

7. CORPORATE GOVERNANCE STATEMENT

7.1. CORPORATE GOVERNANCE RULES

As a company listed on the Warsaw Stock Exchange (the "Stock Exchange", "WSE"), PKN ORLEN is required to comply with the corporate governance principles set forth in Best Practice for WSE Listed Companies ("Code of Best Practice"). From the beginning of 2021, PKN ORLEN followed the 2016 Code of Best Practice. Since July 1st 2021, the 2021 Code of Best Practice has been in force (WSE Supervisory Board Resolution No. 13/1834/2021 of March 29th 2021), which now applies to the Company. The 2021 Code of Best Practice is available on the WSE website <https://www.gpw.pl/best-practice> and on the PKN ORLEN corporate website www.orlen.pl in the section dedicated to the Company's shareholders <https://www.orlen.pl/pl/relacje-inwestorskie/o-spolce/lad-korporacyjny>.

In accordance with the 2021 Code of Best Practice, on July 29th 2021 PKN ORLEN published Statement of Compliance by the Company with the Principles of the Best Practice for WSE Listed Companies 2021. PKN ORLEN stated that it did not comply with the following four principles: 2.1., 2.2., 2.11.6., 4.1. (concerning the diversity policy and virtual or hybrid general meetings). In accordance with the 'comply or explain' formula, PKN ORLEN published an explanation why it did not comply with the following principles:

- 2.1., 2.2., 2.11.6. on the diversity policy:

At PKN ORLEN, the diversity policy relating to the Company's employees is covered by a range of internal documents. However, there is no formal document governing diversity at the level of the PKN ORLEN Management Board and Supervisory Board. The Company presents the diversity indicators for the supervisory and management bodies within the Group on an annual basis. The gender diversity ratio is not applied in the Company's diversity management practices. The gender diversity requirement of the Code of Good Practice is met by the Company's Supervisory Board, which has a minority share of no less than 30%, but not by the PKN ORLEN's Management Board.

- 4.1. concerning virtual or hybrid general meetings (e-meetings):

The Company has not received any requests from shareholders to hold a virtual or hybrid General Meeting so far. On two occasions, the Company's Management Board proposed that the shareholders introduce provisions to the Articles of Association and Rules of Procedure for the General Meeting to enable holding virtual or hybrid General Meetings. The proposal was not approved by the Shareholders at the Annual General Meetings held on June 29th 2011 and May 30th 2012. The failure to comply with this principle will not affect the reliability of the Company's disclosure policy, nor will it hinder Shareholders' participation in General Meetings.

In the first half of 2021, PKN ORLEN applied all principles of the 2016 Code of Best Practice.

Communication with the capital market (Code of Best Practice Section 1)

PKN ORLEN is committed to enabling effective communication with investors, analysts and other capital market participants through a transparent and reliable disclosure policy. The Company ensures easy and equal access to published information using various communication tools, including the following:

- The Investor Relations section of its corporate website, which provides financial and operating data relating to the Company's business as well as information about the Company's macro environment.
- The website of the 'ORLEN in Your Portfolio' programme <http://orlenwportfelu.pl/> containing details of the loyalty scheme for shareholders and a broad knowledge base of the capital market and investing.

Six brokerage houses take part in the programme, with more than 13,600 participants registered as at the end of 2021. In 2021, the Company continued its educational activities addressing capital market mechanisms, including carrying out the third edition of the ORLEN Investment Academy examinations in December and shooting another 15 episodes of the 'Investing in Practice' series plus a special episode on phishing throughout the year.
- Expert's blog written by PKN ORLEN's Chief Economist at <http://napedzamyprzyszlosc.pl/>, containing commentary on current market developments, expert publications, and coverage of industry conferences.
- Social media (Twitter, Facebook, LinkedIn, YouTube and Instagram).
- Closed one-on-one or group meetings, held both in Poland and abroad, also as teleconferences.

Special presentation materials are prepared for the meetings to explain the complex operation of the refining, petrochemical and energy sectors where the Company is present.
- Press conferences open to the general public, streamed live over the Internet and interpreted into English. The conferences follow all major corporate events such as the release of quarterly results or strategy announcement.
- Series of meetings with investors, held both in Poland and abroad (roadshows).
- Meetings of capital market participants with the Company's key managers in the headquarters and places where PKN ORLEN conducts its operations (site visits).
- The Investor and Analyst Days organised from time to time – workshops concerning various areas of the Company's activity, run by representatives of the Management Board, executive directors and selected managers.
- Participation of the Company's representatives in capital market awareness-raising campaigns in 2021:

The Index Investment Challenge, Tour de company, Invest Cuffs, Wallstreet.25, a CFA conference on ESG issues, Financial Education Day with the WSE Foundation + a stock exchange-themed outdoor game, the 'Towards Sustainable Business' webinar.

PKN ORLEN is among the companies that are the quickest to publish their financial results after the end of the reporting period. In 2021, the Company published its figures as soon as approximately a month after the closing of the reporting periods.

PKN ORLEN is also a dividend paying company. In 2021, it paid out a dividend for the ninth consecutive year, at PLN 3.5 per share.

7.2. CONTROL, IMS INTERNAL AUDIT, RISK MANAGEMENT AND COMPLIANCE SYSTEM (CODE OF BEST PRACTICE Section 3)

The Company's system of internal control and risk management in the preparation of financial statements is implemented through:

- verification whether uniform accounting policies are applied by the ORLEN Group companies as regards recognition, measurement and disclosures in accordance with the International Financial Reporting Standards (IFRSs) as endorsed by the European Union,
- following the procedures for registering economic events in the financial and accounting system and monitoring compliance with the procedures,
- internal controls, including separation of duties, multi-stage data verification, accuracy reviews of data received and independent checks,
- providing ORLEN Group companies with uniform templates of separate and consolidated financial statements, and periodic reviews of the correctness of accounting policies and disclosures included in the financial statements prepared by the ORLEN Group companies,
- verification of the consistency of the ORLEN Group companies' financial statements with data entered into the integrated IT system used to prepare the ORLEN Group's consolidated financial statements,
- auditor's review of Q1, H1 and Q3 financial statements and audit of full-year financial statements of PKN ORLEN and the ORLEN Group,
- procedures to authorise, approve and issue opinions on financial statements before they are issued,
- independent and objective evaluation of the risk management and internal control systems,
- an internal audit system operating within the Integrated Management System.

Economic events at PKN ORLEN are recorded in an integrated financial and accounting system. Security and availability of information contained in the financial and accounting system are controlled at all levels of the database, applications and presentations, as well as at the operating system level. System integration is ensured by data entry control systems (validation, authorisation, a list of values) and logs of changes. PKN ORLEN keeps its IT system up to date with the changing accounting policies and other legal requirements. PKN ORLEN's solutions are implemented into systems of the ORLEN Group companies.

The ORLEN Group companies apply uniform accounting policies adopted at the ORLEN Group and approved by the PKN ORLEN Management Board for the purposes of preparing consolidated financial statements.

The accounting policies are periodically updated to ensure compliance with any new legislation. Consolidated financial statements are prepared based on the integrated IT system where the process of consolidating data sourced from reporting packages provided by each ORLEN Group company is performed. Designed for financial management and reporting purposes, the system enables the unification of financial information. Performance and budget-related data, forecasts and statistics are gathered in one place, which ensures direct control and data compatibility.

The data is reviewed for cohesion, completeness and consistency, which is achieved thanks to embedded controls checking the compatibility of data entered by ORLEN Group companies.

In order to keep mitigating risks associated with the preparation of financial statements, they are reviewed by an independent auditor quarterly, i.e. more often than required by applicable laws.

As per the relevant procedure in place at PKN ORLEN (meeting all requirements arising from the applicable laws and regulations), the auditor of the Company's financial statements is appointed by the Supervisory Board based on a recommendation from the Audit Committee and a report on the tender process held by the Audit Committee. Deloitte Audyt Spółka z ograniczoną odpowiedzialnością, Spółka komandytowa has been appointed as a qualified auditor of PKN ORLEN's financial statements for 2019–2024. The selection of Deloitte as the auditor of financial statements in 2024 is conditional on the incorporation of Grupa LOTOS S.A. or PGNiG S.A. into the ORLEN Group in the period from January 1st 2022 to June 30th 2023 or, alternatively, PKN ORLEN otherwise taking control of the LOTOS Group companies or PGNiG Group companies. Whether this condition has been satisfied will be confirmed by a relevant resolution of the PKN ORLEN Supervisory Board. During audit work, the auditor makes an independent assessment of the reliability and accuracy of separate and consolidated financial statements and confirms that the internal control and risk management system is effective. The auditor presents the audit and review findings to the Management Board and the Audit Committee of the Supervisory Board.

The Audit Committee, appointed by the Supervisory Board in the exercise of its powers, is a supervisory body with some of its powers and responsibilities defined in the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017, including the following:

- monitoring the preparation of the ORLEN Group's consolidated financial statements to ensure compliance with the Group's Accounting Policy and applicable laws,
- monitoring the independence of the qualified auditor and audit firm selected to audit financial statements,
- monitoring the effectiveness of the internal control, internal audit and risk management systems.

The Company has in place certain procedures to authorise financial statements, under which periodic reports are submitted to the Management Board and then to the Supervisory Board's Audit Committee for its opinion. Once the Audit Committee's opinion is received and the auditor completes its review or audit of the financial statements, they are authorised for issue by the PKN ORLEN Management Board by means of a qualified electronic signature and then released to the public by the Investor Relations Office.

Full-year financial statements are also presented to the Supervisory Board for final assessment and control of the financial reporting process. The Supervisory Board is an independent body ensuring the reliability and accuracy of information disclosed in the financial statements of PKN ORLEN and the ORLEN Group.

The Company has in place and is improving an Integrated Management System based on certified international standards: ISO 9001, AQAP 2110, ISO 14001, ISO 45001, ISO/IEC 27001, ZKP, ISCC, KZR INiG, ISO 50001 and HACCP.

7.3. SHAREHOLDING STRUCTURE

In 2021 and until the date of authorisation of this report, there were no changes in the structure of shareholders holding more than 5% of the PKN ORLEN share capital. The number of shares held by shareholders is presented based on the most recent official data acquired by the Company.

