



ORLEN S.A.  
Supervisory Board

# **REPORT OF THE SUPERVISORY BOARD OF ORLEN S.A. ON REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR 2023**

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May 2024

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# Introduction

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This report on remuneration of Members of the Management Board and the Supervisory Board of ORLEN S.A. was prepared in accordance with the requirements set out in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, of 29 July 2005 (consolidated text: Dz.U. of 2024, item 620) (the “Act on Public Offering”). It covers the year 2023 and contains an overview of the remuneration paid to Members of the Company’s governing bodies in that reporting period in accordance with the applicable internal regulations, including the Remuneration Policy for Members of the Management Board and the Supervisory Board of Polski Koncern Naftowy ORLEN S.A. (the “Remuneration Policy”), adopted by Resolution No. 29 of the Annual General Meeting of 5 June 2020.

This module contains a comprehensive description of the components of remuneration payable to Members of the Management Board and Members of the Supervisory Board of ORLEN S.A. for 2023, and relates to the remuneration of members of the management and supervisory bodies pursuant to the Act on Rules of Remunerating Persons Who Direct Certain Companies of 9 June 2016 (the “Remuneration Act”) (Dz.U. of 2020, item 1907, as amended) and in accordance with the Company’s Remuneration Policy.

On 5 June 2020, the Annual General Meeting of ORLEN S.A. passed Resolution No. 29 to approve the Remuneration Policy for Members of the Management Board and the Supervisory Board of ORLEN S.A., setting the general rules of remuneration for Members of the Company Management Board and Supervisory Board, including the structure of remuneration payable to members of the Company’s governing bodies.

The Remuneration Policy for Members of the Management Board and the Supervisory Board supports the achievement of the Company’s goals, including in particular a long-term increase of its shareholder value and stability of operations. One of the key objectives of the Remuneration Policy for members of the Company’s governing bodies is to support the delivery of the long-term strategic goals, while ensuring the Company’s solid financial performance and stability.

The remuneration of Members of the Management Board was determined by the Supervisory Board pursuant to **RESOLUTION NO. 44 OF THE ANNUAL GENERAL MEETING OF POLSKI KONCERN NAFTOWY ORLEN SPÓŁKA AKCYJNA of 14 June 2019** to amend Resolution No. 4 of the Extraordinary General Meeting of 24 January 2017 on the rules of remuneration for Members of the Management Board, as amended by Resolution No. 29 of the Annual General Meeting of 30 June 2017, Resolution No. 4 of the Extraordinary General Meeting of 2 February 2018, and Resolution No. 1 of the Annual General Meeting of 17 July 2018, and in connection with the Remuneration Act as well as recommendations of the Supervisory Board’s Nomination and Remuneration Committee. Since the adoption of the Remuneration Policy by the General Meeting, the rules of remuneration for Members of the Management Board have also incorporated the rules set forth in that Policy.

In 2023, all components of the remuneration of Members of the Management Board were set out in the individuals contracts for the provision of management services between Management Board Member and the Company (“Contract(s”).

# Introduction

On 21 June 2023, the Annual General Meeting of the Company passed Resolution No. 58 to amend its Articles of Association so as to rename the Company “ORLEN Spółka Akcyjna”. Upon formal registration of the amendment by the District Court for Łódź-Śródmieście in Łódź, 20th Commercial Division of the National Court Register, on 3 July 2023 the Company’s legal name was effectively changed from Polski Koncern Naftowy ORLEN S.A. to ORLEN S.A. Accordingly, any references in this Report to the “Company” and “ORLEN” are meant to refer to the Company both prior to and after its effective renaming on 3 July 2023.

follows:

In 2023, the composition of the Management Board of ORLEN S.A. was as

| Full name                    | Position on ORLEN Management Board   | Length of service in the reporting year |
|------------------------------|--|---|
| Daniel Obajtek               | President of the Management Board, Chief Executive Officer   | entire 2023                             |
| Armen Konrad Artwich         | Member of the Management Board, Corporate Affairs  | entire 2023                             |
| Adam Burak                   | Member of the Management Board, Communication and Marketing  | entire 2023                             |
| Patrycja Klarecka            | Member of the Management Board, Retail Sales (until 29 May 2023) , Member of the Management Board, Digital Transformation (since 30 May 2023)                  | entire 2023                             |
| Michał Róg                   | Member of the Management Board, Wholesale and International Trade (until 29 May 2023), Member of the Management Board, Trade and Logistics (since 30 May 2023) | entire 2023                             |
| Jan Szewczak                 | Member of the Management Board, Finance  | entire 2023                             |
| Józef Węgrecki               | Member of the Management Board, Operations   | entire 2023                             |
| Piotr Sabat                  | Member of the Management Board, Development  | entire 2023                             |
| Krzysztof Nowicki            | Member of the Management Board, Production and Optimisation  | entire 2023                             |
| Iwona Waksmundzka-Olejniczak | Member of the Management Board, Strategy and Sustainability  | entire 2023                             |
| Robert Perkowski             | Member of the Management Board, Upstream   | entire 2023                             |



# Introduction

**In 2023, the composition of the Supervisory Board of ORLEN S.A. was as follows:**

| Full name            | Position on ORLEN Supervisory Board  | Length of service in the reporting period |
|----------------------|--|---|
| Wojciech Jasiński    | Chair of the Supervisory Board   | entire 2023                               |
| Andrzej Szumański    | Deputy Chairperson of the Supervisory Board, Independent Member of the Supervisory Board | entire 2023                               |
| Anna Wójcik          | Secretary of the Supervisory Board   | entire 2023                               |
| Barbara Jarzembowska | Member of the Supervisory Board, Independent Member of the Supervisory Board             | entire 2023                               |
| Andrzej Kapała       | Member of the Supervisory Board, Independent Member of the Supervisory Board             | entire 2023                               |
| Michał Klimaszewski  | Member of the Supervisory Board, Independent Member of the Supervisory Board             | 1 January 2023 – 31 October 2023          |
| Roman Kusz           | Member of the Supervisory Board, Independent Member of the Supervisory Board             | entire 2023                               |
| Jadwiga Lesisz       | Member of the Supervisory Board  | entire 2023                               |
| Anna Sakowicz-Kacz   | Member of the Supervisory Board, Independent Member of the Supervisory Board             | entire 2023                               |
| Janina Goss          | Member of the Supervisory Board, Independent Member of the Supervisory Board             | 11 November 2023 – 31 December 2023       |

**Key changes in the composition of the Supervisory Board of ORLEN S.A. in 2023:**

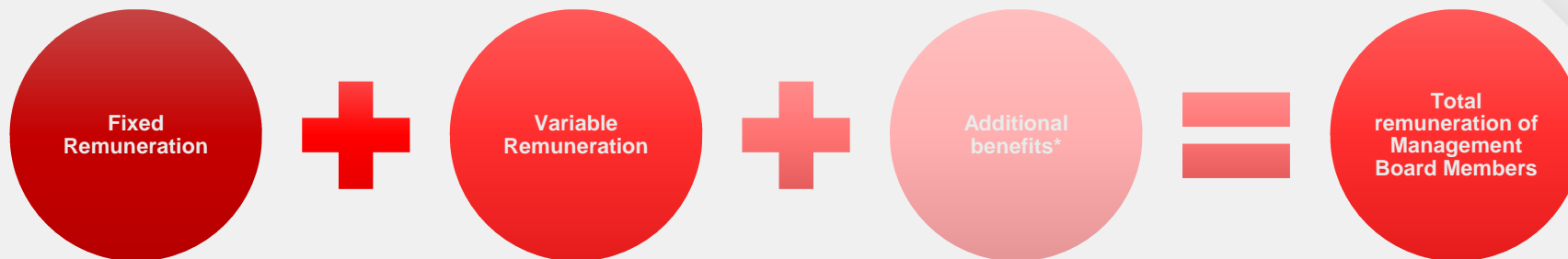
- ❑ On 11 January 2023, the Minister of State Assets, acting on behalf of the shareholder Polish State Treasury pursuant to Article 8(2)(1) of the Company's Articles of Association, appointed Janina Goss to the Supervisory Board of PKN ORLEN S.A.
- ❑ On 20 October 2023, Michał Klimaszewski resigned from the ORLEN Supervisory Board, effective as of 31 October 2023.
- ❑ On 13 December 2023, the Minister of State Assets, acting on behalf of the shareholder State Treasury pursuant to Article 8.2.1 of the Company's Articles of Association, removed Ms. Goss from the ORLEN Supervisory Board.



