

**Current report 22/2020**  
**Orange Polska S.A. – Warsaw, Poland**  
**27 August 2020**

Pursuant to art. 19, clause 1, item 6 of the Decree of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, the Management Board of Orange Polska S.A. ("Orange Polska", "the Company") submits content of the resolutions that were adopted by the Extraordinary General Meeting on August 27, 2020.

**Resolution no. 1 of Extraordinary General Meeting of Orange Polska S.A.**  
**dated 27 August 2020**  
**on election of the Chairman of the Extraordinary General Meeting**

Pursuant to article 409 § 1 of the Commercial Companies Code and § 18 clause 1 of the Company's Articles of Association, the following is resolved:

§ 1

The Extraordinary General Meeting nominates Mr Jacek Krauss as the Chairmen of the Extraordinary General Meeting.

§ 2

The resolution enters into force upon adoption.

There were submitted 834 965 777 valid votes, corresponding to 834 965 777 shares that account for 63.62% of the share capital	
Votes in favour	834 965 777
Votes against	0
Sustained	0

**Resolution no. 2 of Extraordinary General Meeting of Orange Polska S.A.**  
**dated 27 August 2020**  
**on the adoption of the Remuneration Policy for Members of the Management Board and Supervisory Board of Orange Polska S.A.**

§ 1

The General Meeting of Orange Polska S.A. adopts the Remuneration Policy for Members of the Management Board and Supervisory Board of Orange Polska S.A., which constitutes attachment to this resolution.

§ 2

Resolution no 30 of the Annual General Meeting of Orange Polska S.A. dated 17 June 2020 on the adoption of the Remuneration Policy for Members of the Management Board and Supervisory Board of Orange Polska S.A. is hereby repealed.

There were submitted 834 965 786 valid votes, corresponding to 834 965 786 shares that account for 63.62% of the share capital	
Votes in favour	697 784 004
Votes against	137 181 782
Sustained	0

Attachment to the resolution no. 2  
of Orange Polska S.A. Extraordinary General Meeting  
dated 27.08.2020

## **Remuneration Policy**

### **for Members of the Management Board and Supervisory Board of Orange Polska S.A.**

This remuneration policy for Members of the Management Board and the Supervisory Board of Orange Polska S.A. (the "Remuneration Policy") supports the implementation of the Company's strategy and the protection of its long-term interests by shaping market-competitive salaries conducive to employment stability in key positions.

In this Remuneration Policy, the notion of Members of the Management Board means both the President of the Management Board and other members of the Management Board, and the notion of Members of the Supervisory Board means both the Chairman of the Supervisory Board and other members of the Supervisory Board, in both cases regardless of functions performed thereby.

In the case of Members of the Management Board, significant components of remuneration depend on the achievement of both short-term and long-term objectives of the Company. The adopted model focuses on and strengthens the involvement of Members of the Management Board in the implementation of the Company's strategy.

The market competitiveness of remuneration for Members of the Management Board and other employees is monitored using the uniform method and data set, ensuring consistency in the planning of remuneration throughout the Company.

The working conditions and salary of the Company's employees reporting to a given Member of the Management Board and the scope of tasks performed by these employees are taken into account when determining the remuneration of Members of the Management Board, as well as they are taken into account in determining the targets which the variable remuneration component depends on. Some of objectives on whose implementation the payment of the variable remuneration component depends may be identical or similar for Members of the Management Board and for employees holding key positions in the Company.

Some of the remuneration elements to which Members of the Supervisory Board employed directly by the Company (e.g. contribution in the employee pension scheme, some nonmonetary benefits) are entitled are granted on the basis of internal regulations applicable also to the Company's employees other than Members of the Management Board and the Supervisory Board. As a result, the employees' salary and working conditions have been taken into account in the determination of the remuneration principles specified in this Remuneration Policy.

Members of the Management Board are appointed by the Supervisory Board and the term of office of each Member of the Management Board lasts three years. For the duration of their term of office, contracts of employment are concluded with Members of the Management Board employed directly by the Company. Some Members of the Management Board may be employed in another company of the Orange SA group (a parent company of Orange Polska S.A.) and posted to Orange Polska S.A. in order to perform the function of a Member of the Management Board.

Members of the Supervisory Board are appointed and dismissed by the General Meeting, and the term of Members of the Supervisory Board lasts three years, with the restriction that if the mandate of a Member of the Supervisory Board expires for reasons other than expiry of their term of office or dismissal from the position of a Member of the Supervisory Board, the remaining Members of the Supervisory Board may appoint a new member of the Supervisory Board by a two-thirds majority of votes cast. The mandate of the appointed Member of the Supervisory Board expires on the date of the next General Meeting, held no earlier than 5 weeks after the appointment. The number of Members of the Supervisory Board so appointed may not exceed 3 persons.