TABLE 59. PKN ORLEN's shareholding structure as at January 1st 2021, December 31st 2021 and the date of authorisation of this report.

Shareholder	Number of shares and voting rights at the General Meeting (as at Jan 1 2021*)	Percentage of share capital and total voting rights at the General Meeting (as at Jan 1 2021*)	Number of shares and voting rights at the General Meeting (as at December 31st 2021 and the report authorisation date**)	Percentage of share capital and total voting rights at the General Meeting (as at December 31st 2021 and the report authorisation date**)
State Treasury	117 710 196	27,52%	117 710 196	27,52%
Nationale-Nederlanden OFE	31 391 297	7,34%	32 260 505	7,54%
Aviva OFE Aviva Santander	26 898 000	6,29%	27 500 000	6,43%
Other	251 709 568	58,85%	250 238 360	58,51%
Total	427 709 061	100,00%	427 709 061	100,00%

* according to information from the PKN ORLEN AGM convened for June 5th 2020

** according to information from the PKN ORLEN AGM convened for May 27th 2021

Restrictions on transferability of shares

The Company's Articles of Association do not impose any restrictions on the transferability of PKN ORLEN shares. However, such restrictions may be stipulated by generally applicable laws including, without limitation, the Act on State Property Management and the Act on Control of Certain Investments.

7.4. EXERCISING VOTING RIGHTS AND SHAREHOLDERS' SPECIAL CONTROL POWERS (CODE OF BEST PRACTICE Section 4)

Detailed rules for the exercise of special control powers and voting rights are laid down in PKN ORLEN's Articles of Association. According to the provisions of the Articles of Association, one PKN ORLEN share confers one voting right at the Company's General Meeting. The voting rights of shareholders have been capped in the Articles of Association so that none of them may exercise more than 10% of total voting rights existing at the Company as at the date when the General Meeting is held. The cap on voting rights does not apply to the State Treasury and the depositary bank which has issued, on the basis of an agreement with the Company, depositary receipts in respect of Company shares (if this entity exercises voting rights conferred by Company shares).

Shareholders whose voting rights are aggregated or reduced are jointly referred to as a "Shareholder Grouping". Detailed rules of such aggregation and reduction are specified in the Articles of Association. Shareholders forming a Shareholder Grouping may not exercise more than 10% of total voting rights existing at the Company as at the date when the General Meeting is held.

If the aggregated number of shares registered at the General Meeting by shareholders forming a Shareholder Grouping exceeds 10% of total voting rights at the Company, the voting rights resulting from the number of shares held are subject to reduction, the rules of which have been specified in detail in the Articles of Association.

The cap on voting rights described above does not apply to subsidiaries of the State Treasury.

The State Treasury, represented by the entity authorised to exercise the rights attached to the shares held by the State Treasury, has the right to appoint and remove one member of the Supervisory Board. In addition, one member of the PKN ORLEN Management Board is appointed by the entity authorised to exercise the rights attached to the shares held by the State Treasury as long as the State Treasury holds at least one share in the Company; such member of the PKN ORLEN Management Board is removed by the Supervisory Board.

Additionally, in accordance with the Articles of Association, as long as the State Treasury is entitled to appoint a member of the Supervisory Board, a resolution granting consent for transactions involving any sale or encumbrance of shares in the following companies: Naftoport Sp. z o.o., Inowrocławskie Kopalnie Soli S.A. as well as the company to be established to operate the pipeline transport of liquid fuels, will require a vote in favour of its adoption by the Supervisory Board member appointed by the State Treasury.

Special rights vested in the State Treasury as the Company's shareholder may also result from generally applicable provisions of law, i.e.:

- the Act on Special Rights Vested in the Minister Competent for Energy and their Exercise in Certain Capital Companies or Groups Conducting Business Activities in the Electricity, Crude Oil and Gas Fuel Sectors, dated March 18th 2010,
- the Act on Control of Certain Investments, dated July 24th 2015,
- the Act on State Property Management, dated December 16th 2016.

7.5. AMENDMENTS TO ARTICLES OF ASSOCIATION

Any amendment to PKN ORLEN's Articles of Association requires a resolution of the General Meeting and has to be entered in the business register. A resolution of the General Meeting to amend the Company's Articles of Association is passed by three-quarters of votes. The General Meeting may authorise the Supervisory Board to formulate the consolidated text of the Articles of Association or make other editorial changes as set out in a resolution passed by the General Meeting.

On May 27th 2021, the Annual General Meeting approved amendments to the Company's Articles of Association. The amendments were entered in the National Court Register and information about the entry was published by the Company in a current report.

7.6. GENERAL MEETING

Operation of the General Meeting

Proceedings and powers of PKN ORLEN's General Meeting are set out in the Articles of Association and the Rules of Procedure for the General Meeting, available on PKN ORLEN's website: <https://www.orklen.pl/pl/o-firmie/o-spolce/organy-i-struktura-spolki/dokumenty-korporacyjne>.

The Company sets the venue and date of a General Meeting so as to enable participation by the largest possible number of shareholders. General Meetings of PKN ORLEN are held at the Company's registered office in Plock, but may also be held in Warsaw.

PKN ORLEN uses its best endeavours to include reasoning in draft resolutions of the General Meeting, other than those of a procedural nature, unless such reasons stem from documentation submitted to the General Meeting. If a matter is placed on the agenda of the General Meeting at the request of a shareholder or shareholders, the reasoning for the proposed resolution is provided by that shareholder. The Company's Management Board uses its best efforts to obtain appropriate reasoning for matters placed on the agenda from the shareholder.

All materials presented at a General Meeting are available to shareholders on the corporate website at www.orklen.pl starting from the date of a notice convening the General Meeting. Upon request, materials to be presented at the General Meeting are made available to shareholders at the Company's registered office in Plock and at its Warsaw offices.

The General Meeting is convened by way of a notice published on the Company's website and a current report.

The Annual General Meeting should be held no later than within six months from the end of every financial year. An Extraordinary General Meeting is convened by the Management Board on its own initiative, upon the Supervisory Board's motion or upon the motion of a shareholder or shareholders representing no less than one-twentieth of the Company's share capital, within two weeks of submitting the motion. The Supervisory Board may convene an Extraordinary General Meeting if it sees fit to do so. In addition, the Supervisory Board may convene an Extraordinary General Meeting if the Management Board fails to do so within two weeks of the Supervisory Board's submitting the relevant request. An Extraordinary General Meeting may also be convened by shareholders representing at least one half of the share capital or at least one half of total voting rights at the Company.

If the Company's Management Board is notified that a General Meeting has been convened pursuant to Art. 399.2.4 of the Commercial Companies Code, it immediately performs any actions required from it in connection with the organisation and conduct of the General Meeting.

The Company arranges for an internet broadcast of the General Meeting and offers simultaneous interpretation into English. The Company has not provided for shareholders' participation in a General Meeting using means of electronic communication through real-time bilateral communication where shareholders could take the floor during the General Meeting from a location other than the venue of the General Meeting. The Company has not received any requests from Shareholders to hold a virtual or hybrid -General Meeting so far. Therefore, PKN ORLEN stated that it did not apply principle 4.1 of the Code of Best Practice. The failure to comply with this principle does not affect the reliability of the Company's disclosure policy, nor does it hinder Shareholders' participation in General Meetings.

Shareholders may exercise their voting rights at the General Meeting in person or by proxy.

In accordance with the Rules of Procedure for the General Meeting, a General Meeting may be cancelled if there are extraordinary impediments to its holding or its holding would be obviously groundless. The cancellation or rescheduling of a General Meeting is effected by way of a notice posted on the Company's website together with reasons and in compliance with other legal requirements, including the provisions of the Rules of Procedure for the General Meeting of PKN ORLEN.

Powers and responsibilities of the General Meeting

The General Meeting is authorised in particular to:

- review and approve the Company's full-year financial statements; annual Directors' report on the Company's operations; consolidated financial statements of the ORLEN Group and Directors' report on the ORLEN Group's operations for the previous financial year,
- grant discharge from responsibility to the Supervisory Board and Management Board members,
- decide on the allocation of profit and coverage of loss, and on the application of funds set aside from earnings,
- appoint members of the Supervisory Board, subject to Art. 8.2 of the Articles of Association, and define rules for their remuneration,
- increase and reduce the share capital unless the Commercial Companies Code or the Company's Articles of Association stipulate otherwise,
- make decisions concerning claims for redress of any damage caused upon formation of the Company or when managing or supervising the Company,
- adopt a policy defining the rules of remuneration for members of the Company's Management Board and Supervisory Board,
- grant consent to disposal or lease of, or creation of limited property rights in, the Company's business or its organised part,

- grant consent to any sale of real property, perpetual usufruct or interest in real property with a net carrying value exceeding one-twentieth of the Company's share capital,
- amend the Company's Articles of Association,
- create and release the Company's capital reserves, funds and special accounts,
- resolve to cancel shares and buy shares to be cancelled, and establish the terms of such cancellation,
- issue convertible bonds, senior bonds and subscription warrants,
- dissolve, liquidate and restructure the Company or merge it with another company,
- conclude a parent/subsidiary agreement within the meaning of Art. 7 of the Commercial Companies Code.

Participation in the General Meeting

The right to participate in the Company's General Meeting is vested only in persons that are the Company's shareholders sixteen days before the date of the General Meeting (record date).

Shareholders may communicate with the Company via the corporate website, using the contact form available at: <http://www.orlen.pl/EN/InvestorRelations/GeneralMeetings/Contact/Pages/default.aspx>, or through email (at: walne.zgromadzenie@orlen.pl). They may send a notification of granting power of proxy in electronic form and the power of proxy document (or a power of proxy cancellation document), and they may send requests and documents to the Company, for instance requests to place a matter on the agenda of the General Meeting or draft resolutions with reasoning. A section dedicated to the Company's General Meetings contains some useful materials for shareholders, including information about upcoming General Meetings along with relevant materials, materials pertaining to General Meetings held in the past, including texts of resolutions passed and video files with internet broadcasts of General Meetings.