# Description of remuneration components

For the performance of the Contract, a Management Board Member is entitled to total remuneration consisting of a fixed component, representing that Member's monthly base pay ("Fixed Remuneration"), and a variable component, i.e. supplementary remuneration payable to that Member for the Company's financial year ("Variable Remuneration"), as well as certain additional benefits (on the terms set out in the respective Contract and in the Remuneration Act).

Structure of total remuneration of Members of the Management Board of ORLEN S.A.



\* Under the Remuneration Policy, the Management Board Members may also receive additional benefits, irrespective of the Fixed Remuneration and Variable Remuneration.

## FIXED REMUNERATION OF MANAGEMENT BOARD MEMBERS

In 2023, the Fixed Remuneration of Management Board Members represented the monthly base pay for serving in their respective roles at the Company and for performing responsibilities assigned to those roles, taking into account the prevailing market conditions:

- Management Board Members received remuneration under a contract concluded for the period of service on the Company's Management Board;
- The monthly amount of Fixed Remuneration payable to Management Board Members was determined by way of a Supervisory Board resolution, taking into account the provisions of the Remuneration Act and the resolution of the General Meeting on the rules of remuneration for Members of the Management Board;

**When determining the amount of Fixed Remuneration payable to Management Board Members, the Supervisory Board considered the following criteria:**

- Remuneration paid to the directors of companies with a similar business size and profile (taking into account the size of the ORLEN Group's business, including its business on international markets).

# Description of remuneration components

The Company's General Meeting set a fixed portion of the remuneration of Management Board Members in accordance with Art. 4 of the Remuneration Act, taking into account the scale of the Company's operations, in particular its total assets, net annual turnover and headcount, within the range of 7x–15x the reference amount, namely the average salary in the non-financial corporate sector (net of bonuses paid from profit) in the fourth quarter of the previous year, as announced by the President of Statistics Poland.

**Under the Contracts in place, as approved by the Supervisory Board, the Fixed Remuneration of a Management Board Member per month amounts to 15x the reference amount, namely the average salary in the non-financial corporate sector (net of bonuses paid from profit) in the fourth quarter of the previous year, as announced by the President of Statistics Poland (PLN 6,965.84).**

## VARIABLE REMUNERATION OF MANAGEMENT BOARD MEMBERS

- Members of the Management Board of ORLEN S.A. are entitled to Variable Remuneration under the terms specified in their respective Contracts, which incorporate the Rules of the Incentive Scheme for the Management Board as an appendix.
- The Variable Remuneration for 2022 paid to Management Board Members in 2023 represented their supplementary remuneration for a given financial year, which was contingent on the achievement of Management Objectives and did not exceed 100% of the Fixed Remuneration paid to a Management Board Member in the previous financial year, for which the Variable Remuneration is calculated.

## Key principles taken into account in granting Variable Remuneration for 2022 to Management Board Members in 2023:

- The Variable Remuneration for a financial year could not exceed 100% of the Fixed Remuneration due in the previous financial year, for which the Variable Remuneration is calculated;
- The Variable Remuneration of Management Board Members was contingent on their performance against individual bonus-triggering objectives (both qualitative and quantitative), set by the Supervisory Board for individual Members of the Management Board, with Management Objectives being the same for all Management Board Members, including the CEO;
- Based on the general set of Management Objectives established by the General Meeting, the Supervisory Board set individual bonus-triggering objectives recorded in a Management Board Member's MBO Sheet;
- The Supervisory Board also set separate objectives that needed to be met as a precondition to payment of Variable Remuneration for the year;
- Details of the Management Objectives, as well as the weights and criteria for assessing their achievement by individual Management Board Members, were specified in a Supervisory Board resolution;
- The Supervisory Board assessed the performance of each Management Board Member against their individual bonus-triggering objectives (both quantitative and qualitative) and the separate objectives that had to be met as a precondition to payment of Variable Remuneration. This assessment was based on a recommendation from the President of the Management Board, who provided an evaluation of the performance of all Management Board Members. Due to the uniformity of the Management Objectives, individual assessments were not possible. Reports on the achievement of Management Objectives were standardised for all Management Board members. Accordingly, the evaluation of the fulfilment of the Management Objectives was based on the financial statements and other documents of the ORLEN Group.
- The Management Board Members' performance against individual quantitative bonus-triggering objectives was assessed based on the number of percentage points assigned, while their performance against individual qualitative bonus objectives was assessed based on the degree of achievement of qualitative objectives in accordance with the Rules of the Incentive Scheme for the Management Board. The performance against individual bonus-triggering objectives was measured as the weighted sum of percentage points assigned by the Supervisory Board for each bonus-triggering objective;
- The Variable Remuneration of each Management Board Member was payable upon approval by the General Meeting of the Group's consolidated financial statements, the Management Board's report on the operations of the Company and the Group, as well as the Company's financial statements for the current financial year, and upon granting liability discharge to the Management Board Member in respect of performance of their duties.

## Description of remuneration components

Pursuant to RESOLUTION NO. 44 OF THE ANNUAL GENERAL MEETING OF POLSKI KONCERN NAFTOWY ORLEN SPÓŁKA AKCYJNA of 14 June 2019 to amend Resolution No. 4 of the Extraordinary General Meeting of 24 January 2017 on the rules of remuneration for Members of the Management Board, as amended by Resolution No. 29 of the Annual General Meeting of 30 June 2017, Resolution No. 4 of the Extraordinary General Meeting of 2 February 2018, and Resolution No. 1 of the Annual General Meeting of 17 July 2018, a **set of Management Objectives for 2019 and subsequent years was established, including in particular:**

- Improvement of operational efficiency indicators,
- Improvement of cost efficiency at the ORLEN Group,
- Implementation of strategic investment projects in line with the approved budget and schedule at the ORLEN Group,
- Implementation of a long-term strategy with respect to security of supplies, and with respect to procurement and storage of energy (fuels, electricity and heat), including in particular upstream access and diversification of the procurement portfolio,
- Increase of the TSR (Total Shareholder Return) of ORLEN S.A. relative to the market,
- Reduction of the Total Recordable Rate at the ORLEN Group,
- Development of the project portfolio and increasing the amount of expenditure allocated to research, development and innovation.

**The Supervisory Board set the same quantitative objectives for all Members of the Management Board for 2022 and assigned relevant bonus thresholds to these objectives:**

- LIFO-based EBITDA of the ORLEN Group,
- Net debt/EBITDA of the ORLEN Group,
- Development CAPEX of the ORLEN Group, excluding Olefin III,
- CAPEX Projects: Development of olefins production at the Płock Plant (Olefin III Complex) and Essential Infrastructure at the Płock Plant – Olefins III,
- Maintenance CAPEX of the ORLEN Group,
- General and payroll costs of the ORLEN Group,
- Stock performance: TSR of PKN ORLEN relative to the market,
- Accident rate: TRR of the ORLEN Group and its external contractors;

**The Supervisory Board also established the same qualitative objectives for all Management Board Members for 2022, related to the key challenges faced by the Group in that year:**

- Implementation of projects within the SRA domains, utilising innovation-supporting tools such as Accelerators and R&D Centres of the Group, particularly focused on: decarbonisation, low-emission power generation technologies, hydrogen production, green petrochemicals, circular economy, and digitalisation.

**The above objectives were set for Management Board Members in 2022, and therefore their achievement could be taken as the basis for the payment of Variable Remuneration as specified in this Report.**



## Description of remuneration components

- ❑ Implementation of the strategic initiatives planned for 2022
- ❑ Implementation of key strategic projects, including:
  - Conducting the acquisition of Grupa LOTOS and implementation of related remedies,
  - Executing tasks as part of acquiring control of the PGNiG Group,
  - Development of renewable energy and gas-fired power generation assets: o Offshore Wind Farm Programme – conducting pre-development work in accordance with the project assumptions, including efforts to obtain licenses for new offshore wind farm locations; o Development of CCGT project – commencing the construction of CCGT Ostrołęka and developing the CCGT Grudziądz project as planned.
  - Expansion of the service station chain, including their service offerings, and continued integration of the ORLEN Group’s retail activities,
  - Advancing hydrogen projects in line with the ORLEN Group’s Hydrogen Strategy,
  - Implementing decarbonisation measures. Taking action to fulfil the ORLEN Group’s commitment to reducing emissions from its refining, petrochemical, and power generation assets.
- ❑ Implementation of ESG and sustainability projects provided for in the 2030 Strategy and the ORLEN Group Sustainable Development Strategy for 2021–2023.

