

REPORT

on the 2023 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. until 29 June 2023 Dr Maria Pasło-Wiśniewska (“Independent Director”)
4. from 29 June 2023 Bartosz Dobrzyński (“Independent Director”)
5. Marc Ricau
6. 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 Monika Nachyła and Bartosz Dobrzyński.

CORPORATE GOVERNANCE

Letter from the Chairman of the Audit Committee

Dear Shareholder,

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

The Audit Committee was closely involved in the assessment of the impact and response of the Group to significant international as well as domestic events and changes, including the impact of the war in Ukraine and other geopolitical and economic circumstances resulting in rapid changes in the global economy, including significant inflation, fluctuations of energy prices, reduced access to key energy supplies and changes of energy sources, increases of interest rates, broken supply chains, and worsening conditions in respect of the natural environment and the prospects for mitigating changes to the climate and their impact on the globe. The Audit Committee monitored the process for identification of risks and the valuation of their impact on the Group, as well as actions undertaken by the Management Board in response to those risks, and proper disclosures in the financial statements in that regard.

Since one of the main responsibilities of the Audit Committee is to ensure proper financial reporting by the Company and the Group, the Audit Committee reviewed all significant accounting interpretations, judgements and estimates proposed by Management.

The Audit Committee also started to consider the Group's operations from the perspective of environmental, social and governance matters (ESG). In 2023, the Audit Committee monitored the Group's preparation with respect to the new sustainability reporting which will become obligatory in the European Union from 2024. Sustainable development of the Group by way of finding the right balance between financial results and ESG, with the objective of ensuring the long term stable development of the Group, is of key importance to investors. The Audit Committee plans to continue its focus on that area in 2024 and subsequent years.

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 the internal audit team, and had private meetings with the external auditor, KPMG, and the Company's Internal Audit Director to give them an opportunity to discuss any issues which may have arisen in their interactions with Management.

Further, the Audit Committee developed an enhanced set of Audit Quality Indicators in order to be better able to monitor the quality of the auditor's work.

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. In 2024, the remit of the Audit Committee will be extended to encompass the monitoring of the integrity of sustainability reporting.

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 meetings in 2023. The meetings were generally attended by the Chief Executive Officer, Chief Financial Officer as well as Internal Audit Director and representatives of the Company's external auditor, KPMG. Other members of the Management Board, Executive Directors and other managers and invited guests attended the meetings when appropriate.

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 external auditor regularly participated 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 external 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 2023 was the third year of KPMG being the auditor of the Orange Polska Group.

The Audit Committee reviewed the external auditor's proposed audit plan for 2023 including key auditing matters to be focused on, the increased 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 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 feedback on the auditor was collated and presented to the Audit Committee in April 2023. The Audit Committee regularly asked the auditor for its feedback on the co-operation with the Company. The feedback was generally positive and the Audit Committee concluded that the co-operation was good with no major issues requiring special attention.

To enhance the process of monitoring of the audit, the Audit Committee agreed with the auditor and the Management a set of Audit Quality Indicators (AQIs) and implemented AQIs as an additional tool of audit quality monitoring. Also, the Audit Committee asked KPMG to share the findings of the Polish Agency for Audit Supervision (PANA) issued as a result of their assessment of the quality of selected past audits by KPMG in Poland. In 2023, the Audit Committee discussed with KPMG the findings of PANA resulting from PANA's assessment of KPMG audits' quality made in 2023 and earlier.

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.

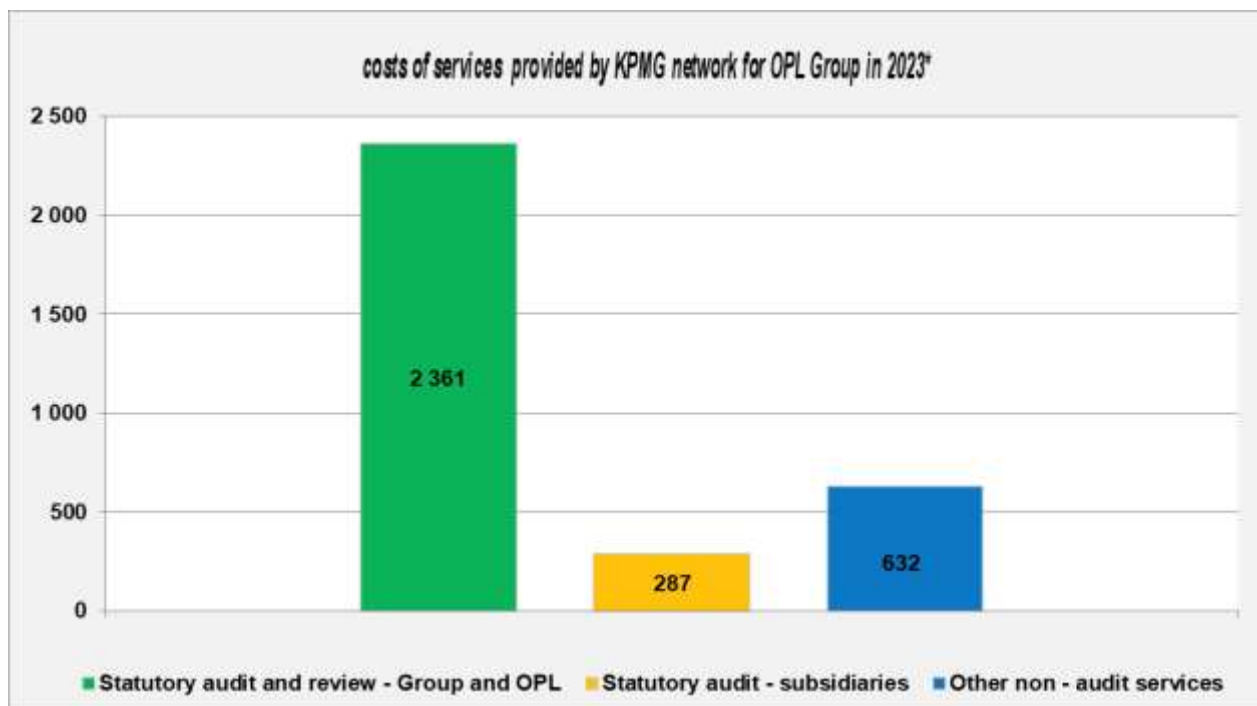
Our approach to assessing the independence of the external auditor