The General Meeting is attended by members of the Company's Management Board and Supervisory Board selected with a view to addressing the matters discussed in the General Meeting and providing meaningful answers to questions asked by shareholders during the General Meeting. The Annual General Meeting may also be attended by members of the Management Board and the Supervisory Board whose mandates expired before the date of the General Meeting but who still performed their functions during the financial year for which the Directors' report and the financial statements are to be approved by the Annual General Meeting. The Management Board provides the participants of the General Meeting with information about the Company's financial results and other relevant information, including non-financial information, included in the financial statements to be approved by the General Meeting.

General Meetings may also be attended by other persons invited by the body convening the General Meeting or allowed to enter the meeting room by the Chair, especially qualified auditors, legal and financial advisers and the Company's employees. PKN ORLEN additionally allows media representatives to attend General Meetings. The Management Board ensures that each General Meeting is attended by an independent expert in commercial law.

After declaration of the state of epidemic, the Annual General Meeting in 2021 was conducted under a strict sanitary regime. The shareholders and all participants of the General Meeting were required to cover their nose and mouth, keep their distance and observe other sanitary rules. The number of persons responsible for the organisation of the meeting was reduced to a minimum in order to mitigate the risk of COVID-19 infection.

Unless stated otherwise in the Commercial Companies Code or the Articles of Association, resolutions of the General Meeting are passed by an absolute majority of the votes cast.

General Meeting in 2021

The Annual General Meeting held on May 27th 2021:

- approved the Directors' Reports on the operations of the Company and the ORLEN Group as well as the financial statements for 2020;
- granted a discharge from responsibility to all Supervisory and Management Board members;
- resolved to cover the PLN 2,355,671,374.21 net loss incurred by PKN ORLEN in financial year 2020 from statutory reserve funds;
- allocated PLN 1,496,981,713.50 to be paid as dividend (PLN 3.50 per share). The dividend was paid from the Company's statutory reserve funds created from retained earnings;
- passed resolutions to amend the Company's Articles of Association. The amendments related to two areas: expanding the scope of the Company's principal business activity and amending the wording of Art. 9.1.3. A consolidated text of the Articles of Association incorporating those amendments was also approved;
- passed a resolution 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 2019–2020.

7.7. MANAGEMENT AND SUPERVISORY BODIES (CODE OF BEST PRACTICE Sections 2 and 5)

Apart from generally applicable laws, the operating procedures of PKN ORLEN's Supervisory Board, its Committees and Management Board are set out in PKN ORLEN's Articles of Association and the Rules of Procedure for the Supervisory Board or the Management Board, as appropriate. In their operations PKN ORLEN's management and supervisory bodies also comply with the corporate governance principles set out by the Warsaw Stock Exchange.

In order to achieve the highest standards in the performance of the Management Board's and Supervisory Board's duties defined in the generally applicable laws and internal regulations, as well as to ensure that these duties are discharged effectively, the Management Board and Supervisory Board members must possess extensive qualifications and experience. The current composition of the Management and Supervisory Boards ensures a good balance and diversity in terms of gender, educational background, age and professional experience.

The gender diversity ratio is not applied in the Company's diversity management practices. The gender diversity requirement of the Code of Good Practice is met by the Company's Supervisory Board, which has a minority share of no less than 30%; but not by the PKN ORLEN's Management Board.

Any outside employment of the Management Board members is assessed by the Supervisory Board, which – pursuant to the Company's Articles of Association – grants permission to Management Board members to serve on the supervisory or management bodies of any other entities and to receive remuneration for such service.

7.7.1. The Management Board

TABLE 60. Composition of PKN ORLEN Management Board as at January 1st 2021 and December 31st 2021.

Full name	Position held on PKN ORLEN Management Board	Supervised areas
Daniel Obajtek	CEO, President of the Management Board	strategy and innovation and investor relations, equity investments, human resources, oil and gas trade, management board office, control and security, audit, legal, financial control (from November 23rd 2021), public and international relations (from November 23rd 2021)
Armen Konrad Artwich	Member of the Management Board, Corporate Affairs	administration, environmental protection, corporate group, risk management and compliance management
Adam Burak	Member of the Management Board, Communication and Marketing	corporate communication, marketing, sports marketing, sponsorship and events
Patrycja Klarecka	Member of the Management Board, Retail Sales	IT, retail sales, infrastructure and information security supervision, relations with external stakeholders
Zbigniew Leszczyński	Member of the Management Board, Development	procurement, capital investments, development and technology, technical matters
Michał Róg	Member of the Management Board, Wholesale and International Trade	wholesale of refining products, trade in petrochemical products, logistics, supply chain management
Janusz Szewczak	Member of the Management Board, Finance	business controlling, financial management, credit risk and insurance management, taxes
Józef Węgrecki	Member of the Management Board, Operations	refinery production, petrochemical production, energy, water and wastewater management, occupational health and safety

On January 27th 2022, Zbigniew Leszczyński resigned as member of the Company's Management Board, with effect from January 31st 2022. During a meeting on February 15th 2022, the Supervisory Board appointed Piotr Sabat to serve on the Management Board from March 1st 2022.

TABLE 61. Composition of PKN ORLEN Management Board as at the day of authorisation of the Report.

Full name	Position held on PKN ORLEN Management Board	Supervised areas
Daniel Obajtek	CEO, President of the Management Board	strategy and innovation and investor relations, equity investments, human resources, oil and gas trade, management board office, control and security, audit, financial control, legal, public and international relations
Armen Konrad Artwich	Member of the Management Board, Corporate Affairs	administration, environmental protection, corporate group, risk management and compliance management
Adam Burak	Member of the Management Board, Communication and Marketing	corporate communication, marketing, sports marketing, sponsorship and events
Patrycja Klarecka	Member of the Management Board, Retail Sales	IT, retail sales, infrastructure and information security supervision, relations with external stakeholders
Michał Róg	Member of the Management Board, Wholesale and International Trade	wholesale of refining products, trade in petrochemical products, logistics, supply chain management, procurement
Piotr Sabat	Member of the Management Board, Development	capital investments, development and technology, technical matters
Janusz Szewczak	Member of the Management Board, Finance	business controlling, financial management, credit risk and insurance management, taxes
Józef Węgrecki	Member of the Management Board, Operations	refinery production, petrochemical production, energy, water and wastewater management, occupational health and safety

The current division of remits between members of the PKN ORLEN Management Board is also available on the Company's website <https://www.orklen.pl/pl/o-firmie/o-spolce/organy-i-struktura-spolki/obszary-odpowiedzialnosci>.

Composition of the Management Board as of the date of authorisation of this Report:



DANIEL OBAJTEK

CEO, President of the Management Board

Daniel Obajtek has served as President of the Management Board and Chief Executive Officer of PKN ORLEN since February 6th 2018. From 2017 to February 2018, he was President of the Management Board of the Energa Group. In 2017, Energa S.A.'s net profit soared fivefold, and the company was named Company of the Year within the WIG20 blue-chip index, while its stock price jumped 38%. In 2016–2017, heading the Agency for Restructuring and Modernisation of Agriculture, Mr Obajtek streamlined the processes related to disbursement of billions of zlotys worth of EU and national funds and optimised the cost of the Agency's operations. From July 2016 to February 2018, he was a member of the Supervisory Board of LOTOS Biopaliwa.

As President of the Management Board of PKN ORLEN, Mr Obajtek has determinedly pursued the mission of turning it into a multi-utility business. In February 2018, he embarked on a process to acquire control of Grupa LOTOS, Poland's second largest oil refiner. The transaction is to result in a single strong player, capable of competing on foreign markets. Around the middle of 2018, PKN ORLEN launched its largest ever capex projects under the Petrochemicals Development Programme. In parallel, growth capex projects were brought under way at other ORLEN Group companies, involving fertilizer capacity expansion at ANWIL of Wloclawek and construction of an eco-friendly glycol unit at ORLEN Poludnie.

In December 2019, PKN ORLEN under Mr Obajtek's stewardship initiated a process to acquire the Energa Group, which took just four months to complete, making it one of the fastest processes of this kind in Poland. The transaction benefits both companies, while furthering PKN ORLEN's strategic plans to develop zero- and low-carbon energy sources.

In July 2020, Daniel Obajtek and the Minister of State Assets Jacek Sasin signed a Letter of Intent paving the way for the acquisition by PKN ORLEN of the PGNiG Group, the incumbent gas supplier.

In December 2020, PKN ORLEN became the majority shareholder in Ruch, having acquired a 65% ownership interest in the newsagents chain. The investment seeks to strengthen the ORLEN Group's retail business. Also in December 2020, PKN ORLEN entered into an agreement to acquire Polska Press from Germany's Verlagsgruppe Passau Capital Group. With the acquisition, the ORLEN Group gains access to 17.4m internet users and an opportunity to acquire new customers. The acquisition of one of the largest publishing groups in Poland and harnessing the capabilities of the media agency Sigma Bis (established by PKN ORLEN jointly with PZU in 2019) and Ruch will enable the Group to create a flexible, personalised and comprehensive offering for greater customer satisfaction.

The past four years witnessed rapid development of the ORLEN Group's retail chain, including upgrade work to raise the standard of service and enhance the non-fuel offering, through the construction of the ORLEN Stop Cafe and star Connect bistro concepts and other measures. During that time, the ORLEN Group launched service stations in Slovakia and, after 12 years, opened a new retail outlet in Lithuania. In 2019, a co-branding project was implemented to make the ORLEN Group logo visible on Germany's Star stations and on Benzina stations across the Czech Republic and Slovakia. Since 2020, a full rebranding process has been ongoing. By 2030, all service stations in the region are to operate under the ORLEN brand. In the coming years, ORLEN will also improve the availability of alternative fuels at its service stations, focusing on the expansion of the EV fast charging station network. The Company additionally intends to grow its hydrogen fuel and LNG/CNG business.

Daniel Obajtek also set in motion a new policy of diversifying oil supplies for the ORLEN Group, by forging and strengthening relations with suppliers from outside Europe, including Africa and the Persian Gulf. These measures allow it to obtain a favourable mix of crudes for processing, optimising production with positive effects on the final quality and price of the Group's products and overall stability of the market.

