

REPORT

on the 2021 activities of the Audit Committee of the Orange Polska S.A. Supervisory Board

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

The role of the Committee is to review the integrity of the financial information reported externally, the independence and objectivity of the external auditors of Orange Polska (the “Company”, “OPL”) and Orange Polska Group (the “Group”), the nature and scope of the audit and the auditors' work as well as internal audit, internal control and risk management systems and significant transactions with related parties, and to advise the Supervisory Board on these issues as appropriate.

Audit committee members

1. John Russell Houlden – Chairman (“Independent Director”)
2. Monika Nachyła (“Independent Director”)
3. Dr Maria Pasło-Wiśniewska (“Independent Director”)
4. Marc Ricau
5. Jean –Michel Thibaud

The Audit Committee is chaired by Mr. John Russell Houlden, an Independent Director of the Supervisory Board. He has relevant experience and/or qualifications in finance, accounting and audit. Other Independent Directors of the Committee are Dr Maria Pasło-Wiśniewska and Monika Nachyła.

CORPORATE GOVERNANCE

Letter from the Chairman of the Audit Committee

Dear Shareholder,

I am pleased to attach my report on the activities of the Audit Committee over the past 12 months.

The most important transaction concluded by the Company was the establishment of the joint venture, Światłowód Inwestycje Sp. z o.o., aimed at expanding the fibre footprint available to the Company going forward. The Audit Committee was involved from the very beginning, starting from setting up a special purpose company and contributing to it a part of its fibre network, and then the disposal of 50% of the shares in that company to APG, the partner selected within a competitive process. The transaction constituted a loss of control of the new company, the gain in respect of which amounted to PLN 1.6 billion, which made up the majority of the Group's net income in 2021. The Audit Committee looked into all accounting interpretations, judgements and estimates involved in the process.

Similarly, as in 2020, one of the most important considerations of the Audit Committee was monitoring the impact of the Covid-19 pandemic on the Company, as well as on the Polish economy. In particular, the Audit Committee monitored the way in which that impact was reflected in the Company's financial reporting and its communications to the market. The Audit Committee received periodic reports

on the Covid-19 impact and had regular discussions with Management in this regard. The Audit Committee is satisfied with the way that the Covid-19 impact is reflected in the Company's financial information as well as its external communications.

Another important achievement of the Audit Committee in 2021 was the finalisation of the auditor selection process and the recommendation on the appointment of KPMG as the statutory external auditor for the years 2021-2025. The Audit Committee closely monitored the first year of the new auditor's assignment. Periodic meetings with the auditor were organised to discuss the auditor's view on key reporting and audit matters. Also, the Audit Committee worked on the preparation of a set of Audit Quality Indicators in order to be better able to monitor the quality of the auditor's work.

One of the main responsibilities of the Audit Committee is to ensure proper financial reporting by the Company and the Group. As part of this, we review all significant accounting interpretations, judgements and estimates proposed by Management. The Audit Committee also reviewed the impairment analysis results.

In addition to its oversight of the external audit of the Company and the Group financial statements, the Audit Committee has also been involved in reviewing internal control and compliance, and risk management. In particular, the Audit Committee worked to ensure the independence of both the external auditor and internal audit team, and had private meetings with the external auditor and the head of the Company's internal audit team to give them an opportunity to discuss any issues which may have arisen in their interactions with Management.

Last, but not least, the Independent Directors on the Audit Committee reviewed and, when necessary, challenged the terms of significant transactions with related parties including, in particular, the majority shareholder, Orange S.A.

Further details of the activities of the Audit Committee are presented below.

Russ Houlden

Chairman of the Audit Committee

Main responsibilities 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) recommending the selection and re-appointment of the audit firm, (vi) monitoring the independence and objectivity of the Company's external auditors, the nature and scope of the audit and monitoring the auditors' work, (vii) giving the Supervisory Board recommendations to ensure the faithful representation and relevance of the financial reporting process and information published by the Company and the Group.

The Committee must consist of at least three members, the majority of whom, including the Chairman, are independent of the Company. The Audit Committee must meet (physically or virtually) at least on a quarterly basis before the publication of the financial statements.

The Audit Committee held six scheduled and two ad hoc meetings in 2021. The meetings were generally attended by the Chief Executive Officer, Chief Financial Officer as well as Internal Audit Director. Other members of the Management Board, Executive Directors and other managers and invited guests attended

the meetings when appropriate. The meetings were generally attended by representatives of the Company's external auditor, KPMG.