**Additionally, in accordance with the relevant resolutions of the General Meeting, the Supervisory Board set the following separate objectives as a precondition to payment of Variable Remuneration for 2022:**

- compliance with the principles of remuneration for members of management and supervisory bodies of all Group companies, in line with the Act on Rules of Remunerating Persons Managing Certain Companies of 16 June 2016;
- discharge of the obligations referred to in Art. 17-20, Art. 22 and Art. 23 of the Act on State Property Management of 16 December 2016 (“State Property Management Act”) at the Company’s subsidiaries within the meaning of Art. 4.3 of the Act on Competition and Consumer Protection of 16 February 2007.



Appendix 1 to the Report: **MBO sheets for Members of the Management Board for 2022**

**Establishing identical quantitative and qualitative objectives for all Management Board Members appears questionable in the light of the provisions regarding individual bonus-triggering tasks. Given the diverse responsibilities of each Management Board Member, at least the qualitative objectives should be tailored individually.**

# Description of remuneration components

Pursuant to the Contract, a Supervisory Board resolution is the basis for payment of Variable Remuneration, subject to prior approval by the General Meeting of the Management Board's report on the Company's operations, ORLEN S.A.'s financial statements and the ORLEN Group's consolidated financial statements for a given year and subject to granting liability discharge to a Management Board Member in respect of performance of their duties. Variable Remuneration is paid once a year, by the end of the calendar year in which the General Meeting of ORLEN S.A. approves the above mentioned reports and financial statements.

## ADDITIONAL BENEFITS FOR MEMBERS OF THE MANAGEMENT BOARD

In addition to the Fixed Remuneration and Variable Remuneration, Management Board Members were entitled to certain additional benefits in 2023. The value of additional benefits constituted the Management Board Member's income before tax and was not included in the Fixed Remuneration.

### The Contract provides for the following types of benefits (added to the Management Board Member's income before tax):

- Coverage of the costs of medical treatment, preventive healthcare and medical care, including with respect to a Management Board Member's closest family members or persons who share the same household with the Management Board Member;
- Coverage of the costs of accommodation or rental of dwellings if the Company's registered office is more than 100 km away from the Management Board Member's place of residence;
- Coverage or refinancing of the costs of individual training received by the Management Board Member and related to the scope of their duties performed for the Company;
- Payment of additional third-party liability insurance (OC insurance) to the extent not covered by the general insurance policy for the Directors and Officers of the ORLEN Group companies (applicable to the President of the Management Board);
- Severance payment on Contract termination;
- Non-compete compensation on termination of service on the Management Board;
- In the event of termination of the Contract with President of the Management Board – compensation equivalent to three times the Fixed Remuneration for remaining available to the Company for three months from the date of termination. During this period, the Company is obliged to provide to President of the Management Board the Company car used by him/her on the date of termination, along with a driver, and the apartment occupied by him/her on the date of termination.

### **In addition:**

- Pursuant to the ECP Act, the Company has established an Employee Capital Plan (ECP) to enable its employees to make regular savings. Members of the Management Board are also eligible participate in the ECP;
- A Management Board Member may use a Company-owned car for private purposes for a lump-sum fee payable to the Company, which is either deducted from that Member's remuneration or paid by that Member.

# Description of remuneration components

Members of the Supervisory Board were entitled to monthly remuneration payable based on the corporate relationship resulting from their appointment as Supervisory Board Members, for the duration of their service at the Company, and to reimbursement of expenses related to the performance of their duties.

Structure of total remuneration of Members of the Supervisory Board of ORLEN S.A.



## FIXED REMUNERATION OF SUPERVISORY BOARD MEMBERS

### Rules of remuneration for Supervisory Board Members:

- The amount of remuneration was set by way of a General Meeting resolution, pursuant to and within the limits defined in the Remuneration Act;
- The amount of remuneration payable to Supervisory Board Members varied depending on their roles;
- If a Supervisory Board Member held office for a period shorter than the month for which such remuneration was due, the remuneration amount was calculated pro rata to the actual number of days in office;
- A Supervisory Board Member did not receive remuneration for a month during which that Member was absent from a meeting and such absence was not authorised (absences of Supervisory Board Members being authorised by way of Supervisory Board resolutions);
- The amount of remuneration for the Supervisory Board Members who met the independence criteria was conducive to maintaining their independence from the majority shareholder and the Company's decision-makers.

Pursuant to Resolution No. 45 of the Extraordinary General Meeting of PKN ORLEN S.A. of 14 June 2019, the monthly remuneration of Members of the Supervisory Board was calculated as the product of the reference salary referred to in Art. 1.3.11 of the Act on Rules of Remunerating Persons Who Direct Certain Companies of 9 June 2016, and the following multipliers:

- ☐ for the Chair of the Supervisory Board – 2.2;
- ☐ for other members of the Supervisory Board – 2.

## Description of remuneration components

### Total remuneration of Management Board Members paid by ORLEN S.A. in 2023 (PLN gross)

| Full name<br>Position held   | Length of service<br>in the reporting<br>period | Fixed<br>Remuneration<br>paid in<br>2023 | Variable<br>Remuneration paid<br>in 2023 for 2022 | Additional<br>benefits paid<br>in 2023* | Total<br>remuneration<br>paid in<br>2023 | Ratio of Variable<br>Remuneration<br>(paid for 2022)<br>to Fixed<br>Remuneration paid in<br>2023<br>(%) | Ratio of additional<br>benefits<br>to<br>Fixed<br>Remuneration paid<br>in 2023 (%) |
|--|---|--|---|---|--|---|--|
| Daniel Obajtek<br>President of the Management Board, Chief Executive<br>Officer                | the entire year 2023                            | 1,253,851.20                             | 1,119,744.00                                      | 418,439.93                              | <b>2,792,035.13</b>                      | 89.30%  | 33.37%   |
| Patrycja Klarecka, Member of the Management Board,<br>Digital Transformation                   | the entire year 2023                            | 1,253,611.20                             | 1,119,744.00                                      | 20,804.59                               | <b>2,394,159.79</b>                      | 89.32%  | 1.66%  |
| Józef Węgrecki<br>Member of the Management Board, Operations                                   | the entire year 2023                            | 1,253,851.20                             | 1,119,744.00                                      | 47,609.88                               | <b>2,421,205.08</b>                      | 89.30%  | 3.80%  |
| Armen Artwich<br>Member of the Management Board, Corporate Affairs                             | the entire year 2023                            | 1,253,611.20                             | 1,119,744.00                                      | 4,833.59                                | <b>2,378,188.79</b>                      | 89.32%  | 0.39%  |
| Michał Róg<br>Member of the Management Board, Trading and Logistics                            | the entire year 2023                            | 1,253,851.20                             | 1,119,744.00                                      | 84,599.73                               | <b>2,458,194.93</b>                      | 89.30%  | 6.75%  |
| Adam Burak<br>Member of the Management Board, Corporate<br>Communication                       | the entire year 2023                            | 1,253,851.20                             | 1,119,744.00                                      | 28,526.42                               | <b>2,402,121.62</b>                      | 89.30%  | 2.28%  |
| Jan Szewczak<br>Member of the Management Board, Finance  | the entire year 2023                            | 1,253,851.20                             | 1,119,744.00                                      | 10,101.49                               | <b>2,383,696.69</b>                      | 89.30%  | 0.81%  |
| Piotr Sabat<br>Member of the Management Board, Development                                     | the entire year 2023                            | 1,253,851.20                             | 933,120.00  | 77,219.59                               | <b>2,264,190.79</b>                      | 74.42%  | 6.16%  |
| Krzysztof Nowicki<br>Member of the Management Board, Production and<br>Optimisation            | the entire year 2023                            | 1,253,851.20                             | 373,248.00  | 36,777.26                               | <b>1,663,876.46</b>                      | 29.77%  | 2.93%  |
| Iwona Waksmundzka-Olejniczak<br>Member of the Management Board, Strategy and<br>Sustainability | the entire year 2023                            | 1,253,851.20                             | 180,403.20  | 53,425.52                               | <b>1,487,679.92</b>                      | 14.39%  | 4.26%  |
| Robert Perkowski<br>Member of the Management Board, Upstream                                   | the entire year 2023                            | 1,253,601.20                             | 180,403.20  | 8,700.52                                | <b>1,442,704.92</b>                      | 14.39%  | 0.69%  |
| <b>Total 2023</b>  |   | <b>13,791,633.20</b>                     | <b>9,505,382.40</b>                               | <b>791,038.52</b>                       | <b>24,088,054.12</b>                     |   |  |

\* Additional benefits may include: non-cash benefits added to income before tax (medical benefits, rental of premises, training, ECP) and cash benefits added to income before tax (reimbursement of medical expenses).