ORLEN has been working consistently to improve its brand recognition in Poland and abroad, through sponsorship and other activities. For several years now, it can boast the position of Poland's most recognisable corporate sponsor of sports. In 2019, it gained sponsorship exposure to Formula 1 and partnered with Robert Kubica. Since 2020, PKN ORLEN has been the title sponsor of the Alfa Romeo Racing ORLEN team, with Robert Kubica as their test driver.

At the onset of the pandemic in 2020, Daniel Obajtek announced the launch of a special hand sanitiser production line. Moreover, PKN ORLEN allocated PLN 100m to support the fight against the coronavirus. In late October 2020, Daniel Obajtek announced that PKN ORLEN would build temporary hospitals in Plock and Ostrołęka as part of its efforts to fight the pandemic.

In November 2021, Daniel Obajtek announced the adoption of the ORLEN2030 strategy, providing for the achievement of a net zero carbon footprint by the ORLEN Group in 2050. A milestone investment project here is the construction of an offshore wind farm in the Baltic Sea, with a total maximum capacity of up to 1.2 GW. The generation capacities will be supported by other projects, such as development of hydrogen technology and small nuclear reactors.

Daniel Obajtek has completed the Executive MBA programme run by the Gdańsk Foundation for Management Development and validated by IAE Aix-Marseille Graduate School of Management. He is a member of the Programme Council of the Economic Forum in Krynica and chairman of the Board of the Polish Olympic Committee. He has won a number of prestigious awards, notably the Polish Compass 2018. He was also named President of the year 2018 in the 25th edition of the Bulls and Bears award of Gazeta Gieldy i Inwestorów Parkiet. In 2019, he was awarded the Lech Kaczyński Prometheus Award. The Judging Panel of the Employers of Poland honoured him with the Vector 2019 award. In 2020, readers of the Parkiet daily voted him Star of the Year 2020. He was named Person of the Year during the Karpacz Economic Forum held in September 2020. In the latest edition of The Most Reliable in Polish Economy ranking by the ISB News agency, he received a statuette of the Most Reliable CEO.



PIOTR SABAT

Member of the Management Board, Development

Piotr Sabat has been a Member of the PKN ORLEN Management Board since March 1st 2022. He is responsible for the investment, process development, and technology functions.

A lawyer and economist with a breadth of experience in various corporate management and supervisory areas, he has served in a number of senior corporate roles, including as Deputy Chair of the Supervisory Board and Audit Committee of Link 4 Towarzystwo Ubezpieczeń S.A., Member of the Supervisory Board and Audit Committee of Mostostal Płock S.A., General Counsel at FM Logistic responsible for the legal, insurance, and risk and safety management functions, and Head of the Legal Department at GEFCO Group for Poland.

He is a graduate of the Faculty of Law and Administration of the University of Łódź and has completed various other university programmes and courses, including the PhD in law programme at the Institute of Political Studies of the Polish Academy of Sciences, the PhD in economics programme at the Institute of Economics of the Polish Academy of Sciences, the Executive MBA programme run jointly by the Institute of Economics of the Polish Academy of Sciences and the Vienna Institute for International Economic Studies of Vienna, a postgraduate course in management and audit at the Jagiellonian University, a postgraduate course in debt collection at the Warsaw School of Economics, and a postgraduate course in negotiation and mediation at the SWPS University.

Mr Sabat also has teaching experience, having lectured to participants in the MBA programme at Collegium Humanum – Warsaw Management University, students at the War Studies Academy, and postgraduate students at the Helena Chodkowska University of Technology and Economics of Warsaw.



JÓZEF WĘGRECKI

Member of the Management Board, Operations

Józef Węgrecki has been a member of the PKN ORLEN Management Board since March 23rd 2018. From February 5th to March 23rd 2018, he was a member of the Supervisory Board delegated to temporarily perform the duties of a member of the PKN ORLEN Management Board responsible for investment and procurement. He is a graduate of the AGH University of Science and Technology in Kraków, Faculty of Mining and Metallurgical Machines.

He holds qualifications to serve on the supervisory boards of companies in which the Polish State Treasury has interests.

In 1978–1990, Mr Węgrecki worked at Zakład Remontowy Energetyki Kraków, where he held the position of member of the Management Board, Chief Technical Officer. In 1990–1993, he served at employee-owned company Remak Opole as its Vice President. From April 1993 to June 2017, he was President and member of the Management Board of Remak-Krak.

In 2017, Mr Węgrecki was appointed Vice President of the Management Board of Energa Wytwarzanie, where his management responsibilities covered water and wind turbine operation, photovoltaic farms, cogeneration and coal-fired power plants, innovation, heating asset acquisitions and setting development directions. On February 5th 2018, Mr Węgrecki was delegated to temporarily serve as member of the PKN ORLEN Management Board for investment and procurement, and then in April he was appointed member of the Management Board, Chief Operating Officer.

He is interested in monitoring and analysing the latest technical solutions in the field of power generation: alternative energy sources and their potential industrial applications.

He was awarded the Galicia Construction Grand Award for his contribution to the advancement of the construction industry, a Badge of Merit for exceptional services to the construction industry, a Gold Medal for long service, an Honoris Gratia badge for charity and community service, and a Medal of the 100th Anniversary of Poland Regaining Independence.



PATRYCJA KLARECKA

Member of the Management Board, Retail Sales

Patrycja Klarecka has been a member of the PKN ORLEN Management Board since June 24th 2018. She graduated from the Poznań University of Economics and Business in Economic Policy and Corporate Strategy. As member of the PKN ORLEN Management Board, she has been responsible, among others, for retail sales and retail chain development. Her remit covers CSR, IT, as well as infrastructure and information security.

In 2016–2018, Patrycja Klarecka served as President of the Polish Agency for Enterprise Development (PARP), Poland's largest government agency supporting the development of SMEs. Patrycja Klarecka has professional experience in the financial, media and education sectors, including in managerial roles at the Warsaw Stock Exchange (2014–2016), Bank Zachodni WBK (2010–2014), Telewizja Polska (2004–2010), and PZU (2002–2004). Earlier in her career, she was a lecturer at the Melchior Wańkiewicz School of Journalism in Warsaw and a consultant at the Poznań School of Banking.

Patrycja Klarecka chaired the Supervisory Board of ORLEN Deutschland GmbH (in 2018–2019), served on the Supervisory Boards of the WSE Foundation and IAB Polska, and was on the Management Board of the PZU Charitable Foundation. She represented the Polish Television in the Crossmedia Group at the European Broadcasting Union.

**MICHAŁ RÓG**

Member of the Management Board, Wholesale and International Trade

Michał Róg has been a member of the PKN ORLEN Management Board since September 1st 2018. Michał Róg is a graduate of the Cracow University of Economics, where he majored in management and marketing, and of the Canadian International Management Institute and Harvard Business School. He has completed the Executive MBA programme run jointly by the Cracow University of Technology and Central Connecticut State University.

Michał Róg has over 20 years of professional experience gained working for TELE-FONIKA KABLE, where he served as: Vice President for Sales – Distribution and Power Generation Sector, Director for Sales and Development of High and Medium Voltage Products, Director for Sales on the Balkan Market, Director for Sales in the Home Market, and Head of the Home Market Office.

From March to August 2018, he was a Management Board Member for Trade at ORLEN OIL of Kraków. From April to August 2018, he was additionally a Management Board member at Paramo a.s. based in Pardubice, the Czech Republic.

Since December 1st 2020, he has been a member of the Supervisory Board of Energa.

**ARMEN KONRAD ARTWICZ**

Member of the Management Board, Corporate Affairs

Armen Konrad Artwicz has been a member of the PKN ORLEN Management Board since September 1st 2018.

Mr Artwicz graduated with honours from the Faculty of Law and Administration at the University of Warsaw, as well as from the Warsaw School of Economics (finance and accounting). He also studied corporate law and commercial law at the University of Sheffield, School of Law. He completed his legal counsel apprenticeship at the Warsaw Bar Association.

From January to August 2018, Armen Konrad Artwicz served as Head of the Legal Department of the Chancellery of the Prime Minister. Earlier, between 2016 and 2018, as Deputy Director of the Department for Improvement of Economic Regulations of the Ministry of Development, Mr Artwicz was responsible, among others, for legislative projects in the area of economic law and for supervision of the Central Office of Measures and the Polish Centre for Accreditation. At the same time, between 2016 and 2018, he was a member of the Polish Financial Supervision Authority (a representative of the minister in charge of economy).

Between 2011 and 2016, Mr Artwicz worked in the Legal Area at Bank Zachodni WBK, where he was in charge of legal services for investment banking in the Global Banking & Markets Division. A graduate of the 18th School of Civil Society Leaders. For his *pro publico bono* activity, he received, among other distinctions, the Gold Cross of Merit and the Polcul Foundation award.

Armen Artwicz also serves as Chairman of the ORLEN Group Board.

**JAN SZEWCZAK**

Member of the Management Board, Finance

Jan Szewczak is a lawyer, business analyst and an expert in finance, financial law, banking and macroeconomics.

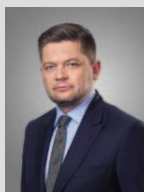
He graduated from the Faculty of Law and Administration of the University of Warsaw and completed doctoral studies at the Department of Finance and Financial Law. He also completed academic internships in Amsterdam and Prague.

For many years Mr Szewczak had been a faculty member and a lecturer at the Faculty of Law and Administration of the University of Warsaw and the Vistula University.

He has gained extensive experience in the financial sector. He has sat on the Management Board of PZU Tower, served as Chief Economist of Kasa Krajowa SKOK (credit union), Member of the Sejm (lower chamber of the Polish Parliament) of the 8th term, Chairman of the Standing Subcommittee on Financial Institutions, and Deputy Chairman of the Public Finance Committee and member of the Digitisation Committee of the Sejm.

He is an economic journalist and the author of numerous opinions and expert reports on business processes and ownership transformations.

Its interests include economic history and privatisation processes in Poland and abroad.