Our approach to monitoring the financial reporting process

As required by law, the Audit Committee monitored the process of financial reporting. The goal of the Audit Committee was to assess and provide advice to the Supervisory Board on whether the financial statements as well as the Management report on the Company's operations, taken as a whole, secured faithful representation and relevance of the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Audit Committee reviewed the quarterly and annual financial statements. The Committee reviewed also Orange Polska Group's strategic plan as well as budgets. The aim of the review was to ensure that the key messages being followed in the annual and periodic reports were aligned with the Company's position, performance and strategy and that the narrative sections of the reports were consistent with the financial statements. In order to assess that the reports and the financial statements secured faithful representation and relevance of the information, the Audit Committee also reviewed reports on financial performance of the Company, accounting policies and procedures, accounting estimates and judgments, one-off items as well as market guidance and Orange Polska Group's performance against the budget and other information with the aim of assessing the Company's position and performance. The Audit Committee was satisfied that all the key events and issues which had been reported by the Management Board during the year, both good and bad, had been adequately referenced or reflected within the annual report.

The auditor was regularly participating in the meetings of the Audit Committee and gave its view on issues significant from an accounting perspective as they arose during the year. Subsequently, the auditor presented, and the Audit Committee reviewed and where appropriate discussed with the auditor, the additional report prepared as required by the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Our approach to monitoring the performance of the auditor

The Audit Committee is responsible for the relationship with the external auditor and that role involves examining the effectiveness of the audit process as well as the independence of the auditor. The year 2021 was the first year of KPMG being the auditor of the Orange Polska Group. The Audit Committee monitored the selection process of the auditor to ensure that the best of the potential auditors was selected and to make sure that high quality of the process was ensured and all legal requirements related to the selection were met. As a result the Audit Committee recommended to the Supervisory Board KPMG as the statutory auditor to carry out the statutory audit of the Company and the Orange Polska Group for 2021-2025. The Supervisory Board appointed KPMG as the statutory auditor on 19 March 2021. The Audit Committee monitored the transition from Ernst & Young to KPMG to make sure that the quality of the audit was secured at the high level starting from the first year of KPMG's engagement.

The Audit Committee reviewed the external auditor's proposed audit plan for 2021 including key auditing matters to be focused on, the materiality level set for audit testing and schedule of planned works and reporting along with planned interactions with the Audit Committee. Subsequently, the Audit Committee reviewed and discussed the auditor's recommendations, observations and comments on key areas requiring special consideration taking into account also the views of the management on those issues. The key auditing personnel participated in the meetings of the Audit Committee to allow for discussion of

all issues as they arose during the year. Also, private meetings with the auditor were held by the Audit Committee to ensure open and transparent discussion between the auditor and the Audit Committee without the presence of the Management Board. The Audit Committee monitored the progress of the audit and its quality against the audit plan throughout the year.

In order to assess the performance and independence of the auditor as well as generally the relationship with the auditor the feedback on the auditor is collected from all members of the Audit Committee, the Management Board, key members of the senior management team and those who have regular contact with the auditor. The first feedback on the new auditor will be collated and presented to the Audit Committee in 2022 after finalisation of the first year audit by KPMG. The Audit Committee regularly asks the auditor for its feedback on the co-operation with the Company.

To enhance the process of monitoring of the audit, the Audit Committee agreed with the auditor a set of Audit Quality Indicators (AQIs) and implemented AQIs as an additional tool of audit quality monitoring.

Also, the Audit Committee discussed with KPMG the report on its quality control issued by the Polish Agency for Audit Supervision on 30 December 2021. Based on documentation relating to prior years, this highlighted some relatively minor areas for improvement in KPMG's system of quality control and in some of its audits (not relating to Orange Polska). KPMG had accepted the findings and committed to implementing the report's recommendations by 31 March 2022.