## Description of remuneration components

Remuneration received by Members of the Management Board of ORLEN S.A. in 2022–2023 from entities controlled and jointly controlled by ORLEN S.A. in connection with serving on the management and supervisory bodies of such entities (PLN gross):

| Name of entity  | Full name and position held                                     | Length of service   | Amount of remuneration for 2022 ***   |                                    | Amount of remuneration for 2023 |                                    |  |
|---|---|---|---|------------------------------------|---------------------------------|------------------------------------|--|
|   |   |   | remuneration paid in 2022   | remuneration for 2022 paid in 2023 | remuneration paid in 2023       | remuneration for 2023 paid in 2024 | bonus award paid on 15 December 2023 based on Extraordinary General Meeting resolution of 13 December 2023 |
| ORLEN Synthos Green Energy Sp. z o.o. (50.00%)*                               | Daniel Obajtek<br>Deputy Chair of the Supervisory Board         | 18 May 2022 – 9 February 2024   | 330,000   | 50,000                             | 682,500                         | 57,500                             |  |
|   | Michał Róg<br>Member of the Supervisory Board                   | 18 May 2022 – 9 February 2024   | 330,000   | 50,000                             | 682,500                         | 57,500                             |  |
| PGNiG Upstream Norway AS (100.00%)  | Iwona Waksmundzka–Olejniczak<br>Director                        | 3 November 2022 – 23 February 2024  | not remunerated   |                                    | not remunerated                 |                                    |  |
| ORLEN Unipetrol a.s. (100.00%)  | Iwona Waksmundzka–Olejniczak<br>Member of the Supervisory Board | 1 July 2019 – 2 February 2023   | not remunerated from 3 November 2022, i.e. from appointment to the Management Board of ORLEN S.A. |                                    | not remunerated                 |                                    |  |
| System Gazociągów Tranzytowych EUROPOL GAZ S.A. (100% from 2 November 2023)** | Iwona Waksmundzka–Olejniczak<br>Member of the Supervisory Board | 13 July 2022 – 26 March 2024  | 38,766.51   | 42,209.10                          | 123,852.60                      | 13,199.96                          | 193,949.89   |
|   | Robert Perkowski<br>Member of the Supervisory Board             | 17 February 2020 – 26 March 2024  | 114,291.20  | 37,519.20                          | 110,091.20                      | 11,733.30                          | 225,748.19   |
| ENERGA S.A. (90.92%)  | Michał Róg<br>Member of the Supervisory Board                   | 1 December 2020 – 22 February 2023  | not remunerated   |                                    | not remunerated                 |                                    |  |
|   | Daniel Obajtek<br>Member of the Supervisory Board               | 20 April–21 December 2022 (delegated to act as President of the Management Board in the period 21 April–31 August 2022) | not remunerated   |                                    | not applicable in 2023          |                                    |  |
| Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych (100%)                          | Robert Perkowski<br>Chair of the Supervisory Board              | 29 December 2020 – 14 April 2023  | not remunerated   |                                    | not remunerated                 |                                    |  |

\* The entity is jointly controlled by ORLEN S.A. but is not a member of the ORLEN Group.

\*\* The entity was jointly controlled by ORLEN S.A. but was not a member of the ORLEN Group until 1 November 2023.

\*\*\* Given a change in the control of one entity in 2023, the table presents data on remuneration from controlled and jointly controlled entities for 2022 and 2023.

## Description of remuneration components

### Total remuneration paid by ORLEN S.A. to Supervisory Board Members in 2023 (PLN gross)

| Full name<br>Position held                                       | Length of service<br>in the reporting period | Fixed<br>Remuneration paid in 2023 | Other*           | Total remuneration<br>paid in 2023 |
|--|--|------------------------------------|------------------|------------------------------------|
| Wojciech Jasiński<br>Chairperson of the Supervisory Board        | the entire year 2023                         | 183,898.20                         | 494.85           | <b>184,393.05</b>                  |
| Andrzej Szumański<br>Deputy Chairperson of the Supervisory Board | the entire year 2023                         | 167,180.16                         | 5,076.51         | <b>172,256.67</b>                  |
| Anna Wójcik<br>Member of the Supervisory Board.                  | the entire year 2023                         | 167,180.16                         | 6,553.90         | <b>173,734.06</b>                  |
| Barbara Jarzembowska<br>Member of the Supervisory Board          | the entire year 2023                         | 167,180.16                         | 4,515.75         | <b>171,695.91</b>                  |
| Anna Sakowicz-Kacz<br>Member of the Supervisory Board            | the entire year 2023                         | 167,180.16                         | 5,394.99         | <b>172,575.15</b>                  |
| Roman Kusz<br>Member of the Supervisory Board                    | the entire year 2023                         | 167,180.16                         | 9,846.32         | <b>177,026.48</b>                  |
| Andrzej Kapala<br>Member of the Supervisory Board                | the entire year 2023                         | 167,180.16                         | 10,968.39        | <b>178,148.55</b>                  |
| Jadwiga Lesisz<br>Member of the Supervisory Board                | the entire year 2023                         | 167,180.16                         | 2,485.40         | <b>169,665.56</b>                  |
| Michał Klimaszewski<br>Member of the Supervisory Board           | 1 January 2023 –<br>31 October 2023          | 139,316.80                         | 8,358.82         | <b>147,675.62</b>                  |
| Janina Goss<br>Member of the Supervisory Board                   | 11 January 2023 –<br>13 December 2023        | 154,911.30                         | 4,515.75         | <b>159,427.05</b>                  |
| <b>Total 2023</b>  |  | <b>1,648,387.42</b>                | <b>58,210.68</b> | <b>1,706,598.10</b>                |

\* Other may include reimbursement of expenses related to the performance of duties (including travel and accommodation expenses) and the Employee Capital Plan (ECP).

## Consistency of total remuneration with the Remuneration Policy and explanation of how it affects the Company's long-term performance

The rules of remuneration for Members of the Management Board and the Supervisory Board were determined in accordance with the Remuneration Act and in consideration of the Remuneration Policy for Members of the Management Board and the Supervisory Board of Polski Koncern Naftowy ORLEN S.A. adopted by Resolution No. 29 of the Annual General Meeting of Polski Koncern Naftowy ORLEN S.A. of 5 June 2020. The Remuneration Policy at ORLEN is designed to support the achievement of the Company's objectives, especially the long-term growth in shareholder value and operational stability.

- The rules of remuneration for Supervisory Board Members were determined in a resolution passed by the Company's General Meeting, taking into account the rules stipulated in the Commercial Companies Code and the Company's Articles of Association, as well as pursuant to and within the limits specified in the Remuneration Act.
- ❑ In 2023, the ORLEN Group adopted and prepared for operationalisation its updated business strategy for 2030. This strategic revision was necessitated by the new asset configuration within the Group, following the mergers with Grupa LOTOS S.A. and PGNiG S.A., coupled with long-term trends, regulatory changes, and evolving political and economic conditions.
  - ❑ The ORLEN Group's strategy is centred on transforming it into a multi-utility group, with strong foundations in the upstream, downstream, and energy sectors and thus capable of ensuring Central Europe's energy security. The strategy also aims to position the ORLEN Group as an energy transition leader in Central Europe, including through achieving carbon neutrality by 2050.
  - ❑ 2023 saw investments in energy transition and project to implement the Group's decarbonisation plan, with a particular focus on low- and zero-emission power generation. These initiatives spanned several key areas, including wind energy, electromobility, biofuels, biogas and biomethane, CCUS technologies, zero-emission hydrogen, synthetic fuels, advanced recycling, and SMR.
  - ❑ To facilitate the achievement of the Group's objectives, the Sustainable Development Strategy and Climate Policy were adopted, which outline a comprehensive action plan for the ORLEN Group with specific objectives in sustainable development and the management of risks and opportunities arising from climate change.
  - ❑ Concurrently, efforts were underway to further integrate the new Group structure by executing the PMI programme, which identifies key synergies within the Group after the recent mergers.
  - ❑ The strategic projects undertaken within our various business segments, as reflected in the Management Objectives assigned to Management Board Members, were aimed at ensuring:
    - In the Downstream segment – further integration of the refining assets, stable output, and development of petrochemical and low-emission and gas-fired energy generation assets.
    - In the Upstream segment – a focus on high-quality assets, particularly in the North Sea, to ensure, among other things, the security of gas supplies to Poland.
    - In the Retail segment – continued development and integration of the sales network and non-fuel offerings, and the strengthening of customer relations. In 2023, the Group successfully entered its seventh market – Austria. At the same time, the project to deploy EV chargers was continued.