ADAM BURAK

Member of the Management Board, Communication and Marketing

Adam Burak has been a member of the PKN ORLEN Management Board since February 2020. At the ORLEN Group, he is responsible for the implementation of a consolidated corporate and marketing communication strategy, including the advancement of digital communication channels in Poland and abroad. In February 2018, he was appointed Executive Director for Corporate Communication, supervising the implementation of the ORLEN Group's external and internal communication strategy, as well as the development of the organisational structure and business model for a media agency established in partnership with PZU.

He holds a degree in International Relations from the University of Wrocław and an MBA degree. He completed a postgraduate course in Journalism and Public Relations at the Tischner European University in Kraków.

Prior to that, he had worked in the fuel and energy industry as well as the financial sector. His roles included that of Communication and Marketing Director at the largest Polish companies, such as Grupa Energa, Grupa LOTOS and PZU, creating and implementing corporate, marketing and sponsorship communication strategies. He also has extensive experience in sports marketing and journalism. In 2012–2016, he was Marketing and PR Director as well as press officer for the Wrocław Stadium, and from 2008 to 2012 he worked as a journalist for Telewizja Polsat. He served as a member of the Supervisory Board of ORLEN Unipetrol and ORLEN Południe. Currently he serves on the Supervisory Board of PZU Zdrowie.

He is a jury member for the Gold Paperclips industry competition, a member of the judging panel for the 50 Most Creative People in Business programme organised by the BRIEF magazine, and a speaker at the Public Relations Professionals Congress.

The Management Board of PKN ORLEN consists of five to nine members, including the President, Vice Presidents and other members of the Management Board. Members of the Management Board are appointed and removed by the Supervisory Board. One member of the PKN ORLEN Management Board is appointed by the entity authorised to exercise the rights attached to the shares held by the State Treasury as long as the State Treasury holds at least one share in the Company. In accordance with an amendment to the Articles of Association adopted by the Annual General Meeting on May 27th 2021, the member of the Management Board appointed by the entity authorised to exercise the rights attached to the shares held by the State Treasury is removed by the Supervisory Board.

In accordance with the Articles of Association, a member of the Management Board is appointed following a recruitment process performed to verify and evaluate qualifications of candidates and to select the best candidate for the position. When initiating a recruitment process for the position of a Management Board member, the Supervisory Board determines the detailed terms and procedure of recruitment, the place and deadline for accepting applications, the place and time of the interview, the matters to be covered during the interview, as well as the criteria to be met by and method of evaluating a candidate.

Pursuant to the Act on State Property Management, the Company's Articles of Association define the requirements for candidates for members of the Management Board. In accordance with the effective Articles of Association, a Management Board candidate is required to meet all of the following criteria:

- he/she has a university degree obtained in Poland or a university degree obtained abroad and recognised in Poland under separate legislation;
- he/she has at least five years of employment under a contract of employment, election or appointment, an employment contract for cooperative members, other agreement for the provision of services, or as a business owner;
- he/she has at least three years of experience serving in managerial or independent positions or as a business owner;
- he/she meets requirements stipulated in separate legal regulations – other than those listed above; in particular, he/she is not in breach of any limitations or prohibitions on serving on the management bodies of commercial-law companies.

The Articles of Association provide that a Management Board candidate may not be a person who meets at least one of the following criteria:

- he/she works at the office of a member of the lower or upper house of the Polish Parliament (Sejm or Senate) or of a member of the European Parliament as an assistant or under an employment, temporary employment or similar contract;
- he/she is a member of a political party's body representing the party before third parties and authorised to assume obligations;
- he/she works for a political party under an employment, temporary employment or similar contract;
- he/she holds an elected position in a trade union operating at the Company or any Group company;
- his/her social activities or profession give rise to a conflict with the interests of the Company.

The Supervisory Board may suspend from duties the President, Vice Presidents, individual members of the Management Board and the Management Board as a whole for a good reason. Should the Management Board President be removed or suspended from duties or should his/her mandate expire before the end of the term of office, all his/her powers, except for the casting vote referred to in Art. 9.5.2 of the Articles of Association, are to be exercised by the person appointed by a resolution of the Supervisory Board as acting President of the Management Board until a new Management Board President is appointed or the current one is restored to his/her position.

The term of office of the Management Board members is a joint term, ending on the date of the Annual General Meeting approving the financial statements for the full second financial year of such term of office.

The current term of office of the Management Board began on June 6th 2020 and ends on the date of the General Meeting of PKN ORLEN approving the Company's financial statements for the financial year 2022.

Detailed rules for the convening of Management Board meetings are set out in the Rules of Procedure for the Management Board, available on the Company's website (<https://www.orlen.pl/pl/o-firmie/o-spolce/organy-i-struktura-spolki/dokumenty-korporacyjne>).

According to the Rules of Procedure for the Management Board, the Management Board members are required to notify the Supervisory Board of any actual or potential conflict of interest which has arisen or may arise in connection with the positions held by them. Should the Company's interest be in conflict with the personal interests of a Management Board member, the Management Board member should abstain from deciding on such matter and request that a relevant note be made in the minutes of the meeting. In the case of doubt as to whether a conflict of interest exists, the matter is resolved by the Management Board by way of a resolution. According to the Rules of Procedure for the Management Board, a conflict of interest is understood as a circumstance in which a decision made by a member of the Management Board may be influenced by a personal interest of the Management Board member or his/her close person, i.e. their spouse, children, persons related to them through blood or marriage in the first or second degree, or any persons to whom the member is personally related.

Powers and responsibilities of the Management Board

All members of the Management Board are obliged and authorised to manage PKN ORLEN's affairs.

All matters going beyond the ordinary course of business are subject to resolutions of the Management Board. Matters falling within the scope of ordinary business are those related to trading in fuels within the meaning of the Company's Articles of Association (i.e. crude oil, petroleum products, biocomponents, biofuels and other fuels including natural gas, industrial gas and fuel gas) or energy, and any other matters not expressly specified in the Rules of Procedure for the Management Board. In addition, the Management Board's consent is not required to perform an action which is an integral part of any other action for which the Management Board already gave its consent, unless the Management Board's resolution states otherwise.

A resolution of the Management Board is required, among other things, to:

- adopt and amend the Rules of Procedure for the Management Board,
- adopt and amend the Organisational Rules and Regulations of PKN ORLEN,
- adopt motions to be submitted to the Supervisory Board and/or to the General Meeting,
- convene the General Meetings and adopt their proposed agendas,
- adopt annual and long-term financial plans as well as the Company's development strategy,
- approve investment projects and corresponding liabilities if the resulting expenditures or charges exceed PLN 10,000,000,
- incur liabilities, dispose of property rights and encumber in any way the Company's assets with a value exceeding PLN 20,000,000 (subject to certain exceptions),
- sell and purchase real property, perpetual usufruct or an interest in real property, and create limited property rights,
- dispose of, purchase and encumber shares or other equity instruments of other entities, including shares admitted to public trading,
- issue the Company's securities,
- authorise the Company's and the ORLEN Group's financial statements,
- adopt and change the employee remuneration scheme, and make decisions regarding the introduction and design of incentive schemes,
- conclude, amend and terminate a collective bargaining agreement applicable at the Company, and other agreements with trade unions,
- establish the principles of granting and revoking powers of attorney,
- formulate the so-called donation policy of the Company,
- grant a commercial power of proxy,
- establish the internal division of remits between the members of the Management Board,
- set up establishments/offices abroad,
- resolve other matters which at least one member of the Management Board requests to be resolved by way of a resolution,
- take decisions on payment of interim dividends.

A resolution of the Management Board is also required for incurring liabilities in legal transactions involving:

- trade in crude oil or hydrocarbon raw materials used to produce fuels in a refinery, excluding biocomponents and fuel additives if the transaction volume exceeds 165,000 tonnes of crude oil or 165,000 tonnes of hydrocarbon raw materials used to produce fuels in a refinery, excluding biocomponents and fuel additives;
- natural gas trading, trading capacity in natural gas transmission, distribution and storage grids/networks in Poland or abroad, and trading in natural gas storage capacities in Poland and abroad if the transaction volume exceeds 100m Nm³;
- the acquisition of biocomponents and biofuels, including raw materials for the production of biocomponents and biofuels, if the transaction value exceeds PLN 200,000,000 (two hundred million zloty);
- trade in fuels, within the meaning of the Company's Articles of Association, other than those referred to in Section 5.6.1–3 if the transaction value exceeds PLN 200,000,000 (two hundred million zloty);
- sale or purchase of refining products in international trade if the transaction volume exceeds 90,000 tonnes, excluding heavy fuel oil;
- participation in a public procurement/tender procedure for contract award (including participation in negotiations concerning the subject matter of the contract) in the area of wholesale trade in refining products and fleet cards if the transaction value exceeds PLN 200,000,000 (two hundred million zloty);
- trade in energy, property rights under energy origin certificates and energy efficiency certificates, guarantees of origin and documents confirming their issue, the related system services and energy ranges, as well as all activities related to switching electricity suppliers if the transaction volume exceeds 300 GWh;

ORLEN GROUP

- participation in tender procedures (including those subject to the Public Procurement Law) relating to trading in (separately or jointly) energy, energy-related services or products (including participation in negotiations and other factual and legal acts related to the subject matter of the contract) and any activities related to switching electricity suppliers if the transaction volume exceeds 300 GWh.

The Management Board is obliged to provide regular and exhaustive information to the Supervisory Board on all matters of importance and risks connected with the business of PKN ORLEN, as well as the manner of managing such risks.

7.7.2. Supervisory Board

TABLE 62. Composition of PKN ORLEN Supervisory Board as at January 1st 2021, December 31st 2021 and at the day of authorisation of the Report.

