

Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2023

This Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. (“the Remuneration Report”) has been developed by the Supervisory Board of Orange Polska S.A. 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 (“the Public Offering Act”).

The Report covers the financial year 2023 and provides an overview of the remuneration awarded in line with the Remuneration Policy of Orange Polska S.A. in force since 2013 and the Remuneration Policy for Members of the Management Board and Supervisory Board of Orange Polska S.A. in force since 17 June 2020 with subsequent amendments (“the Remuneration Policies”).

The Remuneration Policies applied by Orange Polska S.A. (“the Company”) are an element of its strategy. By enabling the recruitment, retention and motivation of the best managers and professionals in the specialised areas existing in Orange Polska S.A., they provide people prepared to achieve the strategic goals of the Company.

The Remuneration Policies support the implementation of the strategy of Orange Polska S.A. and the protection of its long-term interests. In particular, by ensuring market-competitive base salaries and additional benefits, Orange Polska S.A. strives to recruit and retain the Company’s key people. The purpose of the short-term and long-term variable remuneration, which depends on the Company’s key financial indicators, is to motivate the Management Board Members to achieve strategic goals, which are subsequently cascaded to employees at lower levels of the organisation in the form of management goals.

Remuneration levels within Orange Polska S.A. are regularly compared to the remuneration practices of competitive companies in the market. Total remuneration of employees depends in particular on the Company’s financial results as well as each employee’s individual contribution and performance.

Changes in reporting

Responding to the issues raised by our minority shareholders, we have introduced a number of changes to this Report compared to previous years in order to increase the transparency of information on the remuneration of Management Board Members. We trust that the tables presenting in detail the variable remuneration components and the terms of awarding thereof will give shareholders a better insight into the link between remuneration and the Company’s goals and strategy. We have also described the changes in the terms of remuneration to be introduced in 2024. We strive for the highest standards in corporate governance reporting.

1. Changes in the Company’s Boards

As of 1 January 2023, the Company’s Management Board was composed of: Julien Ducarroz, Jolanta Dudek, Bożena Leśniewska, Witold Drożdż, Piotr Jaworski, Jacek Kowalski, Jacek Kunicki and Maciej Nowohoński. As Julien Ducarroz resigned, the Supervisory Board of Orange Polska appointed Liudmila Climoc as the President of the Management Board of Orange Polska, effective on 1 September 2023. Julien Ducarroz became the CEO of Orange Romania S.A.

There were the following changes in the composition of the Supervisory Board in 2023:

On 14 February 2023, Ramon Fernandez resigned.

On 29 June 2023, the mandate of Patrice Lambert-de Diesbach expired.

On the same day, the Annual General Meeting appointed John Russell Houlden for a new term of office and Clarisse Heriard Dubreuil and Laurent Martinez to the Supervisory Board for the first term of office.

2. Description of the Remuneration Policies

In line with the requirements set in the Public Offering Act, on 17 June 2020 the Annual General Meeting adopted the Remuneration Policy for Members of the Management Board and Supervisory Board of Orange Polska S.A., which was subsequently amended on 27 August 2020 and 29 June 2023. Under this Policy, the Company's remuneration system for the Management Board Members consists of fixed and variable components, including:

- base salary;
- performance-based bonus;
- benefits and allocation benefits;
- long-term capital remuneration;
- base premium for participation in the pension scheme;
- employment termination benefits;
- other benefits arising out of the provisions of labour law.

The remuneration paid in 2023 was structured in compliance with the adopted Remuneration Policies.

The detailed terms of remuneration have been regulated in individual employment contracts with Members of the Management Board.

The Management Board Members employed by the Company were granted Employee Pension Scheme premiums and some non-pecuniary benefits (discounts for Orange Polska's services, a sports card) based on internal regulations which apply also to other employees of the Company.

In line with the Company's Articles of Association, Members of the Management Board are appointed and removed by the Supervisory Board. The term of office of each Member of the Management Board is three years. Remuneration payments to the Management Board Members are effected pursuant to employment contracts concluded for their term of office.

Julien Ducarroz, who was the President of the Management Board of Orange Polska S.A. from 1 September 2020 to 31 August 2023, and Liudmila Climoc, who has been the President of the Management Board of Orange Polska S.A. since 1 September 2023, have been employed by Swiss-based Orange Global International Mobility SA (OGIM SA), an Orange S.A. Group company, and have been posted to Orange Polska S.A. for the term of office of the CEO.

Members of the Supervisory Board are appointed and removed by the General Meeting. Their individual term of office is three years. No contracts related to their functions in the Supervisory Board are concluded with the Supervisory Board Members. Their remuneration is payable pursuant to the relevant resolution appointing the Supervisory Board Member in line with the rules set out by the General Meeting. In 2023, their remuneration was payable pursuant to two resolutions of the General Meeting: (i) Resolution No. 33 of 9 April 2015, which remained in force to 28 June 2023, and (ii) Resolution No. 40 of 29 June 2023. The Supervisory Board Members employed by an Orange S.A. Group company are not entitled to receive remuneration for performing their functions in the Supervisory Board.

In line with the Company's Articles of Association, at least four Members of the Supervisory Board of Orange Polska S.A. shall meet the independence criteria specified in the Articles of Association and the Act of 11 May 2017 on certified auditors, audit firms and public oversight with respect to independent members of the audit committee.

In 2023, Orange Polska S.A. had five independent Members on the Supervisory Board, namely: Bartosz Dobrzyński, John Russell Houlden, Monika Nachyła, Maria Paśło-Wiśniewska PhD and Wioletta Rosołowska.