# Criteria applied to assess the achievement of management objectives (including the Company's performance)


The maximum allowable amount of Variable Remuneration did not exceed 100% of the Fixed Remuneration for the previous year, as determined in accordance with the Contract.

## Assessment criteria for quantitative objectives

In setting the quantitative objectives for Management Board Members, the expected levels of achievement (thresholds) were defined. The key sources of data for quantitative financial objectives included materials concerning the Budget for the year, as presented to the Supervisory Board, the audited financial statements, reporting systems such as SAP, HFM Planning and HFM Statutory Reporting, as well as accounting records, underlying documents and public stock exchange data.


 The Supervisory Board assessed the achievement of quantitative objectives (Individual Bonus-Triggering Objectives) by assigning percentage points, in accordance with the Rules of the Incentive Scheme for the Management Board of PKN ORLEN S.A.

## Assessment criteria for qualitative objectives

 The assessment of fulfilment by Management Board Members of qualitative objectives was to be based on:

- Rules of the Incentive Scheme for the Management Board:
  - Reports of Management Board Members on the delivery of qualitative objectives.
- Achievement of the objectives related to the delivery of strategic Programmes and Projects, as well as innovations, including:
  - Efficiency of the activities pursued as part of the projects;
  - Effects of actions taken as part of the projects defined in the MBO Sheet on the delivery of the Strategy;
  - Level of a Management Board Member's involvement in the achievement of a given objective;
  - Implementation of external and internal innovations through R&D&I projects, in keeping with the Strategic Research Agenda;
  - Building a culture of innovation by developing innovation acquisition tools at ORLEN.
- Additional factors and reports:
  - Macroeconomic environment as well as legal and administrative conditions facilitating or determining the achievement of qualitative objectives;
  - Market trends;
  - Reports on the delivery of Strategic Projects and Initiatives;
  - Reports on the delivery of the ORLEN Group's Strategy submitted on a regular basis to the Supervisory Board;
- Scale applied to assess the achievement of qualitative objectives set out in the Rules of the Incentive Scheme for the Management Board.

## Assessment criteria for fulfilment of separate objectives that needed to be met as a precondition to payment of Variable Remuneration for 2022, the amount of which is specified in this Report:

-  The assessment of fulfilment by Management Board Members of the separate objective was to be based on:
- Report of the Management Board of ORLEN S.A. for 2022 on the application of the principles of remunerating members of management and supervisory boards of ORLEN Group companies in accordance with the Remuneration Act;
  - Report of the Management Board of ORLEN S.A. for 2022 on the performance of obligations under the Act on State Property Management at ORLEN Group subsidiaries;
  - Statement by Members of the Management Board of ORLEN S.A. on compliance with the requirements of the said Act.

Appendix 2 to the Report: **Quantitative Objective Achievement Sheet for Members of the Management Board for 2022**

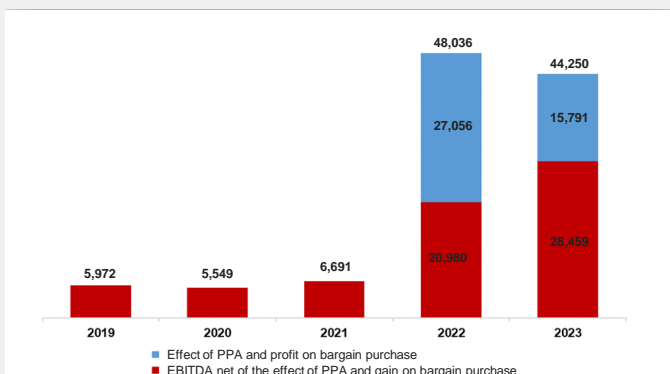


# Changes in the remuneration of Members of the Management Board and the Supervisory Board relative to the Company's performance and the remuneration of employees

## FINANCIAL PERFORMANCE OF ORLEN S.A.

The business analysis and assessment of ORLEN S.A.'s performance rely mainly on **LIFO-based EBITDA** ("LIFO EBITDA"), Which fully reflects the effect of the macroeconomic variables on the Company's performance by measuring feedstock consumption at the currently prevailing market prices.

Chart 1. **LIFO EBITDA at ORLEN S.A. in 2019–2023 (excluding the effect of impairment losses\*) (PLN million)**



\* Net effect of impairment losses on property, plant and equipment, intangible assets, and other assets (excluded from LIFO EBITDA):

- 2019: PLN -8 million,
- 2020: PLN -23 million,
- 2021: PLN -78 million,
- 2022: PLN 3,470 million,
- 2023: PLN 14,525 million.

The operating results for 2022 and 2023 include the effects of recognition and integration of the assets of Grupa LOTOS S.A. and the PGNiG Branch Complex after the mergers on 1 August and 2 November 2022, respectively. Given the changes in ORLEN S.A.'s structure arising from the recognition and integration of certain operations of Grupa LOTOS S.A. and the PGNiG Branch Complex in 2022 and 2023, which precludes a direct y/y comparison, the identified business effects have been evaluated based on a comparable organisational structure of ORLEN S.A. The impact of the changes on results of the business operations absorbed by ORLEN S.A. from Grupa LOTOS S.A. and the PGNiG Branch Complex has been presented under other operating factors.

**LIFO EBITDA of ORLEN S.A. for 2023, net of impairment losses on non-current assets, was PLN 44,250 million**, including the effect of accounting for the final fair values of the PGNiG Branch Complex's assets and liabilities as at the acquisition date, of PLN 15,791 million. LIFO EBITDA of PLN 48,036 million for 2022 included the effect of accounting for the final fair values of assets and liabilities of the PGNiG Branch Complex and Grupa LOTOS S.A. as at the acquisition date, of PLN 9,246 million, as well as gain on bargain acquisition of Grupa LOTOS S.A. and the PGNiG Branch Complex, of PLN 17,810 million.

Net of the one-off effects in both years, LIFO EBITDA for 2023 was **PLN 28,459 million, up by PLN 7,479 million (y/y)**.

Changes in macroeconomic factors increased ORLEN S.A.'s results by **PLN 3,168 million (y/y)**, primarily attributed to the non-recurrence of a negative impact from 2022's hedging transactions valued at PLN 1,695 million (y/y), the valuation of CO<sub>2</sub> futures contracts at PLN 1,577 million, and higher margins on heavy fuel oil. The positive effects were offset by an adverse effect of the price differentials of the processed crude grades, lower margins on light and middle distillates, olefins, polyolefins, fertilizers and PTA, as well as a negative effect of the Polish zloty strengthening against the US dollar.

Total sales volumes were down by (4%), or (666) thousand tonnes. As a result, the effect of the change in product sales volumes and the change in the crude slate at ORLEN S.A. was **PLN (9,813) million (y/y)**.