Full name	Position held on PKN ORLEN Supervisory Board
Wojciech Jasiński	Chairman of the Supervisory Board
Andrzej Szumański	Vice chairman of the Supervisory Board (Independent Member of the Supervisory Board)
Anna Wójcik	Secretary of the Supervisory Board
Barbara Jarzembowska	Member of the Supervisory Board (Independent Member of the Supervisory Board)
Dominik Kaczmarski	Member of the Supervisory Board (until June 6th 2021)
Andrzej Kapala	Member of the Supervisory Board (Independent Member of the Supervisory Board)
Michał Klimaszewski	Member of the Supervisory Board (Independent Member of the Supervisory Board)
Roman Kusz	Member of the Supervisory Board (Independent Member of the Supervisory Board)
Jadwiga Lesisz	Member of the Supervisory Board
Anna Sakowicz-Kacz	Member of the Supervisory Board (Independent Member of the Supervisory Board)

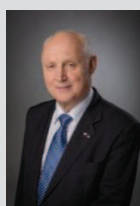
On June 2nd 2021 Dominik Kaczmarski resigned as member of the Company's Supervisory Board with effect from June 6th 2021.

In 2021, the PKN ORLEN Supervisory Board held 11 minuted meetings and passed 219 resolutions. The attendance of PKN ORLEN Supervisory Board members at meetings was 99%. In the case of absence of a Supervisory Board member from a meeting, the Supervisory Board passed a resolution to authorise the absence.

In 2021, there were six independent Members on the Supervisory Board.

The Supervisory Board of the current term is composed of Members with educational background in law, economics and finance (including a law professor) and diverse professional experience, who completed specialist courses and training programmes.

Composition of the Supervisory Board as at the date of this Report:



MR WOJCIECH JASIŃSKI
Chair of the Supervisory Board

Graduate of the Faculty of Law and Administration at the University of Warsaw. In 1972–1986, he worked in Plock, including at the National Bank of Poland Plock Branch and at the Municipal Office, including as legal counsel at the Tax Chamber. In 1990–1991, he organised local government structures in the Province of Plock as Delegate of the Government Representative for Local Government Reform. From 1992 to 1997, he worked at the Supreme Audit Office, first as Head of the Regional Branch in Warsaw, then as Head of the Finance and Budget Team, and as Head of the State Budget Department. In 1997–2000, he served as member and then as President of the Management Board of Srebrna. He was member of the Supervisory Board of Bank Ochrony Środowiska in 1998–2000. From September 2000 to July 2001, he served as Undersecretary of State at the Ministry of Justice. In 2006–2007, he was Minister of the State Treasury. From 2001, he was Member of the Polish Parliament of the 4th, 5th, 6th, 7th and 8th terms, serving as Chairman of the Standing Committee on the Banking System and Monetary Policy, Chairman of the Economic Committee, and Chairman of the Public Finance Committee. He was also member of the Parliamentary State Treasury Committee. President of the Management Board of PKN ORLEN from December 16th 2015 to February 5th 2018. From June 2018 to July 2019, he was attorney-in-fact of the Management Board of Energa for Energy Markets and Investment Development. Since February 25th 2016, he has been member of the Supervisory Board of PKO Bank Polski.


MR ANDRZEJ SZUMAŃSKI

Deputy Chairman of the Supervisory Board (Independent Member of the Supervisory Board)

Attorney at law. Full professor at the Department of Private Commercial Law of the Jagiellonian University. One of the three authors of the Polish Commercial Companies Code of September 15th 2000. He was involved in the work to draft the OECD Principles of Corporate Governance, 1999. As an expert of the Association of Stock Exchange Issuers, he prepared a draft of the Rules of the Corporate Governance Committee, enabling implementation of the principles of Corporate Governance for Public Companies adopted by the Warsaw Stock Exchange. Currently, he chairs the Expert Group on Corporate Law of the Corporate Governance Reform Commission at the Polish Ministry of State Assets.

Since 1995 he has been an arbitrator of the Arbitration Court at the Polish Chamber of Commerce in Warsaw, and since 2015 – a member of the Court's Arbitration Council. Furthermore, he has been President of the Exchange Court at the Warsaw Stock Exchange since 2007. From 2005 to 2011, he served two terms as President of the Arbitration Court at the Lewiatan Polish Confederation of Private Employers. He participated in numerous restructuring and privatisation projects. He sat on the Supervisory Boards of Południowy Koncern Energetyczny of Katowice, Małopolska Agencja Rozwoju Regionalnego of Kraków, and Polimex-Mostostal of Warsaw, among others.

He prepares legal expert reports in the fields of private business law, contract law and arbitration law. He has authored textbooks and commentaries on the companies and securities law, as well as numerous articles, glosses and reviews in the field of commercial law. He was involved in legislative work on an amendment to the Code of Commercial Companies of March 2020 regarding the online form of meetings held by corporate bodies and an amendment to the Code of Civil Procedure of 2019 regarding corporate arbitration.


MS ANNA WÓJCIK

Secretary of the Supervisory Board

Anna Wójcik is a graduate of the Poznań School of Banking and Management and the University of Warsaw (Faculty of Law and Administration). She also completed post-graduate studies at the WUT Business School (Faculty of Management), and was awarded the title of Master of Business Administration.

She is a manager with more than a decade's experience in the private sector (real estate, retail, business consulting) and government administration. Her recent positions included COO at Exeq, whose field of expertise is in fund raising for corporate research, development and innovation. As part of her remit, she coordinated the work of the management board office and accounted for projects implemented within programmes financed with OP IE and NCRD funds.

Since 2016, her career has been in the government administration. She worked as Head of the Minister's Office at the Ministry of Development and the Ministry of Finance, while currently she is employed at the Chancellery of the Prime Minister as Head of the Prime Minister's Office.


MS BARBARA JARZEMBOWSKA

Independent Member of the Supervisory Board

Graduate of the University of Warsaw. Holds an MBA certificate. She has experience in a range of fields, including financial consulting, foreign aid coordination, and foreign investment promotion. In 2000-2021 she held executive and managerial positions in corporate banking at Bank Pekao, where she was in charge of a number of areas, including operational risk, transaction banking, FMCG key account management, sales monitoring, and budget planning and implementation.


MR ANDRZEJ KAPALA

Independent Member of the Supervisory Board

A graduate of the School of Banking and Management in Poznań with an MA in business management, Andrzej Kapala has additionally completed post-graduate courses in financial management, human resources management and business accounting at the Wrocław University of Economics. He has also completed the Executive Master of Business Administration programme at the Warsaw Management University. He spent ten years working for the Local Democracy Development Foundation, as Head of its Wrocław Branch, where he focused on advising local government units and municipal utilities on management strategies and financial planning. For many years, he carried out consulting projects for private and municipal companies in investment and financial analyses and in project management, as well as restructuring and standardisation of business processes. He has authored several dozen feasibility studies and business plans for infrastructure investments and consulting projects in the area of enterprise restructuring (projects to develop technology and industrial parks, water and sewage management, and information society). In 2012–2020, as Head of the Administration Office at PKO Bank Polski, he managed the Bank's resources of about 300 real properties as well as several dozen banking infrastructure redevelopment projects, whilst overseeing the standardisation of business processes in the areas of property and project management and technical security of the Bank's branches. Since 2020, he has served as President of the Management Board of Dolnośląskie Zakłady Usługowo – Produkcyjne DOZAMEL of Wrocław.



MR MICHAŁ KLIMASZEWSKI
Independent Member of the Supervisory Board

Attorney-at-law, doctor of law, assistant professor at the Department of Administrative Science and Environmental Protection at the Faculty of Law and Administration of Cardinal Stefan Wyszyński University. Member of the Warsaw Seminar on Administration Axiology. Graduate of the Faculty of Law and Administration at the University of Warsaw. Author and co-author of publications on law and administrative proceedings. Author of expert opinions and studies for public and private sector entities. Member of supervisory boards of private-capital corporations.



MR ROMAN KUSZ
Independent Member of the Supervisory Board

In 1987–1992, Roman Kusz studied at the Faculty of Law and Administration of the University of Silesia in Katowice. Between 1993 and 1997, he completed his legal training as an attorney-at-law at the Regional Bar Association in Katowice. Since 1997, he has been practising as a lawyer. First in 2007–2013 and then since 2016, he has served as Dean of the Regional Bar Association in Katowice. He has been a member (since March 2014) and Chairman (since January 9th 2017) of the Supervisory Board of Górnik Zabrze of Zabrze. During the 2018/2019 term of office, he also served as Secretary of the Supervisory Board of Ekstraklasa of Warsaw, the company organising the top Polish professional league for men's football teams. Since 2017, he has sat on the Supervisory Board of the Provincial Fund for Environmental Protection and Water Management in Katowice. In 2019–2020, he was a Board member at the University of Economics in Katowice. Chairman of the 2nd term of the Silesian Forum of Self-Governments of Public Trust Professions in 2018. Since 2014, he has organised and moderated legal panels at the European Economic Congress in Katowice. On behalf of the Polish Bar Council, in his capacity as Chairman of the External Image and Legal Protection Committee, he co-organised the 'Advancing Law & Governance Contributions to Climate Action under the Paris Agreement' panel, which was part of the UN Climate Change Summit COP24 – the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) held in Katowice, in 2018.



MS JADWIGA LESISZ
Member of the Supervisory Board

Jadwiga Lesisz graduated in Foreign Trade from the Faculty of International Relations of the Wrocław University of Economics. She has also completed a post-graduate course in Real Estate Management at the Wrocław University of Technology, And a Master of Business Administration (MBA) programme run by the WSB School of Business in partnership with Franklin University USA.

Jadwiga Lesisz has more than 20 years of professional experience, including extensive practical experience in the SME sector and long-standing experience in the business sector as an owner and manager, where she was involved, among other things, in the creation and organisation of business processes. In 2012–2016, at PKO Bank Polski, she was in charge of property lease operations related to the bank's branches, supervising and participating in negotiation processes. She was involved in business controlling activities related to the optimisation of the bank's branch network. In 2016–2017, she was Director of the Project Management Department and member of the Audit Committee at the Polish Ministry of Development. She was responsible for the preparation and implementation of a uniform methodology and culture of project management and for the coordination of key projects. She served as Vice President of the Polish Agency for Enterprise Development (PARP), responsible for public tasks supporting the implementation of innovations in enterprises. Her work at the Agency included initiating cooperation for the building of the start-up ecosystem in Poland. She also supervised public procurement, and management of assets and IT resources. She has experience in the public administration sector in the director general role. She passed the examination for candidates for supervisory board members at state-owned companies.