3. Remuneration of the Members of the Management Board

a. Base salary

The terms of base salaries of the Management Board Members reflect the scope of duties and the market valuation of the work performed. Orange Polska S.A. monitors the remuneration market by

comparing, at least annually, the Company's salaries and remuneration practices to the remuneration in peer companies in the Polish market.

In the reported period, Orange Polska S.A. determined remuneration terms based on non-discrimination, particularly with respect to gender, age, disability, race, religion, nationality, political opinion, trade union membership, ethnic origin and sexual orientation.

The Company has followed the Diversity Management Policy for the Members of the Management Board, adopted by the Supervisory Board on 3 November 2021, and the Diversity Management Policy for the Members of the Supervisory Board, adopted by the Annual General Meeting on 22 April 2022.

The terms of employment of the Management Board Members are recommended to the Supervisory Board by the Remuneration Committee based on the following criteria:

- scope of responsibilities and complexity specific to the position;
- market competitiveness of the remuneration;
- recommendation of the President of the Management Board (does not apply to the remuneration of the latter);
- recommendation of the Member of the Management Board in charge of Human Capital in the Company (does not apply to the remuneration of the latter);
- individual contribution of the Management Board Member to the implementation of the Company's strategy.

b. Benefits

In 2023, the Management Board Members employed by Orange Polska S.A. received the following benefits:

a) Reported in the Table 11 below:

- medical care package for Members of the Management Board and their relatives (children, partners/spouses);
- life insurance;
- Employee Pension Scheme (EPS);
- other non-pecuniary benefits (employee discounts for the Company's services: *Neostrada*, *FunPack*, handset insurance, mobile subscription).

b) Additional:

- landline internet at the place of residence (a work tool);
- a sports card (described under the Table 11 below);
- directors and officers (D&O) liability insurance in connection with the performance of the Management Board Member's duties (an element of insurance for both existing and prospective/future officers performing specific functions in the organisation, with flat-rate premiums; hence, it is not possible to allocate the specific/actual income to particular persons).

Furthermore, a Member of the Management Board, Piotr Jaworski, uses a housing unit from the Company's resources under a rental agreement concluded prior to his appointment to the Management Board. The rent for the dwelling is determined in the same way as for other people using dwellings from the Company's resources.

In line with the terms of their employment contracts, Members of the Management Board were granted some benefits from which also persons closely associated with them could benefit. The value of such benefits is indicated in the Table 11 below under the caption Benefits.

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

While performing the duties of the President of the Management Board of Orange Polska S.A., Julien Ducarroz (to 31 August 2023) and Liudmila Climoc (since 1 September 2023) were entitled to the benefits resulting from the International Mobility Policy of the Orange Group, payable by Orange

Polska S.A. pursuant to an agreement between Orange Polska S.A. and OGIM SA. The amount of their remuneration and benefits is presented in the Table 12 below.

In the reported period, Members of the Management Board of Orange Polska S.A., excluding Julien Ducarroz and Liudmila Climoc posted to the position of the President of the Management Board, did not receive remuneration from other Orange S.A. Group companies except for eligibility to participate in the Long Term Incentive Plan (LTIP).

In the reported period, Members of the Management Board of Orange Polska S.A. did not receive remuneration from other Orange Polska Group companies.

c. Employee Pension Scheme (see Table 11 below)

Members of the Management Board employed by Orange Polska S.A. have joined the Employee Pension Scheme, which is financed by Orange Polska S.A. This scheme is a pension fund (Orange Polska Employee Pension Fund). In 2023, the Company financed a monthly base premium in the amount of 7% of the gross remuneration amount, which constitutes the base for the calculation of the pension and disability insurance premiums.

d. Benefits related to termination of employment with Orange Polska S.A.

In case of employment termination, employment contracts with Members of the Management Board employed by Orange Polska S.A. are terminated upon a six-months' notice.

Upon termination of the employment contract with a Member of the Management Board by the Company with a notice or without a notice pursuant to Article 53 of the Labour Code or by mutual consent of the parties, as well as upon expiration of the term for which the employment contract was concluded, Members of the Management Board are entitled to severance pay in the amount of their six-month base salary.

All Members of the Management Board employed by the Company are obliged to refrain from engaging in any activities competitive to the Company for twelve months after the termination of employment with Orange Polska S.A. In return for refraining from competitive activities they are entitled to receive compensation in the amount of their six-month base salary.

e. Variable remuneration component (Short Term Incentive Programme – STI)

Each Member of the Management Board was entitled to the variable remuneration component dependent on the achievement of financial and non-financial goals. The terms of awarding thereof did not change in 2023 versus 2022.

The purpose of the bonus system has been to motivate Members of the Management Board to achieve high performance by attaining the predefined and agreed goals linked to the Company's strategy and growth of customer satisfaction. In addition, the system of objectives stimulates the co-operation among employees and business units by setting some solidarity goals in addition to individual ones.

For Members of the Management Board, the variable component of remuneration is more related to the Company's performance and depends more on the achievement of solidarity goals, which are financial goals shared by all Members of the Management Board, than in the case of other employees of the Company. For all Management Board Members solidarity goals account for 80% of the total, while for other employees with variable remuneration this share is between 30% and 60%.

The variable component of remuneration has been payable on a semi-annual basis and its calculation has been based on the evaluation of the achievement of the goals defined for each Member of the Management Board in their individual task sheets.

