

REPORT

on the 2021 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 dated June 16, 2004 as a consultative body of the Supervisory Board.

Remuneration Committee members

1. Maria Paśło-Wiśniewska, PhD (“Independent Director”) – the Chairwoman
2. Prof. Michał Kleiber (“Independent Director”)
3. Marc Ricau
4. Jean-Marc Vignolles.

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

Letter from the Chairwoman of the Remuneration Committee

Dear Shareholders,

In 2021 Orange Polska, while still operating in the COVID-19 pandemic, successfully concluded its Orange.One four-year strategic plan and started new strategic plan **.Grow**.

In order to align our internal structures with the priorities of the new strategy we have made changes to the organisation. In particular, the structures of our key business lines – consumer and business markets – were entrusted with customer relations, to constitute an end-to-end customer value proposition. We have also set up a new unit dedicated to digital, reporting directly to the CEO. This marks the importance of this area to our future.

In order to motivate management and senior managers to achieve objectives, resulting from Orange Polska’s **.Grow** strategy, the Long Term Incentive Programme for the Management Board Members, Executive Directors and key managers of Orange Polska Group were adopted. The Programme is based on phantom shares. The success factors of the Programme are aligned with the goals of the strategy. It is important to mention that one of them is related to CO2 emissions reduction which underlines the importance of our Green agenda.

The Remuneration Committee reviewed of the Management Board Members’ conditions of the employment contracts and Non-Competition Agreements after the expiry of employment and all the Management Board Members signed new these approved documents.

The Remuneration Committee always follows legal requirements and new legal procedures in Poland. In 2020 for the first time “Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2019–2020” was required to be presented

for the Shareholders by the Supervisory Board and the Remuneration Committee was involved in the preparation of such Report.

I would like to thank very much to all Members of the Committee and to our HR colleagues, supporting the Committee in the performance of our tasks and to all employees of Orange Polska who returned to the offices in September working in a hybrid work model.

Please find below all the details about the activity of the Remuneration Committee in 2021.

Maria Pasło-Wiśniewska

Chairwoman of the Remuneration Committee

Main responsibilities of the Committee

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

The Remuneration Committee had seven meetings in 2021.

Recommendations of the Remuneration Committee to the Supervisory Board on the following matters:

- 1) appointment for the next term of office starting from June 25, 2021 and changes in the remuneration from July 1, 2021 of the Vice-President of the Management Board in charge of Business Market, Management Board Member in charge of Network and Technology and Management Board Member in charge of Strategy and Corporate Affairs;
- 2) appointment for the next term of office starting from June 25, 2021 the Management Board Member in charge of Customer Experience and nomination for the position of Vice-President of the Management Board in charge of Consumer Market from July 1, 2021;
- 3) establishment of the conditions of Stretch Bonus for the CEO for 2021;
- 4) changes in the remuneration of the Management Board Member in charge of Finance;

- 5) evaluation of the achievement by the individual Management Board Members of their goals in second half of 2020 and the first half of 2021, and establishment of their bonuses for 2021, provided that the bonuses for the first half of the year constitute an advance payment towards their annual variable remuneration, which is contingent upon the achievement by the Company of its annual objectives;
- 6) review of the Management Board Members' conditions of the employment contracts and Non-Competition Agreements after the expiry of employment and gave its positive recommendation to the Supervisory Board. All the Management Board Members signed their employment contracts and non-competition agreements after the expiry, according to the new approved templates;
- 7) terms of participation of the Members of the Management Board of Orange Polska in the Orange S.A. Group Long Term Incentive Plan for 2021–2023;
- 8) terms of participation of the Management Board Members, Executive Directors, Senior Managers who are responsible for functions on N+1 level, CEO in subsidiary companies and Leaders in local program Long Term Incentive Program LTI 2021– 2024;
- 9) terms of participation of the employees of Orange Polska in the Orange S.A. phantom shares program;

The Remuneration Committee's opinion on the Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2019-2020

Remuneration Committee for the first time was involved in preparation of "Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2019–2020". The Remuneration Committee provided to the Supervisory Board its positive opinion to this Report, which was prepared in cooperation with PwC and audited by KPMG, in compliance with the Act of 29 July 2005 on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies. This "Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2019–2020" is a part of the Orange Polska Integrated Report 2020.

Recommendations of the Remuneration Committee on the appointment of the auditor of Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. for the next years

The Remuneration Committee advised the Orange Polska S.A. on the selection of the auditor of "Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2021" and also for the next years to 2025.

The Remuneration Committee's opinion on the Remuneration Policy in 2020

The Remuneration Committee also assessed the implementation of the Remuneration Policy in 2020 and, in accordance with Best Practice for GPW Listed Companies 2016, submitted its assessment to the Supervisory Board in a report, which is a part of the Management Board's Report on the Activity of Orange Polska S.A. in 2020.

Recommendations of the Remuneration Committee on the "Diversity management policy for Members of the Management Board

The Remuneration Committee accepted the document "Diversity management policy for Members of the Management Board, prepared in accordance with Best Practice for GPW Listed Companies 2021,

and gave its positive recommendation to the Supervisory Board. This policy supports the adherence to the highest corporate governance standards and the achievement of Orange Polska S.A. business goals.

The Remuneration Committee supported also the proposals of:

- 1) nomination a new Executive director in charge of IT and his employment conditions.
- 2) nomination a new Executive Director in charge of Digitalization and his employment conditions.
- 3) changes in the remuneration of the Executive Director in charge of Transformation & Effectiveness.

Significant issues considered by the Remuneration Committee in relation to:

- a) the right skills for tomorrow in Orange Polska - people development, culture & skills: skills anticipation program and tools, recruitment, talent development focus, skills development, HR resource management & Developing new ways of working: cultural change, agility, digital collaboration, organization adjustment, innovation management.
- b) the vaccination program for volunteers in Orange Polska OPL offered by the medical provider of the services in the company.
- c) new project in Orange Polska - SWAP of the Management Board Members who taking part in a two-week exchange of duties, to extend professional comfort zone and experience the new business challenges.
- d) changes in the Orange Polska's organization caused by COVID 19, with sanitary regime and the hybrid work starting from September 2021.

Other areas of interest

The Remuneration Committee got information about the Orange Polska succession plan 2021 for the Management Board Members and Executive Directors.

As every year, the Remuneration Committee operated in accordance with its working plan for 2021 approved by all the Remuneration Committee's Members.