

## **REPORT**

### **on the 2022 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 16 June 2004 as a consultative body of the Supervisory Board.

Remuneration Committee members

- Maria Paśło-Wiśniewska, PhD (Independent Board Member) – the Chairwoman
- Prof. Michał Kleiber (Independent Board Member) until 22 April 2022
- Marc Ricau
- Jean-Marc Vignolles until 22 April 2022
- Bénédicte David since 22 April 2022
- Bartosz Dobrzyński since 22 April 2022

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 Shareholder,

To start with a formal matter, I would like to inform you that in April 2022 the composition of the Remuneration Committee changed – Mr. Jean-Marc Vignolles and Mr. Michał Kleiber left the Committee and Ms. Benedicte David and Mr. Bartosz Dobrzyński joined the Committee.

Jean-Marc and Michał, thank you very much for your contribution to our work; Benedicte and Bartosz, welcome to the Committee.

In 2022 Orange Polska continued its strategic plan **.Grow**, implementing digitalisation and transformation processes in the Company to face a challenging future.

Despite unfavourable external conditions – in particular the pandemic, the war in Ukraine, the crisis on the energy market and rising inflation – the company operated efficiently and delivered the expected business results. The ongoing process of cultural change in Orange Polska enabled its management team and employees to act flexibly and quickly to respond to needs of the market.

The Company puts the growth of value for customers at the heart of its strategy – access to the Company's network as well as good standards of services. Being more digital, using artificial intelligence, machine learning, cloud technology, etc., the Company is more and more customer friendly. This is evidenced by the high position of Orange Polska in the NPS rankings.

All this is possible thanks to our diligence regarding the new competences of employees. The long-term development programmes at various levels of expertise, professional schools (Data & AI Chapter Professional School, IT Academy, Cybersecurity, the #Client program), PM in Action and other programmes help people and the Company to adapt to a rapidly changing environment and remain

agile and focused on the business. Aware of the benefits of diversity, special training has been offered to Orange women to facilitate careers that match their aspirations and potential.

Through our #OrangeGoesGreen strategy, Orange Polska contributes to the protection of climate, which should result in a significant reduction of CO2 emission. The importance of this strategy is emphasised by including 2022's green goals in the MBO bonus system for all the Management Board Members.

To support realisation of Orange Polska's strategy, the Remuneration Committee recommended the reappointment of three Management Board Members for the next term of office, those being Members in charge of Finance, Human Capital and Carriers Market and Real Estate Sales.

Additionally, following the Polish law and the Best Practices of Warsaw Stock Exchange, the Committee gave its positive recommendations on the Diversity policy applicable to the Supervisory Board.

All recommendations of the Remuneration Committee were accepted respectively by the Supervisory Board and the General Meeting of Shareholders.

The Committee, working consistently according to the adopted plan, analysed among others: the ability of incentive systems to face the Company's challenges; control and management of labour costs in an environment of high inflation; and the equality of remuneration policy with regard to women and men.

In 2022 the Committee prepared three mandatory reports: Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2021; Remuneration Committee's Annual Report for 2021; and Realisation of Remuneration Policy as part of MB's Report on Orange Polska Activity 2021.

Presenting this Report let me say a huge thank you to all Members of the Committee, to our Human Capital colleagues, supporting the Committee in the performance of our tasks and to all employees of Orange Polska for their work towards 2022's business results.

Finally, and importantly, allow me to express my special gratitude to all employees of Orange Polska for their empathy and spontaneous generosity in helping refugees from war-torn Ukraine. It has been a great test of our humanity, and one which our staff passed brilliantly.

Please find below all the details about the activity of the Remuneration Committee in 2022.

**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 remuneration policy for the wider Orange Polska Group. In both cases this must take into account the relative market position 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 five meetings in 2022, and took several sets of actions as outlined below.**

#### **The Remuneration Committee's recommendations to the Supervisory Board in 2022:**

- 1) reappointments and employment conditions for the next term of office, starting from June 21, 2022: the Management Board Member in charge of Finance, the Management Board Member in charge of Human Capital and the Management Board Member in charge of Carriers Market and Real Estate Sales;
- 2) Stretch Bonus for the CEO for 2021;
- 3) conditions of Stretch Bonus for the CEO for 2022;
- 4) Stretch Bonus cascade – a new element of the reward system – for MBM in 2022;
- 5) evaluation of the MBM bonuses for 2021;
- 6) targets and bonus conditions for MBM for 2022;
- 7) terms of participation of the MBM of Orange Polska in the Orange S.A. Group Long Term Incentive Plan for 2022–2024;
- 8) success indicators in the second Series of Polish LTI Incentive Program in the years 2022–2024;
- 9) update of the LTI Incentive Programme Regulations;
- 10) the Remuneration Committee's Annual Report 2021;
- 11) the Diversity policy applicable to the Supervisory Board.

#### **The Remuneration Committee issued the opinions on:**

- 1) the Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2021;
- 2) the Remuneration Policy of the Company in 2021.

#### **The Remuneration Committee positively acknowledged:**

- 1) Orange Polska's ongoing strategic plan .Grow
- 2) the analysis of OPL labour costs under the conditions of high inflation;
- 3) the method of employing employees and types of cooperation with IT service providers;

- 4) Orange Group LTIP;
- 5) HC Dashboard – a periodic report on matters of Human Capital;
- 6) benefits granted to the Management Board Members due to Orange Polska internal regulations;
- 7) report on realisation of agreement with Orange Global International Mobility SA;
- 8) the results of Together 2021 – Orange Group's employee shareholding scheme;
- 9) continuation of the LTI 2023-2025 local OPL program (wave 3);
- 10) implementation of the environmental strategy for reduction of CO2 emissions;
- 11) process of buying back used electronic equipment (computers, laptops and tablets) by the Management Board Members on the same terms as applied to all employees in Orange Polska.

**Significant issues considered by the Remuneration Committee in 2022:**

- 1) review of all incentive and employee engagement systems: reward and recognition, diversity and wellbeing, and social barometer follow-up;
- 2) review of the remuneration policy applicable to both managers and the Orange Polska capital group;
- 3) analysis of the equality policy in terms of remuneration and comparison of the remuneration of women and men in Orange Polska;
- 4) changes in Orange Polska's organisation caused by COVID 19, with sanitary rules and the continuation of hybrid work;
- 5) Orange Polska succession plan for MBM and Executive Directors.

The Remuneration Committee operated in accordance with its working plan for 2022 approved by all the Remuneration Committee's Members.