Solidarity goals, which are related to the implementation of the Company's .Grow strategy for 2021–2024, included:

1. EBITDAaL (EBITDA after Leases)

EBITDAaL is the primary measure used by the Management Board to measure operating profitability. The target for EBITDAaL growth is one of the main financial ambitions included in the .Grow strategy.

2. Organic Cash Flow (OCF)

OCF is the primary measure of cash flow generation used by the Management Board. Its level is an important factor affecting the level of financial leverage and, consequently, is of great importance when the Management Board recommends the amount of dividend to shareholders.

3. Green indicator referring to CO₂ emissions in the Orange Polska Group

The goal of reducing CO₂ emissions is included in the .Grow strategy and the Company's climate strategy.

4. Customer satisfaction with Orange services (Perception NPS)

NPS is commonly used in the telecommunications sector to measure the level of customer satisfaction with services and is one of the indicators of how well an offer and customer service meet the needs, which in turn translates into the level of revenue generated.

In the individual part, the goals referred to specific projects implemented within the function performed by the Management Board Member and to the evaluation of their work.

Each goal has the predefined minimum level of implementation, below which the related variable remuneration is not awarded. In addition, each goal has the predefined maximum level of implementation, above which the related variable remuneration is not further increased. Depending on the goal, the maximum threshold is between 120% and 200% of its achievement.

Each goal has been assigned a weight and the amount of variable remuneration depends on the total weighted assessment of all goals. With the achievement of goals assessed at 100%, the variable remuneration component was 50% of the base salary due for the given period under the employment contract. With the achievement of all goals at the maximum level, variable remuneration component would have been 80.5% of the base remuneration.

Performance in 2023 permitted awarding the variable remuneration component to all Members of the Management Board, which is presented for each Board Member separately in the Tables 1-9 below.

In addition to the variable remuneration component, on 14 February 2023 the Supervisory Board, upon request of its Remuneration Committee, granted the President of the Management Board and Members of the Management Board the right to an additional annual bonus referred to as the Stretch Bonus. The award of this bonus was based on two financial indicators: EBITDAaL and EBITDAaL–eCAPEX (see Table 10 below). Unlike the terms of awarding the variable remuneration component described above, the Stretch Bonus is awarded in a predefined amount only if both targets are achieved jointly (on a hit-or-miss basis). For Members of the Management Board, the Stretch Bonus amounts to one monthly base salary. In the case of the President of the Management Board it was EUR 140 thousand in 2023. However, as the predefined conditions were not met in 2023, the Stretch Bonus for the President and other Members of the Management Board will not be paid in 2024.

The remuneration of each Member of the Management Board complied with the adopted Remuneration Policy for Members of the Management Board and Supervisory Board. The goals and the terms of their settlement were approved by the Remuneration Committee of the Supervisory Board.

The achievement of the goals by Members of the Management Board was assessed on a semi-annual basis by the Supervisory Board of Orange Polska S.A. upon recommendation of the Remuneration Committee thereof and the bonus was accrued pro rata to the employment period.

In the tables below, the term “Budget” refers to Orange Polska’s Budget for 2023 approved by the Supervisory Board.

Table 1. Variable remuneration component: Julien Ducarroz, President of the Management Board (to 31 August 2023)

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*:	20%					26%*	0–24%
Work evaluation	20%					26%*	0–24%
Weighted assessment						124%	

* In Orange Polska’s practice hitherto, the maximum level for the individual goal assessment was 120%. However, the Remuneration Committee of the Supervisory Board granted an assessment of over 120% in exceptional cases, which occurred with respect to the assessment of Julien Ducarroz in 2023. While determining the goals for 2024, the Remuneration Committee of the Supervisory Board set the upper limit at 150%.

Table 2. Variable remuneration component: Liudmila Climoc, President of the Management Board (since 1 September 2023)

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*:	20%					20%	0–24%
Work evaluation	20%					20%	0–24%
Weighted assessment						118%	

Table 3. Variable remuneration component: Jolanta Dudek, Vice President of the Management Board in charge of Consumer Market

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*:	20%					21%	0–24%
Work evaluation	10%					10%	0–12%
Specific projects	10%					11%	0–12%
Weighted assessment						119%	

Table 4. Variable remuneration component: Bożena Leśniewska, Vice President of the Management Board in charge of Business Market

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*:	20%					21%	0–24%
Work evaluation	10%					10%	0–12%
Specific projects	10%					11%	0–12%
Weighted assessment						119%	

Table 5. Variable remuneration component: Piotr Tadeusz Jaworski, Member of the Management Board in charge of Network and Technology

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*:	20%					20%	0–24%
Work evaluation	10%					10%	0–12%
Specific projects	10%					10%	0–12%
Weighted assessment						119%	

Table 6. Variable remuneration component: Maciej Nowohoński, Member of the Management Board in charge of Carriers Market and Real Estate Sales

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*:	20%					20%	0–24%
Work evaluation	10%					10%	0–12%
Specific projects	10%					10%	0–12%
Weighted assessment						118%	

Table 7. Variable remuneration component: Jacek Kunicki, Member of the Management Board in charge of Finance

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals:	20%					21%	0–24%
Work evaluation	10%					10%	0–12%
Specific projects	10%					11%	0–12%
Weighted assessment						119%	

Table 8. Variable remuneration component: Jacek Kowalski, Member of the Management Board in charge of Human Capital

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*:	20%					21%	0–24%
Work evaluation	10%					10%	0–12%
Specific projects	10%					11%	0–12%
Weighted assessment						119%	