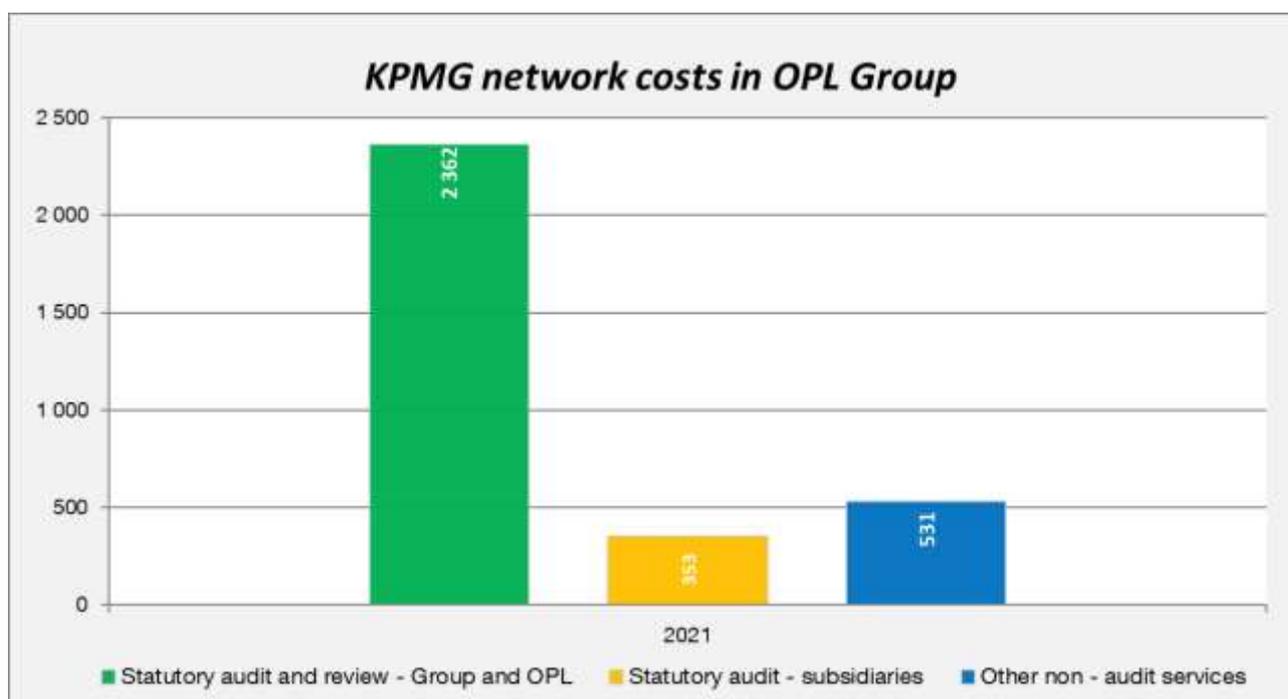
In summary, the Audit Committee concluded that the overall external audit process and services were effective and met the Group's high audit quality requirements.

Our approach to assessing the independence of the external auditor

There are several aspects to auditor independence that the Audit Committee monitors to ensure the external auditor remains independent of the Company.

First, in assessing the independence of the auditor from the Company, the Audit Committee takes into account the information and assurances provided by the auditor. The Audit Committee received the auditor's statement on independence made in accordance with the Polish Act on Auditors of 11 May 2017 (Polish Audit Act) and the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Audit Regulation).

Second, the Audit Committee reviews the proportion of the value of non-audit services rendered by the auditor or its affiliated entities and the audit fees. As required by law, the Company has a Policy on the provision of authorised non-audit services by the audit firm and its affiliated entities. Following the Policy all authorised non-audit services should be approved in advance by the Audit Committee taking into account their potential influence on the independence of the auditor. Also, any non-audit service allowed by the law requires prior consent from the Audit Committee. According to the relevant law as well as the Policy, authorised non-audit services are subject to a fee cap of no more than 70% of the average annual statutory audit fee for the three consecutive financial years preceding the year in which the cap will apply. The 70% rule has been applicable since 17 June 2016 under the Audit Regulation. Management provides the Audit Committee with information on the value of non-audit services compared to the average statutory audit fee presenting data for the previous three years. For the first year of KPMG assignment the level of the auditor's services fees was also monitored by the management and reported to the Audit Committee. Non-audit services provided by KPMG were 20% of the audit fee in 2021.



Taking into account all aspects described above the Audit Committee was satisfied that the auditor's independence.

Recommendation on the appointment of the statutory auditor

In March 2021 the Audit Committee recommended to the Supervisory Board KPMG as the auditor for the years 2021-2025. The recommendation was preceded by the tender process for statutory audit service which took place in 2019 and 2020. The Audit Committee Chairman monitored and actively participated the process of the audit firm's selection. The offers of KPMG and Deloitte both met the Group's high audit quality standards and were similarly priced. The Audit Committee selected KPMG partly because of the high quality of the audit team proposed and partly to provide a fresh view of the audit given that KPMG, unlike Deloitte, had not audited the Group in the last decade.