MS ANNA SAKOWICZ-KACZ
Independent Member of the Supervisory Board

Graduate of the Faculty of Law and Administration of Maria Curie-Skłodowska University in Lublin. Completed post-graduate studies in real estate appraisal. She holds the licence of a restructuring advisor from the Minister of Justice.

She has experience in the roles of bankruptcy administrator, court supervisor and curator under the bankruptcy and restructuring law, as well as supervisory board experience.

Operating procedures of the Supervisory Board

PKN ORLEN's Supervisory Board is composed of six to ten members. The Shareholder State Treasury, represented by the entity authorised to exercise the rights attached to the shares held by the State Treasury, has the right to appoint and remove one member of the Supervisory Board, with the other members of the Supervisory Board appointed and removed by the General Meeting. Individual members of the Supervisory Board and the entire Supervisory Board may be removed at any time before the end of their term of office. The General Meeting of PKN ORLEN appoints the Chair of the Supervisory Board, whereas the Deputy Chair and the Secretary are appointed by the Supervisory Board from among the other members of the Board.

Members of PKN ORLEN's Supervisory Board are appointed for a joint term of office, ending on the date of the Annual General Meeting approving the financial statements for the full second financial year of such term of office. The current term of office of the Supervisory Board began on June 14th 2019 and ends on the date of the General Meeting of PKN ORLEN approving the Company's financial statements for the financial year 2021.

At least two Supervisory Board members must meet the independence criteria specified in PKN ORLEN's Articles of Association. In accordance with the requirements of the Code of Best Practice, at least two Supervisory Board members meet the independence criteria set out in the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017, and have no actual and material links to any shareholders holding 5% or more of total voting rights at the Company.

Before being appointed to the Supervisory Board, independent members of the Supervisory Board should submit to the Company a written statement to the effect that they meet the criteria set out in the Articles of Association, the Act on Statutory Auditors, Audit Firms and Public Oversight and in the Code of Best Practice. Statements on meeting the independence criteria are submitted to the other Supervisory Board members and to the Management Board.

If the independence criteria are not met, a member of the Supervisory Board is obliged to immediately notify the Company of the same. The Company then informs the shareholders of the current number of independent members of the Supervisory Board.

If the number of independent members of the Supervisory Board is less than two, the Company's Management Board is obliged to immediately convene a General Meeting and put an item concerning changes in the composition of the Supervisory Board on the agenda of the General Meeting. The Supervisory Board will continue to operate as then composed until changes in the composition of the Supervisory Board are made, i.e. the number of independent members is adjusted to the requirements set forth in the Articles of Association, and the provisions of Art. 8.9a of the Articles of Association (containing a list of resolutions which must be passed with the consent of at least half of independent Supervisory Board members) will not apply.

In accordance with the Rules of Procedure for the Supervisory Board, a Supervisory Board Member should not resign mid-term if this could prevent the Supervisory Board from performing its duties, and in particular from timely passing a resolution on any matter material to the Company.

Organisation of the Supervisory Board's activities, in accordance with the principles outlined in PKN ORLEN's Articles of Association and the Rules of Procedure for the Supervisory Board, is described on the corporate website: <https://www.orklen.pl/pl/o-firmie/o-spolce/organy-i-struktura-spolki/dokumenty-korporacyjne>.

Passing resolutions on the following matters:

- any performance to be rendered or benefits to be granted by the Company or any of its related entities to members of the Management Board;
- approval of material transactions (as defined in the Articles of Association) executed by the Company with its related parties, taking into account the exemptions and detailed arrangements provided for in Section 4b of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, and of agreements concluded by the Company or its subsidiary with a Management Board member or Supervisory Board member, save for agreements commonly concluded in petty current matters of everyday life,
- appointment of an auditor to audit the Company's financial statements;

requires the consent of at least half of the independent members of the Supervisory Board. The foregoing provisions do not exclude the application of Art.15.1 and Art. 15.2 of the Commercial Companies Code.

The Supervisory Board selects an auditor after having received a recommendation from the Audit Committee.

Powers and responsibilities of the Supervisory Board

The Supervisory Board of PKN ORLEN exercises ongoing supervision over the Company's operations, in all fields of its activity, specifically, the Supervisory Board is authorised to act as set out in generally applicable laws, including, without limitation, the Commercial Companies Code and the Company's Articles of Association, in conformity with the Rules of Procedure for the Supervisory Board and – where generally applicable laws so stipulate – resolutions of the General Meeting and the Supervisory Board as well as other internal organisational documents in place at the Company.

To ensure the highest standards of corporate governance and in order to enable shareholders to form a true and fair view of the Company, the Supervisory Board draws up and submits for approval to the Annual General Meeting an annual report which must include, as a minimum:

- information on the composition of the Supervisory Board and its committees, specifying which members of the Supervisory Board meet the independence criteria, and which of them do not have any actual and material links to any Shareholder holding 5% or more of total voting rights in the Company,
- a summary of the activities of the Supervisory Board and its committees,
- an assessment of the Company's standing on a consolidated basis, including an assessment of its internal control, risk management and compliance systems and internal audit function, along with information on the steps taken by the Supervisory Board to perform the assessment;
- assessment of the Company's compliance with corporate governance standards and the manner in which the Company complies with its disclosure requirements set out in the WSE Rules and legal provisions governing current and periodic information published by issuers of securities, along with information on the steps taken by the Supervisory Board to perform the assessment;
- assessment of the appropriateness of the Company's and the Group's sponsorship and donation spending, including the amount spent on these purposes;
- remuneration report compliant with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (starting from the year following the year in which the General Meeting adopted the remuneration policy).

In addition, the Supervisory Board:

- approves material transactions with related entities within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies,
- performs periodic reviews of material arm's-length transactions entered into in the ordinary course of business of PKN ORLEN in accordance with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies,
- where a transaction to be entered into by the Company with a related party within the meaning of the Company's Articles of Association requires the Supervisory Board's approval, the Supervisory Board assesses the need for prior consultation with a third party which will perform a valuation of the transaction and an analysis of its economic impact,
- where entering into a transaction with a related party within the meaning of the Company's Articles of Association by the Company requires approval from the General Meeting, the Supervisory Board draws up an opinion on the appropriateness of the transaction and assesses the need for prior consultation with a third party which will perform a valuation of the transaction and an analysis of its economic impact.

Pursuant to Sections 8.1 and 8.2 of the Rules of Procedure for the Supervisory Board, in order to discharge its duties, the Supervisory Board may inspect all the Company's documents, request the Management Board and employees to provide reports and clarifications, and review the Company's assets. To enable the Supervisory Board to perform its duties, the Management Board gives it access to information on matters concerning the Company. In order to guarantee the proper discharge of its duties, the Supervisory Board may request that the Management Board prepare, at the expense of the Company, expert and other opinions for the Supervisory Board, or employ an adviser.

Pursuant to Sections 27.1 and 27.2 of the Rules of Procedure for the PKN ORLEN Supervisory Board, a Supervisory Board member should inform the other members of the Supervisory Board of any conflicts of interest which have arisen or may arise, as well as abstain from taking the floor when the matter which has given rise to the conflict is being discussed, abstain from voting on the relevant resolution and request that the fact be recorded in the minutes. No breach of the provisions of the preceding sentence may render the Supervisory Board's resolution invalid. In the case of doubt as to whether a conflict of interest exists, the matter is resolved by the Supervisory Board by way of a resolution.

Committees of the Supervisory Board

The Supervisory Board of PKN ORLEN may appoint standing or ad hoc committees, which act as its collective advisory and opinion making bodies. The following standing committees operate within the Supervisory Board of PKN ORLEN:

- The Audit Committee,
- The Strategy and Development Committee,
- The Nomination and Remuneration Committee,
- The Corporate Governance Committee,
- The Corporate Social Responsibility Committee (CSR Committee).

Composition of PKN ORLEN Supervisory Board Committees in 2021

TABLE 63. Composition of PKN ORLEN Supervisory Board Committees as at January 1st 2021, December 31st 2021 and at the day of authorisation of the Report.

Full name	Position held on PKN ORLEN Supervisory Board Committee
Audit Committee	
Andrzej Kapala	Chairman of the Committee, Independent Member of the Supervisory Board
Barbara Jarzembowska	Member of the Committee, Independent Member of the Supervisory Board
Jadwiga Lesisz	Member of the Committee
Michał Klimaszewski	Member of the Committee, Independent Member of the Supervisory Board
Strategy and Development Committee	
Michał Klimaszewski	Chairman of the Committee, Independent Member of the Supervisory Board
Wojciech Jasiński	Member of the Committee
Andrzej Kapala	Member of the Committee, Independent Member of the Supervisory Board
Dominik Kaczmarski	Member of the Committee (until June 6th 2021)
Anna Sakowicz-Kacz	Member of the Committee, Independent Member of the Supervisory Board
Nomination and Remuneration Committee	
Wojciech Jasiński	Chairman of the Committee
Andrzej Szumański	Member of the Committee, Independent Member of the Supervisory Board
Anna Sakowicz-Kacz	Member of the Committee, Independent Member of the Supervisory Board
Michał Klimaszewski	Member of the Committee, Independent Member of the Supervisory Board
Anna Wójcik	Member of the Committee
Corporate Governance Committee	
Andrzej Szumański	Chairman of the Committee, Independent Member of the Supervisory Board
Dominik Kaczmarski	Member of the Committee (until June 6th 2021)
Andrzej Kapala	Member of the Committee, Independent Member of the Supervisory Board
Barbara Jarzembowska	Member of the Committee, Independent Member of the Supervisory Board
Roman Kusz	Member of the Committee, Independent Member of the Supervisory Board

Corporate Social Responsibility Committee

Jadwiga Lesisz	Chairwoman of the Committee
Anna Wójcik	Member of the Committee
Michał Klimaszewski	Member of the Committee, Independent Member of the Supervisory Board
Roman Kusz	Member of the Committee, Independent Member of the Supervisory Board

Audit Committee

Tasks of the Audit Committee are to advise the Supervisory Board of PKN ORLEN on matters related to the proper implementation of budget and financial reporting rules and internal control within the Company and the ORLEN Group, as well as cooperation with the Company's qualified auditors. The Audit Committee meetings are held at least once per quarter, prior to each publication of the Company's financial statements.