Table 9. Variable remuneration component: Witold Drożdż, Member of the Management Board in charge of Strategy and Corporate Affairs

Criteria	Weight	Threshold	Goal	Maximum	Performance	Goal achievement	Assessment range
Solidarity goals:	80%					98%	0–137%
EBITDAaL (PLN mln)	30%	Budget–54	Budget	Budget+168	3,179	48%	0–60%
Organic Cash Flow (OCF) (PLN mln)	30%	Budget–200	Budget	Budget+200	1,173	32%	0–45%
CO ₂ emissions (Green) ('000 tonnes)	10%	Budget+191	Budget	Budget–13	115.1	18%	0–20%
NPS (market position)	10%	Budget (position)–1	Budget (position)	Budget (position)+1	3rd position	0%	0–12%
Individual goals*: –9	20%					20%	0–24%
Work evaluation	10%					10%	0–12%
Specific projects	10%					10%	0–12%
Weighted assessment						119%	

In the tables 1–9 above, the “Weighted assessment” in the column “Goal achievement” may not sum up due to rounding.
In the tables 1–9 above the “Assessment range” in the last column informs that a given goal can be assessed within a specific range

Table 10. Stretch Bonus for the President and other Members of the Management Board

Criteria	Goal	Performance	Goal achievement	Assessment range
EBITDAaL* (PLN mln)	Budget+60	3,179	0%	0% or 100%
EBITDAaL–eCapex* (PLN mln)	Budget+60	1,624	0%	0% or 100%

* Both goals need to be achieved jointly.

In 2023 Orange Polska S.A. did not exercise the option to demand the return of the variable components of remuneration.

Table 11. Total remuneration of Members of the Management Board in 2023

Full name	1. Fixed remuneration (PLN '000)						2. Variable remuneration (PLN '000) ¹				Total remuneration for 2023 (PLN '000)	Proportion between fixed and variable remuneration granted in 2023 (%)	Variable remuneration for 2022 paid in 2023 (PLN '000)
	Base salary	Benefits*	Other benefits for relatives	Compensation and severance pay	Other payments (including EPS benefit)	Total fixed remuneration	Granted for the first half of 2023	Granted for the second half of 2023	Annual, granted for 2023 (Stretch Bonus)	Total variable remuneration			
Jolanta Dudek	1,260	29	0	0	145	1,434	255	497	0	752	2,186	66%/34%	532
Bożena Leśniewska	1,440	35	0	0	169	1,644	292	568	0	860	2,504	66%/34%	656
Witold Drożdż	1,080	33	0	0	123	1,236	216	424	0	640	1,876	66%/34%	426
Piotr Jaworski	1,080	41	0	0	125	1,246	216	424	0	640	1,886	66%/34%	452
Jacek Kowalski	1,140	29	0	0	133	1,302	228	450	0	678	1,980	66%/34%	505
Jacek Kunicki	1,200	43	0	0	138	1,381	243	473	0	716	2,097	66%/34%	476
Maciej Nowochoński	1,176	33	0	0	138	1,347	235	461	0	696	2,043	66%/34%	527

* Includes family members in line with the provisions of section 3.b above. Includes an additional benefit in the form of festival passes, which were used by Bożena Leśniewska (for Orange Warsaw Festival and Open'er Festival) and Piotr Jaworski (for Orange Warsaw Festival and Open'er Festival). In addition, Bożena Leśniewska and Jolanta Dudek used sports cards financed from the Company Social Benefits Fund. The benefit was worth PLN 492 per each of them in 2023 (not included in the Table 11 above).

¹ The figure Includes the variable remuneration component accrued in 2023 and payable in 2024, as approved by the Supervisory Board of Orange Polska S.A., while excludes the variable remuneration component accrued in 2022 and paid in 2023.

Table 12. The amounts paid by Orange Polska S.A. in 2023 as the reimbursement of the costs related to posting of the President of the Management Board

Full name	1. Fixed remuneration (PLN '000)	2. Variable remuneration (PLN '000) ¹			Total remuneration for 2023 (PLN '000)	Proportion between fixed and variable remuneration (%)	Variable remuneration for 2022 paid in 2023 (PLN '000)
		Excluding Stretch Bonus granted for 2023	Annual, granted for 2023 (Stretch Bonus)	Total variable remuneration			
Liudmila Climoc ²	1,299	309	0	309	1,608	81%/19%	0
Julien Ducarroz ³	3,684	669	0	669	4,353	85%/15%	1,280

¹ The figure includes the variable remuneration component accrued in 2023 and payable in 2023, as approved by the Supervisory Board of Orange Polska S.A., while excludes the variable remuneration component accrued in 2022 and paid in 2023 (except for the amount resulting from foreign exchange gains/losses).

² From the date of appointment as the President of the Management Board of Orange Polska S.A. (i.e. 1 September 2023).

³ Serving as the President of the Management Board of Orange Polska S.A. until 31 August 2023.

f. Orange Polska S.A. Long Term Incentive Programmes (LTI)

Long Term Incentive Programme for the key executives of Orange Polska S.A. based on derivatives (LTI)

On 23 July 2021, the Supervisory Board of Orange Polska S.A. adopted the Long Term Incentive Programme for the key executives of Orange Polska S.A. based on derivatives (phantom shares), where the underlying instrument is the price of Orange Polska S.A. shares listed on the Warsaw Stock Exchange (WSE). The scheme aims to mobilise the key executives towards the long-term financial performance of the Company and value creation for the investors, as well as environmental care. The latter dimension of activities focuses on a reduction of CO₂ emissions and, as an incentive instrument, directly supports the implementation of one of the key elements of Orange Polska's strategy, which is environmental protection.