No contracts related to their functions in the Supervisory Board are concluded with Members of the Supervisory Board.

**Remuneration and other cash and non-cash benefits that may be granted to Members of the Management Board and the Supervisory Board consist of:**

**A. For Members of the Management Board**

1. base salary,
2. performance-based bonus (variable component of remuneration),
3. benefits and allocation benefits,
4. long-term capital remunerations (above one year),
5. base premium for participation in the employee pension scheme,
6. jubilee awards (as long as internal regulations foresee such awards),
7. employment termination benefits,
8. other benefits arising out of the provisions of labour law.

The Remuneration Policy prohibits discrimination of Members of the Management Board due to: sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin and sexual orientation.

**I. Base salary**

1. The individual base remuneration of a Member of the Management Board takes into account:
  - a) recruitment negotiations with candidates applying for appointment to the Management Board,
  - b) offers to change the remuneration for a Member of the Management Board whose term of office is in progress.
2. The Remuneration Committee of the Supervisory Board recommends to the Supervisory Board the amount of remuneration for each Member of the Management Board based on the following premises:

- a) scope of responsibilities and complexity specific to the position,
  - b) market competitiveness of the remuneration,
  - c) recommendations of the President of the Management Board (does not apply to the remuneration of the President of the Management Board),
  - d) recommendations of the Member of the Management Board responsible for managing human resources in the Company (does not apply to the remuneration of the Member of the Management Board responsible for managing human resources in the Company),
  - e) individual contributions of Members of the Management Board to the implementation of the Company's strategy.
3. Based on the recommendations of the Remuneration Committee of the Supervisory Board, the Supervisory Board determines the base remuneration for each Member of the Management Board.

## **II. Performance-based Bonus – Variable Remuneration Component**

1. Each of the Members of the Management Board is entitled to a variable remuneration (bonus) dependent on their performance (achievement of objectives).
2. The variable part of remuneration is determined in semi-annual settlement periods, and the basis for its calculation is an evaluation of the achievement of objectives defined for each Member of the Management Board, in an individual task sheet.
3. The objectives, the achievement of which determines the variable component of remuneration, include:
  - a) solidarity objectives – common to all Members of the Management Board,
  - b) individual objectives related to the specific nature of the function performed in the Management Board by a Member of the Management Board.
4. These objectives may be qualitative or quantitative. The Remuneration Committee of the Supervisory Board recommends to the Supervisory Board the half-yearly objectives for each Member of the Management Board based on:
  - a) the Company's business plans for a given period,
  - b) scope of responsibility of a given Member of the Management Board,
  - c) recommendations of the President of the Management Board,
  - d) recommendations of the Member of the Management Board responsible for managing human resources in the Company.
5. Based on the recommendations of the Remuneration Committee of the Supervisory Board, the Supervisory Board determines the semi-annual objectives for each Member of the Management Board.
6. The objectives of the Members of the Management Board for a given settlement period are communicated to each Member of the Management Board before the end of the 8<sup>th</sup> week of the relevant half-year at the latest.

7. Together with the objectives, the members of the Management Board are provided with an algorithm allowing them to calculate the value of the variable remuneration component if appropriate values for semi-annual objectives are assumed.
8. The evaluation of the achievement of objectives after the end of the half-year is carried out by the Supervisory Board based on:
  - a) data on the Company's business performance (the measure of achieving solidarity and individual quantitative objectives is objectively measurable data);
  - b) assessments made by the President of the Management Board with regard to the qualitative objectives of other Members of the Management Board;
  - c) opinions of the Remuneration Committee of the Supervisory Board.
9. If objectives are assessed to have been achieved in 100%, the amount of the variable component of the remuneration is 50% of the base remuneration due for a given period under an employment contract. The achievement of the set objectives below or above 100% entails a lower or higher amount of the variable remuneration.
10. The process of evaluating the objectives and paying the variable remuneration component to Members of the Management Board is conducted at the end of the second month following the half-year which the assessment concerns, unless some data necessary for the evaluation of the objective implementation are available later. After the payment to a given Member of the Management Board of the variable remuneration component in the amount corresponding to the degree of the implementation by this Member of the objectives, the Company's internal regulations do not provide for any case in which the remuneration paid should be reimbursed. In particular, the Member of the Management Board is not obliged to reimburse this component in the case of:
  - a) the calculation of the variable remuneration component on the basis of incorrect data obtained from the market or another source, irrespective of the cause of the error,
  - b) payments on account of annual objectives after the expiry of the first half of the year if objectives for the entire year are not fulfilled to a degree sufficient to obtain the variable remuneration component paid after the expiry of the first half of the year.
11. In addition, the President of the Management Board, apart from the variable remuneration component, may be granted the right to additional bonuses if the Company achieves a specific financial or non-financial objective. The decision to establish an additional bonus, its amount (maximum 40% of the annual basic remuneration) and the conditions for obtaining it is made by the Supervisory Board at the request of the Remuneration Committee of the Supervisory Board. The Supervisory Board at the request of the Remuneration Committee of the Supervisory Board may grant the right to the additional bonus to one or more Members of the Management Board, specifying detailed rules in a resolution (maximum 35% of the annual basic remuneration).

