

Attachment

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

THE SUPERVISORY BOARD'S REPORT

for the 2020 financial year

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

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

Letter from the Chairman of the Supervisory Board

Dear stakeholders,

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

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

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

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

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

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

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

Maciej Witucki
Chairman of the Supervisory Board

I. REPORT ON THE ACTIVITY OF THE SUPERVISORY BOARD

Composition of the Supervisory Board

Composition on 1 January 2020:

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

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

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

Composition on 31 December 2020:

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

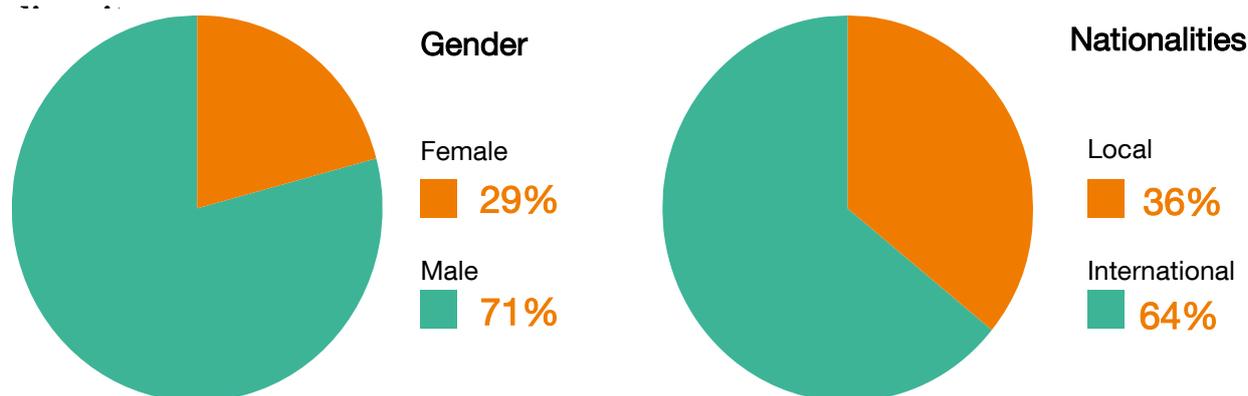
Five members of the Supervisory Board meet the independence criteria, namely: Dr. Henryka Bochniarz, John Russell Houlden, Prof. Michał Kleiber, Monika Nachyła and Dr. Maria Paśło-Wiśniewska.

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

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

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

Supervisory Board



Committees

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

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

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

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

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

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

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

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

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

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

a) implications of the pandemic

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

b) developments around 5G auction

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

c) acquisition of Craftware

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

d) monitoring of operating and financial results and budget realisation

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

e) the Management Board composition

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

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

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

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

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

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

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

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

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

Self-assessment of the work of the Supervisory Board

The Supervisory Board evaluates that:

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

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

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

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

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

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

Moreover, the Supervisory Board has reviewed and assessed:

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

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

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

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

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

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

Group's Operational Review

The Group's key goals in 2020 were:

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

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

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

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

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

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

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

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

Financial standing of the Group

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

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

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

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

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

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

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

Conclusions and recommendations for 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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