The Programme is divided into three-year cycles (Programme Series), beginning in consecutive calendar years. Three series, 2021–2023, 2022–2024 and 2023–2025, have been launched in the Programme.

In accordance with the adopted Programme Regulations, the President and other Members of the Management Board may purchase 43,200 phantom shares each at a price of PLN 0.50 per phantom in each Programme Series.

The programme implementation has been based on the following principles:

1. The right to the redemption of the phantom shares by the Company is contingent on the employment continuity till the end of the last year of the particular Programme Series. If employment is terminated before the end of the particular Series, but not earlier than after the end of the second year thereof, the Supervisory Board may decide to leave the participant in the Programme.
2. The preliminary condition for the Company's redemption of any number of Series One phantom shares is to maintain the average share price of Orange Polska in Q1 2024 at a level equal to or higher than the average share price in the first half of 2021.
3. Subsequent series include similar conditions: the average share price in the first half of 2021 remains the reference price, while the average share price in Q1 2025 and Q1 2026 will constitute the basis for settlement in the Series Two and Series Three, respectively.
4. Phantom shares have been allocated to four success indicators. Both the main goal and the minimum goal have been set for each indicator. The phantom shares allocated to a particular success indicator will be redeemed by the Company provided that the Company has met the business objectives set for that indicator.
5. If the Company achieves the main goal, 100% of the phantom shares allocated to the relevant success indicator shall be redeemed. If the Company achieves a result lower than the main goal but at least equal to the minimum goal set for a particular success indicator, 50% of the phantom shares allocated thereto shall be redeemed.
6. If the minimum criteria for a particular success indicator are not met, the phantom shares allocated thereto shall not be redeemed and, as a result, the participants will lose the invested funds.

The success indicators and the related business objectives to be achieved are presented in the tables below.

Table 13. LTI success indicators and business objectives for all the Programme Series

Success indicator	Weight (% of phantom shares)	Description
EBITDAaL	30%	Achieving a specific EBITDAaL level, being the sum of values over 3 years, projected in the Company's strategic plan.
Organic Cash Flow	25%	Achieving a specific level of Organic Cash Flow, being the sum of values over 3 years, projected in the Company's strategic plan.
CO ₂ emissions	10%	Achieving a specific level of CO ₂ emission reductions projected in the Company's strategic plan.
Share price	35%	Achieving a specific level of share price growth or achieving a return higher than the return on the WIG20 index in the same period.

Table 14. Redemption conditions for the Series One (2021–2023)

Success indicator	Weight (% of phantom shares)	Conditions for 100% redemption (the main goal)	Conditions for 50% redemption (the minimum goal)
EBITDAaL (PLN mln)	30%	2021–2023 aggregate \geq Strategic Plan objectives	Main goal – 477
Organic Cash Flow (PLN mln)	25%	2021–2023 aggregate \geq Strategic Plan objectives	Main goal – 298
CO ₂ emissions (kt)	10%	CO ₂ emissions target for 2023	Main goal for 2023 + 5.5 kt
Share price	35%	Average share price in Q1 2024 + specific growth > average share price in H1 2021 or rate of return between H1 2021 and Q1 2024 > WIG20 rate of return in the same period	Average share price in Q1 2024 + specific growth vs. average share price in H1 2021 or rate of return between H1 2021 and Q1 2024 = WIG20 rate of return in the same period
Sum of weights	100%		

Table 15. Redemption conditions for the Series Two (2022–2024)

Success indicator	Weight (% of phantom shares)	Conditions for 100% redemption (the main goal)	Conditions for 50% redemption (the minimum goal)
EBITDAaL (PLN mln)	30%	2022–2024 aggregate \geq Strategic Plan objectives	Main goal – 637
Organic Cash Flow (PLN mln)	25%	2022–2024 aggregate \geq Strategic Plan objectives	Main goal – 463
CO ₂ emissions (kt)	10%	CO ₂ emissions target for 2024	Main goal for 2024 + 33.4 kt
Share price	35%	Average share price in Q1 2025 + specific growth > average share price in H1 2021 or rate of return between H1 2021 and Q1 2025 > WIG20 rate of return in the same period	Average share price in Q1 2025 + specific growth vs. average share price in H1 2021 or rate of return between H1 2021 and Q1 2025 = WIG20 rate of return in the same period
Sum of weights	100%		

Table 16. Redemption conditions for the Series Three (2023–2025)

Success indicator	Weight (% of phantom shares)	Conditions for 100% redemption (the main goal)	Conditions for 50% redemption (the minimum goal)
EBITDAaL (PLN mln)	30%	2023–2025 aggregate \geq Strategic Plan objectives	Main goal – 292
Organic Cash Flow (PLN mln)	25%	2023–2025 aggregate \geq Strategic Plan objectives	Main goal – 292
CO ₂ emissions (kt)	10%	CO ₂ emissions target for 2025	Main goal for 2025 + 46.6 kt
Share price	35%	Average share price in Q1 2026 + specific growth > average share price in H1 2021 or rate of return between H1 2021 and Q1 2026 > WIG20 rate of return in the same period	Average share price in Q1 2026 + specific growth vs. average share price in H1 2021 or rate of return between H1 2021 and Q1 2026 = WIG20 rate of return in the same period
Sum of weights	100%		

Table 17. The value of phantom share-based payments in the Long Term Incentive Programme for all Series (LTI 2021–2023, LTI 2022–2024 and LTI 2023–2025)