### III. Benefits

1. In connection with performing functions in the Management Board, Members of the Management Board employed by the Company are entitled to the following benefits:
  - a) training and studies aimed at improving professional qualifications;
  - b) medical care package for Members of the Management Board and their family members (children, partners/spouses);
  - c) life insurance;
  - d) landline Internet at the place of residence, provided that Orange Polska S.A. telecommunications infrastructure permits it;
  - e) protection in the case of civil liability arising from the performance of the Member of the Management Board duties, including in the form of insurance protection;
  - f) other non-pecuniary benefits the Company's employees are entitled to in accordance with the internal regulations of Orange Polska S.A.

Members of the Management Board posted to Poland are entitled to all or some of the benefits listed above or benefits available according to regulations of the posting company provided that they are approved by the Supervisory Board.

2. Members of the Management Board who, at the time of their appointment to the Management Board of Orange Polska S.A., were employed in one of the foreign companies of the Orange SA group or remain employed by such a company and posted to Poland are entitled to benefits resulting from the Mobility Policy of the International Orange Group.
3. The scope and value of benefits resulting from the Mobility Policy of the International Orange Group are agreed on individually with each Member of the Management Board and may include, among others, housing allowance, costs related to relocation and costs related to the stay of a Member of the Management Board as a foreigner in Poland, airline tickets for a Member of the Management Board and their immediate family members, a fixed annual allowance, the payment of social insurance and contribution to a complementary pension scheme in a country other than Poland, tax consultancy costs, school education costs for children of a Member of the Management Board, a one-off allowance for a Member of the Management Board to settle in Poland, any costs of hotel and travel of a Member of the Management Board before the date of employment in the Company, as well as other benefits resulting from the Mobility Policy of the International Orange Group.
4. The scope and detailed rules of access to benefits referred to above are approved by the Supervisory Board after obtaining a recommendation of the Remuneration Committee of the Supervisory Board within the determination of templates of agreements for Members of the Management Board employed by the Company or individually by a resolution of the Supervisory Board in relation to benefits offered to a given Member of the Management Board.

#### **IV. Long-term capital remuneration (above one year)**

1. The achievement of long-term (above one year) objectives of the Company or Orange SA objectives may be linked to additional bonus programmes for Members of the Management Board.
2. The bonuses in the programmes referred to in section 1 take the form of shares, phantom shares or other instruments and includes the settlement of business performance for periods of more than one year, or performance for shorter periods taking place later than one year from the implementation date of the programme.
3. Participation in the programmes referred to in section 1 is voluntary and may require Members of the Management Board taking part in the programme to provide a contribution.
4. The terms of the programmes referred to in section 1 are approved by the Supervisory Board after obtaining a recommendation of the Remuneration Committee.

#### **V. Employee Pension Scheme**

1. Members of the Management Board employed by the Company have the right to participate in the Employee Pension Scheme of Orange Polska S.A. ("EPS").
2. Participation in the EPS is voluntary and applies to Members of the Management Board after they have worked for at least 6 months in the Company under an employment contract.
3. For Members of the Management Board who joined the EPS, Orange Polska S.A. finances a monthly base premium in the amount of 7% of the gross remuneration amount, which constitutes the base for calculation of premium for pension and disability insurances.

#### **VI. Employment Termination Benefits**

1. All Members of the Management Board are obliged to refrain from engaging in competitive activities for 12 months after the termination of employment, and in return for refraining from competitive activities they are entitled to receive compensation in the amount of 6-month base remuneration.
2. Employment contracts with Members of the Management Board employed by the Company are terminated with a 6-month notice.
3. If the Company terminates an employment contract with a Member of the Management Board with notice, without notice under Article 53 of the Labour Code or by mutual agreement of the parties, as well as due to expiry of the term of the Contract, the Member of the Management Board shall have the right to severance pay in the amount of 6 times the monthly base remuneration.
4. A notice period of employment contract of a Member of the Management Board posted to Poland and an amount of severance pay are individually determined taking into account the labour law in the posting country but in each case they are approved by the Supervisory Board after obtaining a recommendation of the Remuneration Committee.

