

REPORT

on the 2019 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 regarding Supervisory Board's Remuneration Committee establishment as a consultative body acting under the Supervisory Board.

Remuneration Committee members

1. Dr. Wiesław Rożłucki – the Chairman – until 24 April 2019
2. Dr. Maria Pasło-Wiśniewska (“Independent Director”) – Member and, since 24 April 2019, the Chairwoman
3. Thierry Bonhomme
4. Prof. Michał Kleiber (“Independent Director”) – since 24 April 2019
5. Marc Ricau

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

Letter from the Chairwoman of the Remuneration Committee

Dear Shareholders,

In April 2019, after the end of the term of office of Wiesław Rożłucki I had the honor of taking the position of Chairperson of the Remuneration Committee.

I would like to thank very much my predecessor for his commitment and creating the good practices in chairing the Remuneration Committee.

I would like to welcome Professor Michał Kleiber who joined the Remuneration Committee in April 2019.

In 2019 the Remuneration Committee was composed of five members. I would like to express my thanks to all of them for their work, readiness to share their best knowledge and experience and their support in taking over my duties as new chairperson.

Making all the Remuneration Committee's recommendations and decisions we tried to contribute to implementation of Orange Polska strategy. Keeping in mind that employees are a key asset of the Company we looked for solutions enabling recruitment, retention, development and motivation of the best managers and professionals in the Company.

The Remuneration Committee fulfilled all its duties, including:

- considering and recommending to the Supervisory Board appointment of Jean-François Fallacher as CEO for the next 3 years term of office,
- reviewing and adjusting some of the employment conditions of the Management Board Members as well as the Executive Directors,

- evaluating the performance of the Management Board Members and recommending to the Supervisory Board the amounts of their bonuses.

With a view of keeping talented people in the Company as the best way to deliver the Orange Polska strategy, focused on dynamic development of fibre optics and 5G technology tests which may strengthen the Orange Polska business position in the coming years, Remuneration Committee gave its positive recommendation to the Supervisory Board on the Orange SA Group Long Term Incentive Program for 2019 – 2021.

All details about Remuneration Committee activities in 2019 you will find below.

At the end let me thank our colleagues from HR Department for their professional support which allowed us to meet all our obligations.

Maria Pasło-Wiśniewska

Chairwoman of the Remuneration Committee

On the Remuneration Committee's agenda for 2019

In 2019 the Remuneration Committee gave a positive recommendation to the Supervisory Board of the appointment of Jean-François Fallacher to the position of the President of the Management Board of Orange Polska for the next 3 year term of office starting from 24th April 2019.

The Remuneration Committee reviewed the employment conditions of the Management Board Members and gave its positive recommendation to the Supervisory Board on:

1. the employment conditions and the non-competition agreement after the expiry of employment with Jean-François Fallacher as the President of the Management Board of Orange Polska,
2. the award of the Stretch Bonus for Jean-François Fallacher for 2018,
3. the conditions of the Stretch Bonus for Jean-François Fallacher for 2019,
4. an inclusion of the life insurance into the Management Board Members' contracts as the last element of the employment contract standardization,
5. the change in the remuneration of the Vice-President of the Management Board in charge of the Business Market, from 1st January 2019.

The Remuneration Committee was involved in matters related to all top management of Orange Polska and the Committee:

1. acknowledged major employment conditions of the Executive Director in charge of IT from 1st July 2019,
2. accepted the evaluation of the MBO goals for H2 2018, establishment and evaluation of the MBO goals for H1 2019 and establishment of the MBO goals for H2 2019 (with positive recommendation to the Supervisory Board for the evaluation of the Management Board Members' goals for H2 2018 and for H1 2019),
3. accepted and positively recommended to the Supervisory Board the Orange SA Group Long Term Incentive Program for 2019 – 2021.

The Remuneration Committee accepted and gave a positive recommendation to the Supervisory Board on:

1. the Annual Report on the activities of the Remuneration Committee in 2018,
2. the part of the Management Board's Report on the Activity of Orange Polska S.A. in 2018, and of the Orange Polska Integrated Report 2018, including the remuneration policy of

the Company, in accordance with Best Practice for GPW Listed Companies 2016.

The Remuneration Committee also reviewed the Group Leader Tool for self-evaluation by SVB Members.

The Remuneration Committee took note of the analysis of human capital in Orange Polska and of the new model of bonus system in the company that will be implemented in the company starting from January 2020.

The Remuneration Committee accepted working plan of the Committee for 2020.

The Remuneration Committee took note of the new legislation concerning the remuneration policy of Management Board and Supervisory Board's Members – Polish Act of 16 October 2019 – Amending the Polish Act on Public Offering, Conditions of Governing the Introduction of Financial Instruments to Organized Trading and Public Limited Companies, and Amending Certain Other Acts.

Remuneration Committee at a glance

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 Capital 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 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 dismissal or reports regarding resignations 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 remuneration policy for most senior executives, and on the general policy for the wider Orange Polska Capital Group: in both cases having regard to the relative positioning on the market of Orange Polska Capital Group's terms of engagement and remuneration levels.
- producing a report for the Supervisory Board on the activity of the Committee and assessment of remuneration policy of Orange Capital Group.