Full name	LTI 2021–2023		LTI 2022–2024		LTI 2023–2025	
	Number of purchased phantom shares	Value of phantom share-based payments recognised as the Company's costs for 12 months ended on 31 December 2023 (PLN '000)*	Number of purchased phantom shares	Value of phantom share-based payments recognised as the Company's costs for 12 months ended on 31 December 2023 (PLN '000)*	Number of purchased phantom shares	Value of phantom share-based payments recognised as the Company's costs for 12 months ended on 31 December 2023 (PLN '000)*

Julien Ducarroz	43,200	49 ¹	–	–69 ²	–	–
Jolanta Dudek	43,200	113	43,200	93	43,200	71
Bożena Leśniewska	43,200	113	43,200	93	43,200	71
Witold Drożdż	43,200	113	43,200	93	43,200	71
Piotr Jaworski	43,200	113	43,200	93	43,200	71
Jacek Kowalski	43,200	113	43,200	93	43,200	71
Jacek Kunicki	43,200	113	43,200	93	43,200	71
Maciej Nowohoński	43,200	113	43,200	93	43,200	71

* Number of shares × valuation of share options as of 31 December 2023.

¹ Costs reported till the end of the term as a Member of the Management Board of Orange Polska S.A.

² Julien Ducarroz's phantom shares were redeemed and the Company returned the funds paid for the phantom shares in the amount of PLN 21,600 – as the Programme Regulations regarding the required duration of service relationship were not met.

LTI 2021-2023 will be redeemed in April 2024.

Note: Julien Ducarroz did not join the LTI 2023–2025 series.

At the time of granting the shares, Liudmila Climoc was not the President of the Management Board of Orange Polska.

g. Long Term Incentive Plan (LTIP) of the Orange Group

The Long Term Incentive Plan of the Orange Group is effected in three-year editions. It includes key executives in the Orange Group and is integrated with the Orange Group's strategic plan.

Members of the Management Board are awarded a predefined number of free shares of Orange S.A. under the following conditions: continuous service in the Orange Group throughout the Plan and some performance-based criteria.

The aim of the Plan is to recognise the engagement of the Group's key executives, to share the value created by the Orange Group's strategic plan, to achieve a balance between short-term and long-term remuneration, and to rely on well-known, monitored performance indicators.

The first edition of the Plan functioned between 2017 and 2019.

In July 2018, the second edition of the Long Term Incentive Plan of the Orange Group for 2018–2020 was made available. It ended with awarding disposable shares to the participants by Orange S.A. in April 2021.

In July 2019, the third edition of the Long Term Incentive Plan of the Orange Group for 2019–2021 was made available. It ended with awarding disposable shares to the participants by Orange S.A. in April 2022.

In July 2020, the fourth edition of the Long Term Incentive Plan of the Orange Group for 2020–2022 was made available.

In April 2023, the fourth edition of the three-year Long Term Incentive Plan (LTIP) made available for 2020–2022 was settled, and Orange S.A. awarded disposable shares to the participants (see Table 19 below).

In July 2021, the fifth edition of the Long Term Incentive Plan of the Orange Group for 2021–2023 was made available.

In July 2022, the sixth edition of the Long Term Incentive Plan of the Orange Group for 2022–2024 was made available.

In July 2023, the seventh edition of the Long Term Incentive Plan of the Orange Group for 2023–2025 was made available.

The conditions for receiving a specified number of free shares of Orange S.A. are indicated in the Table 18 below.

In the Long Term Incentive Plan of the Orange Group for 2020–2022, 2021–2023, 2022–2024 and 2023–2025, shares based on the achievement of the Organic Cash Flow objective can be awarded upon achieving it at the level equal to or greater than 95% of the target. With respect to other objectives, shares are awarded only upon achieving them in 100%.

Table 18. Detailed parameters of the Long Term Incentive Plan

Name of the Plan	LTIP 2021–2023	LTIP 2022–2024	LTIP 2023–2025
Performance assessment period	Years 2021–2023	Years 2022–2024	Years 2023–2025
Award date	28 July 2021	27 July 2022	25 July 2023
Ending date of the edition	31 December 2023	31 December 2024	31 December 2025
Award condition	Continuous service in 2021–2023	Continuous service in 2022–2024	Continuous service from 1 January 2023 to 31 March 2026
a) Financial indicator b) Indicator weight	a) Organic Cash-Flow ¹ b) 50%	a) Organic Cash-Flow ¹ b) 50%	a) Organic Cash-Flow ¹ b) 40%
a) Financial indicator b) Indicator weight	a) Total Shareholder Return ² b) 30%	a) Total Shareholder Return ² b) 30%	a) Total Shareholder Return ² b) 30%
a) Financial indicator b) Indicator weight	a) CSR ³ b) 20%	a) CSR ³ b) 20%	a) CSR ⁴ b) 30%

¹ The Orange Group's Organic Cash Flow will be assessed for the whole term of the relevant LTIP series with reference to the strategic plan objectives.

² The increase in Total Shareholder Return should be higher than in TSR for the Stoxx Europe 600 Telecoms index between the first four months of the year preceding the first year of performance assessment and the last four months of the last year of performance assessment.

³ 10% of the CSR objective corresponds to the achievement of the goal related to a reduction of CO₂ emissions at the end of the assessment period, and the remaining 10% of the CSR objective corresponds to the achievement of the goal related to the share of women in management positions at the end of the assessment period.