Pursuant to the Rules of Procedure for the PKN ORLEN Supervisory Board, the majority of the Audit Committee members, including its Chair, should satisfy the independence criteria defined in the Company's Articles of Association, the Code of Best Practice and the Act on Statutory Auditors, Audit Firms, and Public Oversight. At least one member of the Audit Committee should have the expertise and competence in accounting or financial auditing. At least one member of the Audit Committee or individual members of the Committee should have the expertise and competence specific to the industry in which the Company operates. PKN ORLEN's Audit Committee performs all duties required under the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017.

In 2021, the Audit Committee held nine minuted meetings.

Also, permitted non-audit assurance services and related services were provided to PKN ORLEN and selected ORLEN Group companies in 2021 that had been contracted in compliance with the applicable procedure, i.e. each non-audit service had been preceded by an independence assessment and approved by the Audit Committee, including:

- assessment of the annual report on remuneration of the PKN ORLEN Management Board and Supervisory Board for 2019–2020;
- review of documents necessary for ORLEN Lietuva to recover funds from Public Service Obligation,
- audit of oil product packaging of ORLEN Deutschland GmbH,
- submission of Comfort Letters („CLs”) connected with establishing of the foreign eurobonds programme (“EMTN Programme”) and the first issue of eurobonds under the EMTN Programme, on which the Committee gave its consent in 2021;
- confirmation of calculation of the electricity use intensity (EUI) indicator for PKN ORLEN, Anwil S.A. and IKS Solino S.A.;
- review of a report on solvency and financial condition of ORLEN Insurance Limited;
- review of separate accounting performed by ORLEN Aviation Sp. z o.o. with regard to ground handling activities.

In 2021, the Audit Committee formulated a recommendation with respect to the appointment of an audit firm in accordance with the Supervisory Board-approved updated auditor selection policy and auditor selection procedure for audits and reviews of financial statements.

Corporate Governance Committee

The Corporate Governance Committee is responsible for assessing the implementation of corporate governance standards, providing the Supervisory Board with recommendations on the adoption of corporate governance standards, giving opinions on corporate governance documents, assessing reports on compliance with corporate governance standards drafted by the Warsaw Stock Exchange and statements of compliance with the best practices referred to in Art. 7.3.2 of the Act on State Property Management, giving opinions on proposed amendments to the Company's corporate documents and drafting such amendments for the Supervisory Board's own documents, monitoring Company management procedures in terms of their compliance with legal and regulatory requirements, including disclosure requirements of the capital market as well as compliance with the Core Values and Standards of Conduct of PKN ORLEN and corporate governance principles.

In 2021, the Corporate Governance Committee held five minuted meetings.

Strategy and Development Committee

Tasks of the Strategy and Development Committee are to provide opinions and submit recommendations to the Supervisory Board on proposed investments and divestments which may have a material impact on the Company's assets.

In 2021, the Strategy and Development Committee held five minuted meetings.

Nomination and Remuneration Committee

Tasks of the Nomination and Remuneration Committee are to help attain the Company's strategic goals by providing the Supervisory Board with opinions and proposals on how to shape the management structure, with regard to organisational solutions, remuneration schemes and selection of staff with the skills required to ensure the Company's success. Following amendment of the Public Offering Act, the Nomination and Remuneration Committee is also tasked with issuing opinions on remuneration reports prepared in accordance with statutory requirements and the remuneration policy in place at the Company.

The majority of the Nomination and Remuneration Committee members should be independent. Where the Nomination and Remuneration Committee is not composed of the majority of independent members of the Supervisory Board, the Committee is chaired by the Chair of the Supervisory Board. At least one member of the Nomination and Remuneration Committee should have knowledge of and experience in remuneration policy.

In 2021, the Nomination and Remuneration Committee held eight minuted meetings.

Corporate Social Responsibility Committee

The responsibilities of the CSR Committee include supervising the implementation of the CSR Strategy by the Company through periodic assessments of the Company's activities in this area, monitoring the Company's management with respect to compliance with the ORLEN Group's Code of Ethics, making recommendations to the Supervisory Board for the assessment of appropriateness of the Company's and the Group's sponsorship and donation spending, including the amount spent on these purposes, and approving annual reports on the Company's CSR initiatives.

In 2021, the Corporate Social Responsibility Committee held eight minuted meetings.

7.8. REMUNERATION POLICY (CODE OF BEST PRACTICE Section 6)

Remuneration for members of the Management Board at PKN ORLEN is determined by the Supervisory Board taking into account the relevant resolution of the General Meeting, in connection with the Act on the Rules of Remunerating Persons Who Direct Certain Companies, and recommendations of its Nomination and Remuneration Committee. The main components of the Management Board members' remuneration system include:

- monthly base salary (fixed remuneration),
- variable remuneration based on performance against management objectives,
- severance pay for contract termination by the Company,
- non-compete compensation.

The remuneration policy in place at PKN ORLEN supports the achievement of the Company's goals, including in particular a long-term increase of its shareholder value and stability of operations.

The Supervisory Board set the following six quantitative targets for all members of the Management Board for 2021:

- LIFO EBITDA of the Group;
- Net debt/EBITDA of the Group,
- Group's growth CAPEX, including development expenditure,
- Group's maintenance CAPEX,
- Group's general and personnel costs,
- Stock performance ratio: TSR of PKN ORLEN relative to the market;
- Accident rate: TRR of the Group and its external contractors;

and assigned relevant bonus thresholds to these targets. The Supervisory Board also set two qualitative targets for each member of the Management Board, associated with the Group's key challenges in a given year.

Additionally, in accordance with the resolutions of the PKN ORLEN General Meeting, the Supervisory Board set the following separate objectives, which must be met as a precondition to qualify for variable remuneration for 2021:

- compliance with the principles of remuneration for members of management and supervisory bodies in line with the Act across all Group companies,
- discharge of the obligations referred to in Art. 17-20, Art. 22 and Art. 23 of the Act on State Property Management of December 16th 2016 in the Company's subsidiaries within the meaning of Art. 4.3 of the Act on Competition and Consumer Protection of February 16th 2007.

Rules for awarding bonuses to key management personnel (including members of the Management Board)

The regulations on bonuses applicable to the PKN ORLEN Management Board, directors reporting directly to the Management Board, and other key positions within the Group have certain common features. Persons covered by these schemes are remunerated for their performance against individual targets set at the beginning of a bonus period by the Supervisory Board for the Management Board members and by the Management Board for key executive personnel. The bonus systems are consistent with the Company's Values, promote cooperation between particular employees, and motivate them to achieve the best possible results for the ORLEN Group. The targets are both qualitative and quantitative, and their performance is assessed after the end of the year for which they were assigned.

Remuneration of members of the Management Board and the Supervisory Board for serving on the Management or Supervisory Boards of subsidiaries, jointly controlled entities and associates

Members of the PKN ORLEN Management Board who in 2021 served on the Management or Supervisory Boards of subsidiaries, jointly controlled entities and associates of the ORLEN Group did not receive any remuneration for such service.

Diversity policy

In 2021, the Diversity Policy was adopted at PKN ORLEN S.A. by way of an internal regulation. The document formalises the Company's long-standing commitment to promoting the idea of diversity. By pursuing numerous diversity projects, the Company reaffirms its commitment to openness while recognising the inherent potential of diversity. However, there is no formal document governing diversity at the level of the PKN ORLEN Management Board and Supervisory Board. The Company presents the diversity indicators for the supervisory and management bodies within the Group on an annual basis.

At PKN ORLEN, matters related to diversity management are additionally governed by the following documents applicable at the Company:

- PKN ORLEN Work Rules,
- The ORLEN Group Code of Ethics;
- Collective Bargaining Agreement of PKN ORLEN,
- ORLEN Group Human Resources Management Policy,

- CSR Strategy for PKN ORLEN (where it pertains to development and diversity management),
- PKN ORLEN's Disability Employment Policy,
- Policy for Supporting Employees in Difficult Personal Circumstances;
- PKN ORLEN's well-being policy,
- Separate internal organisational document on the Family Friendly Employer programme.

Objectives of the diversity management include:

- equal treatment in employment and non-discrimination,
- respect for diversity,
- management of cultural differences,
- readiness to employ people facing social exclusion or threatened with marginalisation on the labour market, facilitating their employment in ORLEN Group Companies and thus increasing the employment rate of the people with disabilities,
- supporting employee initiatives related to labour equality practices,
- remuneration and bonus policy,
- standards of employment and remuneration of seconded workers, i.e. expats and inpats,
- adapting the workplace to the needs of employees (e.g. people with disabilities, breastfeeding mothers),
- supporting people in a difficult life situation,
- work-life balance programmes.

In addition, the diversity policy of PKN ORLEN is also implemented through:

- provision of training in diversity management,
- awareness raising campaign about disability in the workplace, including information and consultation meetings for employees of PKN ORLEN and other Group companies, and an expert consultation service, employee volunteering,
- considering diversity aspects in HR processes and tools (e.g. recruitment, training and development, remuneration) and in shaping the organisational culture,
- workshops for expats in cultural differences management,
- regularly surveying employees on job commitment and satisfaction,
- appointment of a team tasked with coordinating efforts to counteract workplace harassment and bullying (Anti-Harassment Committee appointed by the employer to consider grievances related to workplace harassment and bullying),
- appointment of the Ethics Officer for reporting breaches of the ORLEN Group Code of Ethics (also regarding discrimination, harassment and bullying),
- appointment of the Human Capital Committee to give opinions, approve/submit for approval by the PKN ORLEN Management Board and monitor the observance of the ORLEN Group Code of Ethics, and in particular to examine material breaches, take corrective actions, issue guidelines and consider important ethics-related issues.
- signing a declaration of cooperation between the State Fund for Rehabilitation of Persons with Disabilities and PKN ORLEN, which initiated activities aimed at employing people with disabilities in the Group.