18 million (in words: PLN eighteen million),
- 5) notes to consolidated financial statement.

**§ 2**

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

**List of persons performing the functions of Orange Polska S.A. Management Board's members  
in the financial year 2015**

- |                                |                  |                        |
|--------------------------------|------------------|------------------------|
| 1. Bruno Duthoit               | – President      |                        |
| 2. Mariusz Gaca                | – Vice President |                        |
| 3. Piotr Muszyński             | – Vice President |                        |
| 4. Jolanta Dudek               | – Board Member   | (since 8 October 2015) |
| 5. Jacek Kowalski              | – Board Member   |                        |
| 6. Bożena Leśniewska           | – Board Member   | (since 8 October 2015) |
| 7. Maciej Nowohórski           | – Board Member   |                        |
| 8. Michał Paschalis-Jakubowicz | – Board Member   | (since 8 October 2015) |

**List of persons performing the functions of Orange Polska S.A. Supervisory Board's members  
in the financial year 2015**

- |                               |                   |                      |
|-------------------------------|-------------------|----------------------|
| 1. Maciej Witucki             | - Chairman        |                      |
| 2. prof. Andrzej K. Koźmiński | - Deputy Chairman |                      |
| 3. Gervais Pellissier         | - Deputy Chairman |                      |
| 4. Marc Ricau                 | - Secretary       |                      |
| 5. dr Henryka Bochniarz       | – Board Member    |                      |
| 6. Jean-Marie Culpin          | – Board Member    |                      |
| 7. Eric Debroeck              | – Board Member    |                      |
| 8. Ramon Fernandez            | - Board Member    |                      |
| 9. dr Mirosław Gronicki       | - Board Member    |                      |
| 10. Russ Houlden              | - Board Member    |                      |
| 11. Sławomir Lachowski        | - Board Member    | (until 9 April 2015) |
| 12. Marie-Christine Lambert   | - Board Member    |                      |
| 13. Maria Pasło-Wiśniewska    | - Board Member    | (since 9 April 2015) |
| 14. Gérard Ries               | - Board Member    |                      |
| 15. dr Wiesław Rozłucki       | - Board Member    |                      |
| 16. Valérie Thérond           | - Board Member    |                      |

- DRAFT -

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

dated 12 April 2016

on granting approval of the performance of duties of the Management Board's President/member

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 2015 is granted.

**§ 2**

The resolution enters into force upon adoption.

- DRAFT -

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

dated 12 April 2016

on granting approval of the performance of duties of the Supervisory Board member

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 2015 is granted.

**§ 2**

The resolution enters into force upon adoption.

point 8.

of the meeting agenda

Changes in the Supervisory Board's composition

**Warsaw Stock Exchange  
Report 1-2016 EBI  
Orange Polska S.A.  
Warsaw 1 April 2016**

**Candidates to the Supervisory Board of Orange Polska S.A. to be discussed during the Annual General Assembly on 12 April 2016**

Due to the fact that six Orange Polska S.A. Supervisory Board members' mandates would expire at the Annual General Assembly of Orange Polska S.A. scheduled for April 12, 2016 (six of mandates expire with the end of term of office and one in connection with the resignation), Orange SA informed Orange Polska S.A. that it intends to propose the following six persons as candidates for Orange Polska S.A. Supervisory Board Members at the Assembly:

- New member proposed:
  - Profesor Michał Kleiber (an independent candidate),
- Current members proposed for new terms:
  - Mr. Jean-Marie Culpin,
  - Mr. Eric Debroeck,
  - Mr. Gervais Pellissier,
  - Mr. Marc Ricau,
  - Mr. Maciej Witucki.

**Resume of the new candidate**

Professor Michał Kleiber (born in 1946) is a graduate of the Warsaw University of Technology and the University of Warsaw, a specialist in the field of information technology, materials science, future studies and innovative economy. In the years 2007-2015 he was President of the Polish Academy of Sciences (PAS), in 2006-2010 Advisor to the President of Poland, in 2001-2005 Minister of Science and Information Technology in the Polish government, in 1996-2001 director of the PAS Institute of Fundamental Technological Research, where he currently chairs the Computational Science Department. For more than 10 years he worked at universities in Germany, USA, Japan and Hong Kong. Doctor honoris causa of universities in five European countries. Editor-in-Chief of Archives of Computational Methods in Engineering (Springer), the world's most cited journal in its field. He is Vice-President of the European Academy of Sciences and Arts, President of the European Forum on Materials Science, Chairman of the Future Studies Committee of PAS, member of the Austrian Academy of Sciences and Academia Europaea, former member of the Senate of the German National Academy of Sciences. Former member of the European Research Council and an advisory group for the EU-Commissioner for Research and Innovation. In the years 2008-2010 coordinator of the National Foresight Program Poland 2020, in the years 2008-2014 Vice-Chairman of the Council on Low-Emission Economy Development, an advisory body for the Minister of Economy. From 2012, member of a group preparing for the European Commission a document entitled "A New Narrative for Europe", in 2015 nominated as Ambassador of EU for this initiative. Recipient of high national decorations conferred on him in France, Japan, Belgium and Greece, of the Weimar Triangle Award and the title E-economy Ambassador awarded by the Association of Polish Banks.

The activities of Professor Michał Kleiber outside Orange Polska S.A. do not conflict with his function at Orange Polska S.A.

- DRAFT -

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

dated 12 April 2016

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.