⁴ 20% of the CSR objective corresponds to the achievement of the goal related to a reduction of CO₂ emissions at the end of the assessment period, and the remaining 10% of the CSR objective corresponds to the achievement of the goal related to the share of women in management positions at the end of the assessment period.

Table 19. Number of disposable shares awarded or to be awarded to Members of the Management Board in the Long Term Incentive Plan of the Orange Group

Full name	Shares to be awarded (number)				Disposable shares awarded in LTIP 2020–2022 and settled in 2023 (number)
	LTIP 2020–2022	LTIP 2021–2023	LTIP 2022–2024	LTIP 2023–2025	
Liudmila Climoc	–	2,000	2,000	3,000	–
Julien Ducarroz	2,000	2,000	2,000	3,500	1,181
Jolanta Dudek	2,000	2,000	2,000	2,000	1,181
Bożena Leśniewska	2,000	2,000	2,000	2,500	1,181
Witold Drożdż	2,000	2,000	2,000	1,500	1,181
Piotr Jaworski	2,000	2,000	2,000	1,500	1,181
Jacek Kowalski	2,000	2,000	2,000	1,500	1,181
Jacek Kunicki	1,000	2,000	2,000	3,000	591
Maciej Nowochoński	2,000	2,000	2,000	2,000	1,181

Table 20. Value of share-based payments in the Long Term Incentive Plan reported as costs in Orange Polska S.A.'s financial statements (in PLN '000)

Full name	LTIP 2020–2022	LTIP 2021–2023	LTIP 2022–2024
	For 12 months to 31 December 2023	For 12 months to 31 December 2023	For 12 months to 31 December 2023
Liudmila Climoc ¹	8	10	16
Julien Ducarroz ²	16	20	5
Jolanta Dudek	24	30	13
Bożena Leśniewska	24	30	16
Witold Drożdż	24	30	10
Piotr Jaworski	24	30	10
Jacek Kowalski	24	30	10
Jacek Kunicki	24	30	20
Maciej Nowochoński	24	30	13

¹ Costs reported from the appointment as the President of the Management Board of Orange Polska S.A.

² Costs reported till the end of the term as the President of the Management Board of Orange Polska S.A.

4. Remuneration of the Members of the Supervisory Board

The remuneration of Members of the Supervisory Board is determined by the General Meeting of Shareholders of Orange Polska S.A. In 2023, Members of the Supervisory Board were entitled to

remuneration set out in the Resolution 33 of the Annual General Meeting of 2015 (to 28 June 2023) and the Resolution 40 of the Annual General Meeting of 2023 (since 29 June 2023).

Members of the Supervisory Board are entitled to fixed monthly remuneration depending on their functions performed in the Supervisory Board regardless of the number of meetings held in the given month. If a person is a Member or the Chairman of several Committees of the Supervisory Board in the given period, they do not receive the sum of additional remuneration for such positions but the highest remuneration to which they are entitled.

Within the Supervisory Board, there are three standing committees: Audit Committee, Remuneration Committee and Strategy Committee. Furthermore, the Supervisory Board may establish other Committees and define their tasks at its own discretion. In 2023, the Supervisory Board did not establish any further Committees.

Members of the Supervisory Board employed by Orange SA or its 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 Supervisory Board's work. In connection with the performance of the Supervisory Board Member's duties Members of the Supervisory Board are covered by the D&O liability insurance.

In 2023, Members of the Supervisory Board were granted additional benefits in the form of invitations to cultural events.

Table 21. Remuneration of the Members of the Supervisory Board for 2023

Full name	Total remuneration for performing the function (PLN '000)	Of which: Remuneration for sitting on a Committee (PLN '000)	Notes
Maciej Witucki	452	–	4)
Ramon Fernandez	–	–	1)
Marie-Noëlle Jégo-Laveissière	–	–	1)
Laurent Martinez	–	–	1) 3)
Marc Ricau	–	–	1)
Philippe Béguin	–	–	1)
Bénédicte David	–	–	1)
Bartosz Dobrzyński	233	83	4) 5)
Clarisse Heriard Dubreuil	–	–	1)
John Russell Houlden	413	275	
Patrice Lambert-de Diesbach	–	–	1) 2)
Monika Nachyła	234	83	4) 5)
Maria Pasło-Wiśniewska PhD	330	193	
Wioletta Rosołowska	220	83	
Jean-Michel Thibaud	–	–	1)
Jean-Marc Vignolles	–	–	3)
Total	1,882	717	

¹⁾ A person employed by Orange S.A. who did not receive remuneration for the function performed in Orange Polska.

²⁾ A person who was not a Member of the Supervisory Board of the Company as at 31 December 2023.

³⁾ A person who did not receive remuneration for the function performed.

⁴⁾ Total remuneration includes reimbursement of some social insurance contributions as pursuant to the decision of the Social Insurance Institution (ZUS) the limitation of the annual basis for calculating contributions was exceeded.

⁵⁾ Total remuneration includes additional benefits in the form of passes for Orange Warsaw Festival (OWF) and Open'er Festival (Bartosz Dobrzyński for Open'er and Monika Nachyła for both OWF and Open'er).

5. Derogations from the Remuneration Policies and from the process of their implementation

In 2023, Orange Polska S.A. effected remuneration payments in line with the adopted Remuneration Policies, and there were no derogations from the rules specified therein.

6. Evolution of remuneration and key results over the 2019–2023 period

The Table 22 below indicates percentage changes in key indicators versus their value in the preceding year.