Significant issues considered by the Audit Committee in relation to the financial statements and how these were addressed

In relation to the Group's financial statements, the Audit Committee reviewed the following principal areas of interpretations, judgements and estimates:

- 1) Światłowód Inwestycje, a joint venture with a financial partner APG. The Audit Committee reviewed the loss of control over the company and the proposed accounting relating to the commercial agreements with OPL;
- 2) Covid-19 pandemic. As a result of the Covid-19 pandemic, the years 2020 and 2021 were a turbulent period for the worldwide economy and businesses. The Company and its business were affected by the pandemic as well. The Audit Committee reviewed the Company's approach to the analysis of the Covid-19 impact on its financial statements and the results of the analysis. The Audit Committee paid special attention to the impact on the Company's financial plans and impairment tests, bad debt allowance calculation, valuations based on interest rates and foreign exchange rates, as well as all other potentially affected areas including provisions and commitments;
- 3) Significant one-off sales transactions;
- 4) Significant investment projects and transactions in the Orange Group in particular the Operational Program Digital Poland 2;

- 5) Hedging transactions;
- 6) Social plan resulting in workforce optimisation in 2022-2023;
- 7) Management's assessment of risks relating to claims and litigation, tax proceedings as well as other matters and the level of related provisions or decisions on the lack of provisions;
- 8) Impairment indicators and impairment test prepared by Management as well as goodwill recognition and deferred tax recoverability;
- 9) Management's assessment of the length of the economic useful life of assets;
- 10) Disclosures in the Financial Statements and Management Report relating to new matters;
- 11) Distributable capital calculation.

Internal control over financial reporting

Management implements internal controls at various levels of the organisation. The scope of these controls includes, but is not limited to, transactional level controls, line managers' or corporate reviews, trend analysis, reconciliation controls and entity level controls. The aim is to provide reasonable assurance in safeguarding assets, detecting errors, the accuracy and completeness of accounting records, and the overall reliability of the financial statements. 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 over financial reporting system are addressed with action plans. On a quarterly basis, the system is monitored in a self-assessment tool implemented by the Company and, in addition, senior managers certify the effectiveness of the internal controls over financial reporting in their areas of responsibility. 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 Audit Committee received reports from Management on the internal control over financial reporting system, and monitored the appropriateness of the "control culture" as well as the way risks were identified, managed and disclosed. The Committee also reviewed reports from Management on implementation of actions in response to comments on internal controls from the internal and external auditors. In addition, the Audit Committee received assurance from management after completion of a yearly comprehensive assessment of Orange Polska Group's internal controls over financial reporting. All deficiencies identified were corrected or appropriate action points have been adopted. Management concluded that there were no weaknesses that would materially impact internal control over financial reporting in the year ended 31 December 2021 and the Audit Committee was satisfied that Management's conclusion was reasonable in light of the reports it had received.

Internal audit function and assessing the effectiveness of the internal audit function

The Internal Audit function provides the Audit Committee, the Management Board and senior management with independent and objective assurance and advice on governance, risk management and internal control. It assists the organisation in reaching its objectives by systematically and methodically evaluating its processes, risk management and internal control system.

In addition to reviewing the effectiveness of these areas and reporting on aspects of the Orange Polska Group's compliance with them, Internal Audit makes recommendations to address any key issues and improve processes. Once any recommendations are agreed with management, Internal Audit monitors their implementation and reports to the Audit Committee on progress made at every meeting.

Internal Audit considers all of Orange Polska Group's activities, and reports to the Audit Committee, and to the Management Board President. The Director of Internal Audit attends all scheduled meetings of

the Audit Committee, and also has the power to raise any matters with the members of the Committee without the presence of management.

Internal Audit responsibilities are clearly defined and approved as stated in the internal audit charter which is reviewed and approved annually by the Audit Committee. The Internal Audit function acts in conformity with the Standards for the professional practice of Internal Auditing and the Code of Ethics issued by the Institute of Internal Auditors (IIA). Internal Audit plans are drawn up annually and take account of risk assessment, changing business needs and issues raised by management, follow-up on prior audit findings and cyclical review planning. The approach also builds reserved hours into the plan for ad-hoc, specially requested audits, and for urgent audit issues that arise throughout the year. The annual plan of Internal Audit is submitted for review and opinion by the Audit Committee. Progress against the annual Internal Audit plan, is monitored and regularly reported to the Audit Committee.

In the course of its work, the Internal Audit function also liaises with the statutory auditor, discussing relevant aspects of their respective activities and assisting them in internal control testing which ultimately supports the assurance provided to the Audit Committee and management.