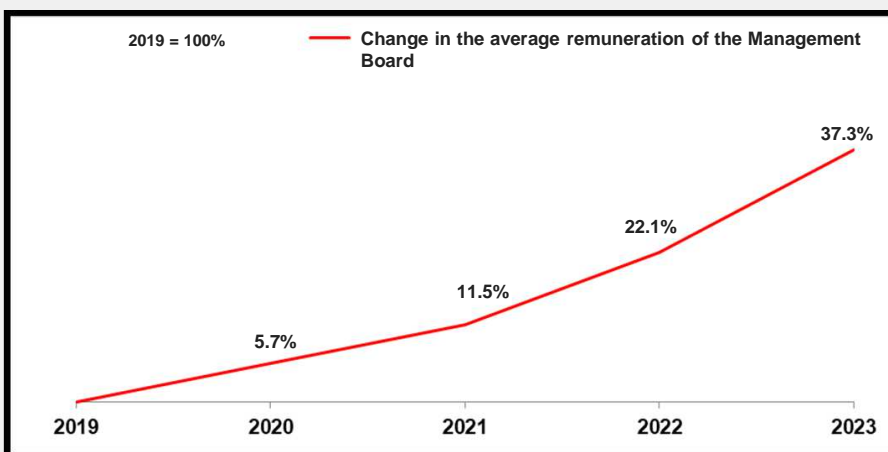
The effect of other factors was positive at **PLN 14,124 million (y/y)** and included:

- a PLN 23,310 million (y/y) increase in the results of the PGNiG Branch Complex, after eliminating the gain on bargain purchase and recognising the final acquisition-date fair values of assets acquired and liabilities assumed;
- a PLN (3,447) million year-on-year decrease in results of Grupa LOTOS S.A. (integrated into ORLEN S.A.'s operations), after eliminating the gain on bargain purchase and recognising the final acquisition-date fair values of assets acquired and liabilities assumed;
- the effect of other factors of PLN (5,739) million (y/y), including lower wholesale margins, increased operating costs of service stations, higher overheads and labour costs, and the negative impact of drawing from the historical layers of inventory.

# Changes in the remuneration of Members of the Management Board and the Supervisory Board relative to the Company's performance and the remuneration of employees

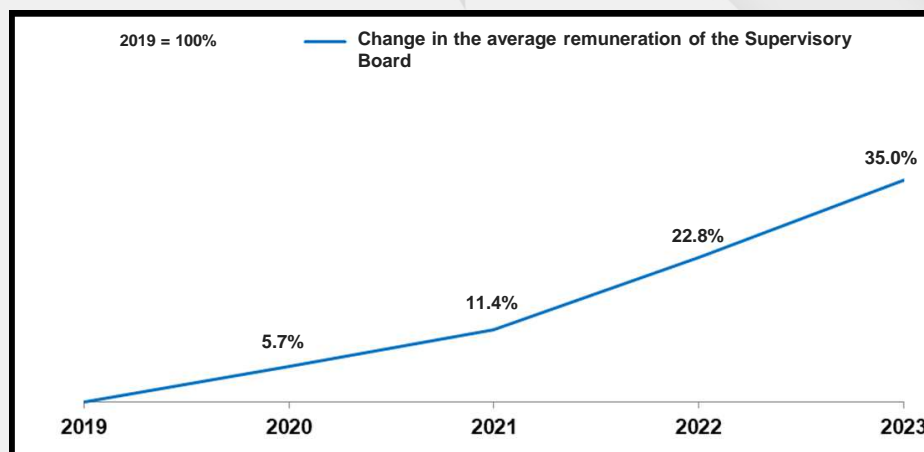
## AVERAGE REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND OF THE COMPANY EMPLOYEES OTHER THAN MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Changes in the average remuneration (fixed and variable portions) of the Company Management Board\* relative to 2019



\* The average remuneration was calculated based on the remuneration paid and payable or potentially payable in the following year.

Changes in the average fixed remuneration of the Company Supervisory Board\*\* relative to 2019

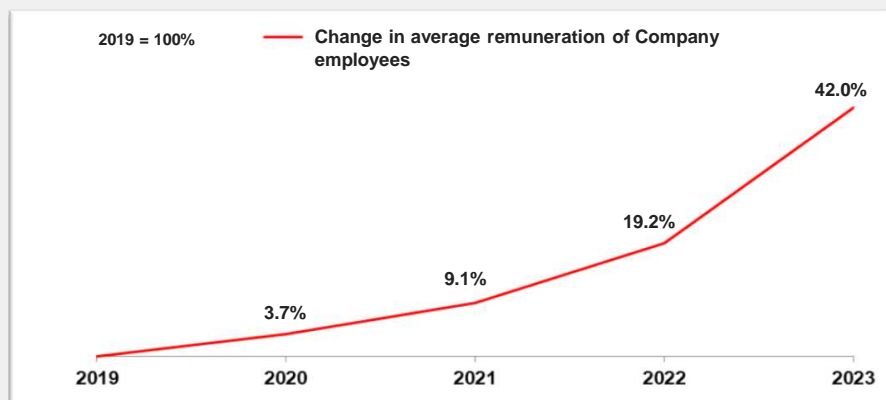


\*\* The average remuneration was calculated based on the remuneration paid and payable for a given financial year.

The increase in the average remuneration of ORLEN S.A.'s Management Board and Supervisory Board in 2020–2023 is the consequence of the increase in the average monthly salary paid in the non-financial corporate sector (net of bonuses paid from profit).

# Changes in the remuneration of Members of the Management Board and the Supervisory Board relative to the Company's performance and the remuneration of employees

## Changes in the average remuneration of ORLEN S.A. employees relative to 2019\*



\* Excluding remuneration of the Management Board and Supervisory Board, remuneration under temporary contracts (for specific services or works) and severance payments for employees leaving the Company.

- The increase in the average remuneration reflected the rules of remuneration adopted at ORLEN S.A.
- The remuneration policies at ORLEN S.A. are outlined in the Collective Bargaining Agreement.
- The main components of remuneration are base pay (determined according to the Pay Grade Table and Base Pay Table) and a bonus.

### Total

- In 2019-2023, the Company delivered strong operating performance (LIFO EBITDA). In 2023, ORLEN S.A.'s LIFO EBITDA came in at PLN 44.3 billion.
- The increase in the remuneration of employees (other than Members of the Management Board and the Supervisory Board) reflected the adopted remuneration policy set out in the Collective Bargaining Agreement. Each year additional pay agreements are concluded with trade unions, which provide for mandatory pay increases, one-off awards, holiday bonuses and other components of remuneration.

## Other information

- ❑ The number of financial instruments granted or offered, and the main conditions for the exercise of the rights attached thereto, including the exercise price and date and any change thereof;  
**Not applicable to Members of the Management Board and the Supervisory Board of ORLEN S.A. in 2023**
- ❑ Information on any deviations from the procedure for the implementation of the Remuneration Policy and on any derogations applied in accordance with Art. 90f of the Public Offering Act, including the explanation of the reasons for and the manner of such derogations and the indication of the specific elements derogated from.  
**Not applicable to ORLEN S.A. in 2023**
- ❑ Acting pursuant to Art. 395.2.1 of the Commercial Companies Code in conjunction with Art. 90g.6 of the Public Offering Act, the Annual General Meeting of Polski Koncern Naftowy ORLEN S.A., having considered the auditor's assessment of the Report of the Supervisory Board of PKN ORLEN S.A. on remuneration of members of the Management Board and the Supervisory Board for 2022, resolved to endorse (without qualification) the Report as authorised by the Supervisory Board (Resolution No. 57 of the Annual General Meeting of Polski Koncern Naftowy ORLEN Spółka Akcyjna, dated 21 June 2023, to endorse the Report of the Supervisory Board of PKN ORLEN S.A. on remuneration of members of the Management Board and the Supervisory Board for 2022). This report includes a continuation of the description the rules of remuneration applicable to members of the Company's governing bodies, based on the data presented in the remuneration report of the prior period.
- ❑ Under the provisions of the Contract, the Company was entitled to claim a refund of Variable Remuneration paid to a Management Board Member if it was demonstrated that the Variable Remuneration had been paid to the Management Board Member based on information later found to be false, where Members of the Management Board were responsible for the falsehood (even if this did not apply to the Management Board Member concerned). If Members of the Management Board were not responsible for the falsehood of such information, the Management Board Member concerned was obliged to return the difference between the amount of Variable Remuneration received and the amount that would have been due based on correct information.  
**In 2023, no situation arose where the option to reclaim Variable Remuneration components would be exercised.**

### The rules of remuneration for Members of the Management Board of ORLEN S.A. are governed by:

- Act on Rules of Remunerating Persons Who Direct Certain Companies (the Remuneration Act);
- Resolutions of the General Meeting on the rules of remuneration for Management Board Members;
- Remuneration Policy adopted by the General Meeting, effective from 5 June 2020;
- Resolutions of the Supervisory Board setting individual terms and conditions for the provision of services based on the documents referred to in items 1 and 2, and also based on the Remuneration Policy as of 2020;
- Contract for the provision of management services;
- Rules of the Incentive Scheme for the Management Board;
- Commercial Companies Code.