Table 22. Evolution of Orange Polska's consolidated results over the last five years

Evolution of Orange Polska's consolidated results (%/PLN million)					
Orange Polska Group reports a single operating segment in its IFRS financial statements, as decisions about resources to be allocated and assessment of performance are made on a consolidated basis.					
Annual performance	2019	2020	2021	2022	2023
EBITDAaL	3,006	2,797	2,963	3,078	3,179
EBITDAaL evolution	7%	2.9% ²	5.9% ²	3.9% ²	3.3%
Revenue	11,406	11,508	11,928	12,488	12,970
Revenue evolution ¹	2.9%	0.9%	3.6%	4.7%	3.9%
Organic cash flow	737	642	867	822	1,173
Organic cash flow evolution	+79%	-13%	+35%	-5.2%	+43%
NPS (Net promoter score – position on the Polish market of telecommunications operators)	2	1	2	2	3

¹ Evolution of performance measures was calculated on a comparable basis. Where applicable, previous year's results were restated to reflect changes in accounting policies and deconsolidation of subsidiaries, and to conform to new definitions of performance measures.

² Starting from 2020, gains on disposal of assets are excluded from EBITDAaL. Evolution of EBITDAaL in 2020 was calculated on a comparable basis to conform to the new definition.

Total remuneration of Members of the Management Board and remuneration of employees other than Members of the Management Board or Supervisory Board for 2023 are presented in the Table 23 below.

Remuneration of all persons performing the function of the Management Board Members in 2023 have been accounted for.

Table 23. Evolution of remuneration in Orange Polska S.A. over the last five years

Management Board remuneration in PLN '000 (gross) ^{1,3}					
Full name	2019	2020	2021	2022	2023
Liudmila Climoc ²	n/a	n/a	n/a	n/a,	1,608
Julien Ducarroz ²	n/a	1,339	5,382	5,670	4,353
Jolanta Dudek	1,528	1,624	1,903	2,220	2,186
Bożena Leśniewska	2,233	2,248	2,568	2,697	2,504
Witold Drożdż ³	1,453	1,487	1,700	1,797	1,876
Piotr Jaworski ³	1,498	1,504	1,757	1,905	1,886
Jacek Kowalski	1,767	1,935	2,166	2,113	1,980
Jacek Kunicki ³	n/a	614	1,813	2,018	2,097
Maciej Nowohoński	1,821	1,972	2,203	2,188	2,043
Jean-François Fallacher ^{1,3}	4,382	3,359	n/a	n/a	n/a
Mariusz Gaca ^{1,3}	2,529	2,369	n/a	n/a	n/a
TOTAL*	17,211	18,451	19,492	20,608	20,533
Employee remuneration (excluding the Management Board and Supervisory Board) ^{1,4}					
	2019	2020	2021	2022	2023
Average total gross salary in PLN '000	115	122	129	134	142
Total remuneration paid to employees in PLN '000 (gross) in subsequent years	1,338,585	1,275,836	1,236,923	1,187,072	1,217,931
Management Board remuneration to employee remuneration ratio (%)	1.29%	1.45%	1.74% ⁵	1.74%	1.69%
Number of employees ⁶	11,687	10,489	9,622	8,863	8,571

n/a – not applicable

- ¹ Remuneration excluding compensation and severance pay paid in connection with termination of employment (including compensation for non-competition after termination of employment).
- ² The amount paid by Orange Polska S.A. as the reimbursement of the costs related to posting of the President of the Management Board.
- ³ Total remuneration and benefits of Members of the Management Board (including the Employee Pension Scheme), excluding benefits from the Social Fund, from the date of appointment as a Member of the Management Board to the end of tenure as a Member of the Management Board.
- ⁴ Total salaries and benefits of employees (including the Employee Pension Scheme), excluding benefits from the Social Fund.
- ⁵ In 2021, the remuneration of Members of the Management Board increased by payments pursuant to the completion of the Incentive Programme in the form of phantom shares was assumed to determine the ratio.
- ⁶ Average annual employment according to Statistics Poland's in full-time equivalents (excluding the Management Board).

This Report presents information concerning remuneration of Members of the Management Board and Supervisory Board, while omits information concerning remuneration of the employees of Orange Polska other than Members of the Management Board or the Supervisory Board, except for the data presented in the Table 23 above.

The Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2022 was drawn up and adopted by the Supervisory Board of Orange Polska S.A. on 1 April 2023 in line with the requirements set forth in 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. The Annual General Meeting of Orange Polska S.A. expressed a positive opinion on the Report on the Remuneration of the Members of the Management Board and Supervisory Board of Orange Polska S.A. in 2022 (Resolution no. 39 of the Annual General Meeting of Orange Polska S.A. dated 29 June 2023).

6. Terms of awarding variable remuneration component (Short Term Incentive Programme –STI) in 2024

The goals and weights (presented in section 3.e above), that will constitute the basis for awarding the variable remuneration component for all Members of the Management Board, have not changed in 2024 versus 2023.

However, unlike in previous years when the variable remuneration component was determined on a semi-annual basis, as from 2024 it will be determined on an annual basis. An advance payment of 40% of the annual bonus based on the assumption of the 100% achievement of goals will be effected mid-year. Should the annual goals be not achieved sufficiently to receive the variable remuneration component at least equal to the advance, the latter shall be returned. Furthermore, in the case of some major errors in the determination of the variable remuneration component, including those resulting from incorrect source data, the variable remuneration component may be returnable within three years after payment thereof. The relevant clauses were added to contracts with Members of the Management Board in the second half of 2023.