

Current Report (20/2019)
Orange Polska S.A. – Warsaw, Poland
12 December 2019

Pursuant to Article 17(1) of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, the Management Board of Orange Polska S.A. ("Orange Polska") announces the conclusion of a Social Agreement with the Social Partners.

Orange Polska signed with trade unions the Social Agreement for the years 2020–2021, under which up to 2,100 employees may benefit from voluntary departures.

On December 12, 2019, the Management Board of Orange Polska concluded negotiations with the Social Partners on the terms of a new Social Agreement. This will remain in force for the next two years, that is 2020–2021. In parallel to negotiating the Social Agreement, Orange Polska completed negotiations on a Settlement for 2018 under the Act of 13 March 2003 on special rules on termination of employment for reasons not attributable to employees (Journal of Law of 2016, item 1474).

In particular, the Social Agreement for 2020–2021 sets the number of voluntary departures in the next two years at 2,100 people and determines a financial package for employees leaving Orange Polska under the voluntary departure scheme. It also provides for potential basic salary rises (3.5% in 2020 and 2021) and the amount of additional compensation for employees who will reach retirement age in the next four years, while specifying the position and role of internal mobility in supporting an allocation programme and offering participation in an outplacement programme to people whose employment contracts are to be terminated by the employer. In addition, the Social Agreement for 2020–2021 provides for the follow-up of the 'Friendly Work Environment' programme and continuation of medical coverage.

The negotiated Settlement sets the number of employees to leave Orange Polska in 2020 at 1,250 and determines the terms of voluntary departures in 2020 as well as the amount of severance pay and additional compensation for employees departing in 2020. The Settlement also specifies the rules and selection criteria to be applied to people whose employment will be terminated by the employer for reasons not attributable to employees. The amount of compensation package per departing employee will depend on their seniority in the Group in accordance with the Intragroup Collective Labour Agreement.

The Management Board of Orange Polska will conduct the relevant analysis, and the financial impact resulting from the aforementioned agreement will be covered in the accounts for the fourth quarter of 2019.