### The rules of remuneration for Members of the Supervisory Board of ORLEN S.A. are governed by:

- Act on Rules of Remunerating Persons Who Direct Certain Companies (the Remuneration Act);
- Resolutions of the General Meeting on the rules of remuneration for Supervisory Board Members;
- Commercial Companies Code.



The Company shall publish the remuneration report on its website at [orlen.pl](https://www.orlen.pl) and shall make it available free of charge for at least 10 years after closing the General Meeting.

# Appendix 1: MBO sheets for Members of the Management Board for 2022

## MBO sheets for Members of the Management Board for 2022

| No.            | Set of Management Objectives<br>(GM 14 Jun 2019)  | Type<br>of Objective   | Individual Bonus-Triggering Objectives  | Weight of Individual<br>Bonus-Triggering<br>Objective | Measure                        | Degree of achievement<br>of Individual Bonus-Triggering<br>Objective  |                        |                 |
|----------------|---|------------------------|---|---|--------------------------------|---|------------------------|-----------------|
|                |   |                        |   |   |                                | maximum   | optimum                | minimum         |
| 1              | Improvement of operational efficiency indicators  | Quantitative objective | LIFO EBITDA of the ORLEN Group (% of objective achievement in the actual macro)   | 20%   | %                              | 120%  | 100%                   | 80%             |
| 2              |   | Quantitative objective | Net debt/EBITDA of the ORLEN Group  | 10%   | ratio                          | 2.4   | 2.5                    | 3.5             |
| 3              | Implementation of strategic investment projects in line with the approved budget and schedule at the ORLEN Group                | Quantitative objective | Development CAPEX of the ORLEN Group, excluding Olefin III (% of objective achievement in the actual macro)   | 15%   | %                              | 95%   | 90%                    | 70%             |
| 4              |   | Quantitative objective | CAPEX Projects: Development of olefins production at the Plock Plant (Olefin III Complex) and Essential Infrastructure at the Plock Plant – Olefins III (% of objective achievement)  | 5%  | %                              | 95%   | 90%                    | 70%             |
| 5              | Improvement of cost efficiency at the ORLEN Group   | Quantitative objective | Maintenance CAPEX of the ORLEN Group (% of objective achievement in the actual macro)   | 5%  | %                              | 96%   | 98%                    | 102%            |
| 6              |   | Quantitative objective | General and payroll costs of the ORLEN Group (% of objective achievement in the actual macro)   | 10%   | %                              | 96%   | 100%                   | 102%            |
| 7              | Increase of the TSR (Total Shareholder Return) of ORLEN S.A. relative to the market   | Quantitative objective | Stock performance: TSR of ORLEN relative to the market  | 5%  | %                              | optimum (+20pp)   | at par with the market | optimum (-20pp) |
| 8              | Reduction of the Total Recordable Rate at the ORLEN Group   | Quantitative objective | Accident rate: TRR of the ORLEN Group and its external contractors;   | 5%  | number of accidents/m an-hours | 1.54  | 1.70                   | 1.86            |
| 9              | Development of the project portfolio and increasing the amount of expenditure allocated to research, development and innovation | Qualitative objective  | Implementation of projects within the SRA domains, utilising innovation-supporting tools such as Accelerators and R&D Centres of the Group, particularly focused on: decarbonisation, low-emission power generation technologies, hydrogen production, green petrochemicals, circular economy, and digitalisation.  | 5%  | points                         | Supervisory Board's assessment of the achievement of the qualitative objective:<br>0 points – unsatisfactory<br>60 points – moderate<br>80 points – satisfactory<br>100 points – very good<br>120 points – above expectations |                        |                 |
| 10             | Delivery of the long-term strategy, including implementation of strategic projects  | Qualitative objective  | <ul style="list-style-type: none"> <li><input type="checkbox"/> Implementation of the strategic initiatives planned for 2022</li> <li><input type="checkbox"/> Implementation of key strategic projects, including:<br/>Conducting the acquisition of Grupa LOTOS and implementation of related remedies,<br/>Executing tasks as part of acquiring control of the PGNiG Group,<br/>Development of renewable energy and gas-fired power generation assets: o Offshore Wind Farm Programme – conducting pre-development work in accordance with the project assumptions, including efforts to obtain licenses for new offshore wind farm locations; o Development of CCGT project – commencing the construction of CCGT Ostrołęka and developing the CCGT Grudziądz project as planned.</li> <li>Expansion of the service station chain, including their service offerings, and continued integration of the ORLEN Group's retail activities,<br/>Advancing hydrogen projects in line with the ORLEN Group's Hydrogen Strategy,<br/>Implementing decarbonisation measures. Taking action to fulfil the ORLEN Group's commitment to reducing emissions from its refining, petrochemical, and power generation assets.</li> <li><input type="checkbox"/> Implementation of ESG and sustainability projects provided for in the 2030 Strategy and the ORLEN Group Sustainable Development Strategy for 2021–2023.</li> </ul> | 20%   | points                         | Supervisory Board's assessment of the achievement of the qualitative objective:<br>0 points – unsatisfactory<br>60 points – moderate<br>80 points – satisfactory<br>100 points – very good<br>120 points – above expectations |                        |                 |
| sum of weights |   |                        |   | 100%  |                                |   |                        |                 |

## Appendix 2: Quantitative Objective Achievement Sheet for Members of the Management Board for 2022

**Quantitative Objective Achievement Sheet for Members of the Management Board for 2022** (summary of appraisal with nominal values)

|            | Individual Bonus-Triggering Objective (IBTT)   | Weight     | measure                       | Individual Bonus-Triggering Objective levels |                |               | Degree of achievement of Individual Bonus-Triggering Objective | Percentage points for delivery of IBTT | Weighted percentage points |
|------------|--|------------|-------------------------------|--|----------------|---------------|--|--|----------------------------|
|            |  |            |                               | maximum (120%)                               | optimum (100%) | minimum (80%) |  |  |                            |
| 1          | LIFO EBITDA of the ORLEN Group (% of objective achievement in the actual macro)  | 20%        | %                             | 120%   | 100%           | 80%           | 149%   | 120%                                   | 24%                        |
|            |  |            | PLN million                   | 19,922                                       | 16,602         | 13,281        | 24,716   |  |                            |
| 2          | Net debt/EBITDA of the ORLEN Group   | 10%        | ratio                         | 2.4  | 2.5            | 3.5           | -0.08  | 120%                                   | 12%                        |
| 3          | Development CAPEX of the ORLEN Group, excluding Olefin III (% of objective achievement in the actual macro)  | 15%        | %                             | 95%  | 90%            | 70%           | 104%   | 120%                                   | 18%                        |
|            |  |            | PLN million                   | 6,652  | 6,302          | 4,902         | 7,298  |  |                            |
| 4          | CAPEX Projects: Development of olefins production at the Plock Plant (Olefin III Complex) and Essential Infrastructure at the Plock Plant – Olefins III (% of objective achievement) | 5%         | %                             | 95%  | 90%            | 70%           | 101%   | 120%                                   | 6%                         |
|            |  |            | PLN million                   | 3,629  | 3,438          | 2,674         | 3,841  |  |                            |
| 5          | Maintenance CAPEX of the ORLEN Group (% of objective achievement in the actual macro)  | 5%         | %                             | 96%  | 98%            | 102%          | 84%  | 120%                                   | 6%                         |
|            |  |            | PLN million                   | 3,732  | 3,810          | 3,965         | 3,278  |  |                            |
| 6          | General and payroll costs of the ORLEN Group (% of objective achievement in the actual macro)  | 10%        | %                             | 96%  | 100%           | 102%          | 96%  | 118%                                   | 12%                        |
|            |  |            | PLN million                   | 11,894                                       | 12,389         | 12,637        | 11,933   |  |                            |
| 7          | Stock performance: TSR of ORLEN relative to the market   | 5%         | %                             | 20%  | 0%             | -20%          | -2.03%   | 98%                                    | 5%                         |
| 8          | Accident rate: TRR for ORLEN Group   | 5%         | Number of accidents/man-hours | 1.54   | 1.70           | 1.86          | 0.81   | 120%                                   | 6%                         |
| <b>SUM</b> |  | <b>75%</b> |                               |  |                |               |  |  | <b>88.7%</b>               |

## Appendix 2: Quantitative Objective Achievement Sheet for Members of the Management Board for 2022 (continued)

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In accordance with the methodology adopted under the 'Rules for setting and assessing the delivery of individual bonus-triggering objectives for members of the Management Board of ORLEN S.A. for 2023,' the appraisal includes:

- adjusting the plan to the actual macroeconomic conditions for LIFO EBITDA, CAPEX and costs;
- eliminating the effect of one-offs on LIFO EBITDA, CAPEX, and general and payroll costs.

