

Current Report 16/2021
Orange Polska S.A. – Warsaw, Poland
23 July 2021

Pursuant to Art. 17 clause 1 of the Regulations (eu) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (“MAR Regulations”), the Management Board of Orange Polska S.A. (“Orange Polska”, “OPL”, “the Company”) hereby informs that on 23 July 2021 the Supervisory Board adopted the Long Term Incentive Programme (“the Programme”) for the Management Board Members, Executive Directors and key managers of Orange Polska Group, (“the Participants”). The Programme is based on derivative instruments (“phantom shares”), with an underlying asset of the Orange Polska S.A. share price on the regulated market operated by the Warsaw Stock Exchange.

The purpose of the Programme is to provide additional incentives to motivate management and senior managers to achieve objectives, resulting from Orange Polska’s .Grow strategy, which will lead to increasing the value of the Company’s shares.

The key terms of the Programme are as follows:

1. The Programme is based on three-year cycles (Programme Series), beginning in the year 2021 (Series One) and subsequent years.
2. Around 100 of the Company’s employees are eligible to participate in the Programme on voluntary basis. In Series One the participants can purchase a total of up to around 2.0 million phantom shares for a price of PLN 0.50 per phantom share.
3. A necessary pre-condition for buy-out by the Company of any number of the phantom shares in Series One is that average OPL share price in 1Q 2024 is equal or higher than the average share price in 1H 2021.
4. The Phantom Shares held by the Programme Participants in the Series One have been allocated to particular success indicators (KPIs):

KPI	Weight (% of phantoms)	Description
EBITDAaL	30%	Achieving a certain target with regard to cumulative EBITDAaL level for the three years: 2021-2023
Organic Cash Flow	25%	Achieving a certain target with regard to cumulative Organic Cash Flow level for the three years: 2021-2023
CO2 emission	10%	Achieving a certain target with regard to reduction of CO2 emissions by 2023 versus 2020
Share price	35%	Achieving a certain target with regard to share price growth between 1Q 2024 and 1H 2021 or outperforming the WIG20 Index for the same period

The Phantom Shares allocated to a particular success indicator will be bought back by the Company, provided that the Company has achieved the business objectives defined for this success indicator.

5. If the Company achieves a result lower than the main objective in the success indicators but at least equal to the minimum objective allocated to the particular success indicator, 50% of Phantom Shares held by the Programme Participant allocated to the particular success indicator will be bought out.
6. The buy-out will be made at a price equal to the average share price in 1Q 2024.
7. If the minimum criteria of a success indicator are not met, the phantom shares allocated to that particular KPI shall not be bought back, resulting in the loss of invested funds by the Participants.
8. Buy-out conditions for Series Two of the Programme (2022-2024) will be determined by the Supervisory Board in a separate resolution by the end of 2021.

9. All details regarding the Programme are described in the Programme Regulations adopted by the Supervisory Board.