## **VII. Jubilee Awards**

Members of the Management Board employed by the Company have the right to the jubilee award long-term work as long as other employees of the Company are eligible to such awards in accordance with the provisions of the Collective Labour Agreement for Employees of Orange Polska S.A.

### **B. For Members of the Supervisory Board**

The remuneration of the Members of the Supervisory Board is determined by the General Meeting of Orange Polska S.A.

Members of the Supervisory Board are entitled to a fixed monthly remuneration regardless of the number of meetings held in a given month.

The General Meeting's resolution may make the amount of the remuneration of Members of the Supervisory Board subject to the level of remuneration in the national economy or in an appropriate sector, as well as differentiate the amount of the remuneration of Members of the Supervisory Board depending on functions performed by them in the Board.

Within the Supervisory Board, there are two standing committees: Remuneration Committee and Audit Committee, and moreover the Supervisory Board may appoint other Committees and define their tasks at its own discretion. Members of each Committee have knowledge and/or experience relevant to the purpose of the Committee and provide recommendations to the Supervisory Board and the Management Board of the Company. Members of the Supervisory Board are entitled to additional fixed remuneration for participating in the work of the Committees.

Members of the Supervisory Board who are Orange SA employees or of Orange SA subsidiaries do not receive remuneration for performing the function of a Member of the Supervisory Board of Orange Polska S.A. or its Committees.

All Members of the Supervisory Board are entitled to reimbursement of costs related to their participation in the Board's work.

Members of the Supervisory Board may be covered by protection in the case of civil liability arising from the performance of the Member of the Supervisory Board duties, including in the form of insurance protection.

Both Members of the Management Board and of the Supervisory Board may be granted benefits in the form of invitations to sports, cultural, business events, etc.

### **Description of the Decision-Making Process Conducted to Establish, Implement and Review the Remuneration Policy**

The Members of the Management Board of Orange Polska S.A. are responsible for the information included in the Remuneration Policy.

The content of the Remuneration Policy was proposed by the Management Board of Orange Polska S.A. by means of a resolution dated 20 July 2020. Then, following a discussion by the Remuneration Committee of the Supervisory Board, the Supervisory Board adopted a positive opinion on the content of the Remuneration Policy by means of the resolution dated 21 July 2020.



The Extraordinary General Meeting of Orange Polska S.A., by means of resolution no. 2 dated 27 August 2020, adopted the Remuneration Policy for the Management Board and the Supervisory Board of Orange Polska S.A.

The Management Board of Orange Polska S.A. reviews the Remuneration Policy every year, taking into account the conclusions included in the annual report of the Supervisory Board on remuneration, the opinion of the expert auditor, and the resolution of the General Meeting that approved the remuneration report.

A resolution on the Remuneration Policy is adopted at least once every four years. Any significant change in the remuneration policy requires its adoption, by means of a resolution, by the General Meeting.

Adoption of a new remuneration policy as well as significant changes to the Remuneration Policy require a resolution of the Management Board of Orange Polska S.A., an opinion of the Supervisory Board preceded by a consultation within the Remuneration Committee of the Supervisory Board, and a resolution of the General Meeting of Orange Polska S.A.

#### **Description of Measures Taken to Avoid Conflicts of Interest Related to the Remuneration Policy or to Manage Such Conflicts of Interest**

The basic mechanisms aimed at avoiding conflicts of interest arise out of the provisions of the Code of Commercial Companies and the Act on Public Procurement and Terms of Introducing Financial Instruments to Organised Trading and on Public Companies.

Conditions of employment, including the amounts of remuneration of Members of the Management Board, are determined by the Supervisory Board, and the amount of remuneration of the Members of the Supervisory Board is determined by the General Meeting. The Remuneration Policy is adopted by the General Meeting after considering a motion of the Management Board and an opinion of the Supervisory Board.

The above solution significantly limits the possibility of a conflict of interest related to the Remuneration Policy.

Notwithstanding the above, an important advisory role in determining the remuneration policy in Orange Polska is fulfilled by the Remuneration Committee of the Supervisory Board. The Committee's main task is to give recommendations to the Supervisory Board on appointing, achieving the objectives, as well as principles and amounts of remuneration for Members of the Management Board.

The market competitiveness of remuneration of Members of the Management Board is monitored by the Remuneration Committee of the Supervisory Board on the basis of studies of external experts carried out in order to ensure the remuneration objectivity.