The figures presented in the table above for the EBITDA, CAPEX, and cost targets are based on the corresponding amounts in the Financial Plan adopted for 2022 after adjustment to the actual macroeconomic conditions and eliminating the effect of one-off events.

One-off events were eliminated from the MBO appraisal to neutralise their effect on individual performance indicators so as to maintain data comparability and the objectivity of the assessment. Eliminations included unusual events with effect on profit or loss, such as impairment losses and reversal of impairment losses on property, plant and equipment. The elimination of the effect of one-offs from the appraisal consisted in adjusting the reference performance indicator, i.e. the indicator against which the achievement of the corresponding objective was assessed.

**At the request of the Supervisory Board, the appraisal was verified by an independent auditor, KPMG Audyt sp. z o.o. sp. k. The scope of its work included an agreed-upon procedures engagement concerning the calculation of the achievement of the quantitative objectives (MBO) by Members of the Management Board of ORLEN S.A. The engagement was performed in accordance with International Standard on Related Services 4400 "Agreed-Upon Procedures regarding Financial Information".**

## Pictograms

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**Wojciech Popiołek**  
Chair of the Supervisory Board  
of ORLEN S.A.

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**Michał Gajdus**  
Vice Chair of the Supervisory Board  
of ORLEN S.A.

Signatures of authorised Members of the Supervisory Board of ORLEN S.A.

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Independent Statutory Auditor's Report on the  
Assurance Engagement Providing Reasonable  
Assurance as to the Assessment of the Report on  
Remuneration of Orlen S.A. for year 2023

Mazars Audyt Sp. z o.o.  
ul. Piękna 18  
00-549 Warsaw

# INDEPENDENT STATUTORY AUDITOR'S REPORT ON THE ASSURANCE ENGAGEMENT PROVIDING REASONABLE ASSURANCE

*Translation of the document originally issued in Polish*

*To the General Meeting and the Supervisory Board of Orlen S.A.*

We have been engaged to assess the accompanying report on remuneration of Orlen S.A. (hereinafter "the Company" / "Bank") for year 2023 in terms of the completeness of information contained therein as required by Article 90g sections 1-5 and section 8 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to an Organized Trading System and Public Companies of 29 July 2005 (consolidated text: Journal of Laws of 2024, item 620) (hereinafter "Act on Public Offering").

## **Identification of Criteria and Description of the Subject of the Engagement**

The report on remuneration was prepared by the Supervisory Board in order to meet the requirements of Article 90g section 1 of the Act on Public Offering. The applicable requirements concerning the report on remuneration are laid out in the Act on Public Offering.

The requirements described in the preceding sentence provide the basis of the report on remuneration and form, in our opinion, appropriate criteria to formulate a conclusion providing reasonable assurance.

In accordance with the requirements of Article 90g section 10 of the Act on Public Offering, the report on remuneration is subject to the statutory auditor's assessment with respect to the inclusion of information required under Article 90g sections 1-5 and 8 of the Act on Public Offering. This report has been prepared to meet this requirement.

We define the statutory auditor's assessment mentioned in the preceding sentence and providing the basis for formulating our conclusion giving reasonable assurance as the assessment whether, in all material respects, the scope of information presented in the report on remuneration is complete and the information was disclosed with level of detail required by the Act on Public Offering.

## **Responsibility of the Supervisory Board Members**

In accordance with the Act on Public Offering the Supervisory Board Members of the Company are responsible for preparing the report on remuneration in accordance with the applicable legal regulations, and in particular for the completeness of this report and the information contained therein.

The responsibility of the Supervisory Board also includes the design, implementation, and maintenance of such internal control as determined to be necessary to enable the

preparation of the complete report on remuneration that is free from material misstatement due to fraud or error.

## **Statutory Auditor's Responsibility**

Our objective was to assess the completeness of information included in the accompanying report on remuneration with respect to the criterion defined in the *Identification of criteria and description of the subject of the engagement* section and formulate based on the evidence obtained an independent conclusion of the assurance engagement performed providing reasonable assurance.

We performed our assurance engagement in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3000 (Revised) in the form of the International Standard on Assurance Engagements 3000 (revised) – *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* adopted by resolution no. 3436/52e/2019 of the National Council of Statutory Auditors of 8 April 2019, as amended (hereinafter "NSAE 3000 (R)").

This standard imposes an obligation on the auditor to plan and execute procedures in order to obtain reasonable assurance, that the report on remuneration was prepared in a complete manner in accordance with specified criteria.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with the NSAE 3000 (R) will always detect a material misstatement when it exists.

The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements due to fraud or error. When performing risk assessment and in order to design appropriate procedures to be performed the auditor takes into consideration the internal controls related to the preparation of the complete report, which can provide the auditor with sufficient and appropriate evidence. The assessment of the internal controls was not performed for the purpose of expressing a conclusion on the effectiveness of the internal control.

## **Summary of the Work Performed and Limitations of our Procedures**

Procedures performed by us included in particular:

- getting acquainted with the report on remuneration and comparison of information contained therein to the applicable requirements;
- getting acquainted with the resolutions of the General Meeting of the Company concerning the remuneration policy of the Management Board and Supervisory Board Members and resolutions of the Supervisory Board detailing them;
- determining, by comparison to corporate documents, the list of persons with respect to which it is required to disclose information in the report on remuneration;
- determining whether all information provided for by the criteria concerning the preparation of the report on remuneration has been disclosed by inquiries to persons

responsible for preparing the report, and where applicable, directly to persons concerned by the disclosure requirement.

Our procedures were aimed exclusively at obtaining evidence that the information included by the Supervisory Board in the report on remuneration in terms of their completeness complies with the applicable requirements. The objective of our works was not to assess the sufficiency of information included in the report on remuneration in terms of the preparation of the report on remuneration nor to assess the correctness and reliability of information included therein, in particular with respect to the disclosed amounts, in which the estimates made for previous years, numbers, dates, breakdown, methods of allocation and compliance with the remuneration policy adopted by the Management Board.

The report on remuneration was not subject to audit in the sense of National Standards on Auditing. During the assurance procedures carried out we have not performed an audit or review of information used to prepare the report on remuneration and therefore we do not assume the responsibility for issuing or updating any reports or opinions on historical financial information of the Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Quality Control Requirements**

The audit firm applies national standards on quality control introduced by the resolution of the Council of the Polish Agency for Audit Oversight No. 38/I/2022 of 15 November 2022. National Standard on Quality Control 1 as per International Standard on Quality Management (PL) 1 requires the audit firm to design, implement and operate a system of quality management, including policies or procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Ethical Requirements, including Independence**

While performing the assurance engagement, the statutory auditor and the audit firm have complied with the independence requirements and other ethical requirements as specified by the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, adopted by resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics for statutory auditors, as amended (“the IESBA Code”). The IESBA Code is based on the fundamental principles related to integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. We have also complied with other independence and ethical requirements which are applicable to such assurance engagement in Poland.

## Conclusion

The statutory auditor's conclusion is based on the issues described above, therefore the conclusion should be read while taking these issues into consideration.

In our opinion the accompanying report on remuneration, in all material respects, contains all the elements specified in Article 90g sections 1-5 and section 8 of the Act on Public Offering.

## Limitation of Use

This report has been prepared by Mazars Audyt Sp. z o.o. for the General Meeting of Shareholders and the Supervisory Board and is intended solely for the purpose described in the *Identification of criteria and description of the subject of the engagement* section and should not be used for any other purposes.

Therefore Mazars Audyt Sp. z o.o. accepts no responsibility for this report resulting from contractual and non-contractual relationship (including by negligence) to third parties in the context of this report. The above does not release us from responsibility in the situations when the release is excluded by law.

Acting on behalf of Mazars Audyt Sp. z o.o. with its registered office in Warsaw, ul. Piękna 18, entered on the list of audit firms under no. 186, on behalf of which the key statutory auditor performed the assurance engagement.

**Piotr Mortas**

**Michał Majewski**

Key Statutory Auditor

Partner

No 13909

**mazars**

Warsaw, 27 May 2024