The effectiveness of the Internal Audit is monitored using the quality assurance and improvement programme which comprises internal assessment activities and annual external assessment by IFACI - l'Institut Francais de l'Audit et du Controle Interne (the French Chapter of the IIA). Following the assessment carried out in 2021, Orange Polska's Internal Audit renewed its IIA certification from IFACI.

The Audit Committee reviews the annual plan of Internal Audit, its budget and progress reports. The Committee monitors the periodic reporting on internal audit actions and findings and responsiveness of management to Internal Audit recommendations. In addition, the Committee meets privately with the Director of Internal Audit and reviews the independence of the Internal Audit process.

Risk management

The Audit Committee monitors the effectiveness of the risk management system. An update report on the system's design and operation was reviewed by the Audit Committee in July 2021.

Risks are identified within all relevant business units. The risks which are perceived by members of the Management Board or by Executive Directors as most significant for Orange Polska operations are qualified as top risks. In addition to top risks, emerging risks which may become top risks in the longer term are also identified. Review of top risks along with emerging risks and their update is reported to and assessed by the Supervisory Board once a year. All risks are grouped into clusters (risks of similar nature) to ensure consistent and effective risk management across all business units in OPL.

The Supervisory Board received a report on top and emerging risks in July 2021.

The top risk analysis is taken into account in the preparation of the annual Internal Audit plan. The plan addresses different aspects of top risks. The plan is submitted to the President of the Management Board for his approval and then to the Audit Committee for its review.

Compliance

Matters related to the implementation of the Compliance Management Programme are reported to the Audit Committee in the following areas: ethics, general compliance with laws and regulations, anti-fraud, non-telco fraud, security and anti-corruption. As part of its periodic reports, the Compliance Management area informs the Audit Committee about activities carried out, including among others the corruption risk map, due diligence on new contracting partners, communication and training activities and results of inspections initiated by notification of irregularities through dedicated channels. Orange

Polska actively cooperates with the Compliance areas within the international Orange Group, sharing good practice and maintaining the Orange Group's anti-corruption standards.

The Compliance Management Programme in Orange Polska embraces the Company's obligations to act in line with the law, applicable standards, regulations, market and industry standards, as well as ethical principles, both in dealings with clients and business partners and between employees. One of the key elements of the Compliance Management Programme is the Anti-Corruption Policy, through which the Company adopts a zero-tolerance approach towards corruption with regard to every aspect of its activities. The correct application of Anti-Corruption Policy rules is supported by internal regulations with detailed guidelines and instructions aiming to identify and effectively prevent irregularities.

Also, in order to guard against the risks of corruption, non-compliance with economic sanctions, money laundering, terrorism financing and frauds, Orange Polska applies due diligence procedures in relationships with its business partners.

To prevent and control conflict of interest at Orange Polska, dedicated regulations were reinforced in the Company.

The Compliance Management area provides continuous information and training to build employees' awareness and knowledge. If a problematic situation arises, employees can access ongoing consultation, advice and opinions.

Whistleblowing

The Company provides different channels of communications where all employees and stakeholders can also report their doubts, observed irregularities or violations of applicable laws through dedicated channels, either anonymously or openly, without fear of negative consequences. All such notifications are treated confidentially and examined and addressed with due diligence. The Audit Committee reviews the summary of cases reported through the whistleblowing system.

Orange Polska is closely monitoring the upcoming changes to the legal regulations applicable to whistleblowing and will adapt its internal procedures to the new requirements .

Monitoring changes in the legal environment and changes in accounting standards

Relevant changes in the legal environment, together with updates to accounting standards and recommendations from regulatory bodies, were considered by the Audit Committee, as well as the question of how Orange Polska Group approached and implemented them. The Audit Committee in particular looked also into the Company's implementation of the European Single Electronic Format, the climate related financial disclosures, and planned changes to the tax environment.

Other areas of interest

The Audit Committee reviewed and issued opinions on significant transactions with related parties, in line with internal regulations and best practices of corporate governance. Orange SA's nominees are excluded from voting at Supervisory Board meetings and Audit Committee meetings on transactions involving Orange SA or its subsidiaries. The Committee reviewed other matters of interest, including but not limited to revenue assurance, hedging, insurance, tax and M&A transactions. Also the Audit Committee issued opinions on other matters referred to the Committee by the Supervisory Board and/or the Management Board including financing and granting bank guarantees to OPL's subsidiaries.