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. 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. Non-audit services provided by KPMG were 26% of the average audit fee of the last three years.

The policies on approval of non-audit services and on the selection of the statutory auditor of the financial statements were updated in 2023. The update of those policies resulted from the guidelines of IESBA, an international professional accountants' ethics board, relating to non-audit services approval process as well as recommendations of the Polish financial market regulator (KNF) on implementation of additional procedures relating to auditor selection in the event of a current auditor losing its licence to do statutory audits.



**) remuneration for 2023 will be updated as part of the audit final settlements*

Third, the feedback questionnaire referred to in the previous section included questions relating to the independence of the audit firm and individuals in the audit staff. There was no indication of a threat to the auditor's independence observed and reported by the respondents.

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

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 focused on the following areas:

- 1) processes for risk management including identification and valuation of new or increased risks, monitoring of risks, impact of risks on financial reporting (disclosures and valuations) which included but was not limited to risks resulting from or related to the war in Ukraine, inflation, fluctuations of energy prices and interest rates;
- 2) controls over projects, investments and contracts' profitability throughout their implementation
- 3) controls over subsidiaries
- 4) liquidity of the Group
- 5) impairment testing
- 6) valuation of single assets resulting from extra risks related to them
- 7) review of the Economic Useful Life of assets
- 8) valuation of the key risks including tax related risks
- 9) review of any other accounting approaches, judgments and estimates related to key transactions
- 10) review of revenue recognition policies
- 11) disclosures in the financial statements including disclosures on claims and litigation in the financial statements
- 12) disclosure on the impact of climate change on the financial statements reflecting connectivity between sustainability and financial reporting

- 13) new types of transactions such as virtual and physical PPAs (Power Purchase Agreements) entered into in order to hedge against energy price increases
- 14) monitoring of auditor's quality and development of Audit Quality Indicators
- 15) electronic financial reporting according to the EU taxonomy in the consolidated financial statements
- 16) monitoring of the post balance sheet events.

Matters considered by the Audit Committee in relation to the sustainability reporting

Based on the EU regulations, starting from 2024 reporting, OPL will be obliged to publish a sustainability statement in the Management report on the Company's operations. Implementation of the EU Corporate Sustainability Reporting Directive in the Polish legal system, expected in 2024, will result in the new obligations of the Management Board, the Supervisory Board and the Audit Committee related to the preparation of the sustainability statements, ensuring their quality, securing auditor's assurance and also monitoring OPL's plans and activities from the perspective of sustainability matters to be disclosed in the sustainability statement. The Audit Committee will monitor the integrity of sustainability reporting including monitoring the effectiveness of internal controls and risk management systems as well as internal audit work in relation to the sustainable reporting process. The Audit Committee will also monitor the independence of the assurance services provider.

The Audit Committee monitored the regulations related to the sustainability reporting and its assurance as well as the preparation of the Company for 2024 reporting under the new regulations, including an auditor's selection as well as the sustainability reporting in 2023 and its attestation. All members of the Audit Committee participated in training on the new sustainability reporting requirements. All the members of the Audit Committee completed a test which confirmed that they have the appropriate skills and knowledge to fulfil efficiently the additional responsibility for the oversight of sustainability reporting starting from 2025.

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 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 2023 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 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 2023, Orange Polska's Internal Audit maintained 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.

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.

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, including confidential, 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. The Audit Committee reviews the summary on the Compliance Management Programme on an annual basis. No major issue was identified in 2023.

Fraud

In the Company there is a fraud prevention control environment deployed and promoted through the provisions of the Fraud Prevention Policy. The Company does not tolerate fraud and there are control mechanisms implemented to mitigate exposure to fraud risks. Suspicions on abuses are verified and when necessary submitted to relevant authorities. The implemented tools and controls allow for the detection of frauds.

Orange Polska operates a 'risk based approach to fraud' i.e. identified risks are discussed and confirmed with business owners on an annual basis. Results are presented as the Fraud Risk Map. Additionally

to mitigate non-telco fraud risk, red flags and list of controls which address risks in specific areas are defined and subject to annual review and assessment.

All of the above actions ensure monitoring of fraud risks and control enhancement, incident management, conducting investigations and reporting financial impact of fraud incidents. The Audit Committee reviews the summary of fraud incidents on an annual basis. No major issue was identified.

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. As a result of whistleblowing a significant fraud case was revealed in 2021 and continues to be investigated by the public prosecutor.

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 preparation of sustainability statements required to be published in the European Union starting from the reporting for 2024.

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. The Audit Committee also worked with management to develop an improved approach to the supervision of OPL's subsidiaries.