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## Corporate governance statement

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# 8. Corporate governance statement

## 8.1. Corporate governance principles

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

Accordingly, any references below to the “Company” and “ORLEN” are meant to refer to the Company both prior to and after its effective renaming on 3 July 2023.

At ORLEN S.A., corporate governance is established and exercised primarily by its owners, i.e. Company shareholders convened at a General Meeting, and the Supervisory and Management Boards. This framework is anchored in a comprehensive set of laws and regulations, including the Commercial Companies Code<sup>1</sup>, the Public Offering Act<sup>2</sup>, MAR<sup>3</sup>, and the Minister of Finance’s Regulation on disclosure obligations<sup>4</sup>. It is further detailed in the Company’s constitution, compliant with this legislation and comprising the Articles of Association, Rules of Procedure for the General Meeting, Rules of Procedure for the Supervisory Board, Rules of Procedure for the Management Board, and other by-laws. These documents delineate the powers and responsibilities of the individual governing bodies as well as controlling the functions and operations of the organisation at large.

FIGURE 22

### ORLEN S.A.’s corporate governance framework



1) Commercial Companies Code of 15 September 2000 (consolidated text: Dz.U. of 2024, item 18).

2) Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (consolidated text: Dz.U. of 2022, item 2554, as amended).

3) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ EU L 173, 12 June 2014, p. 1, as amended).

4) Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz.U. of 2018, item 757).

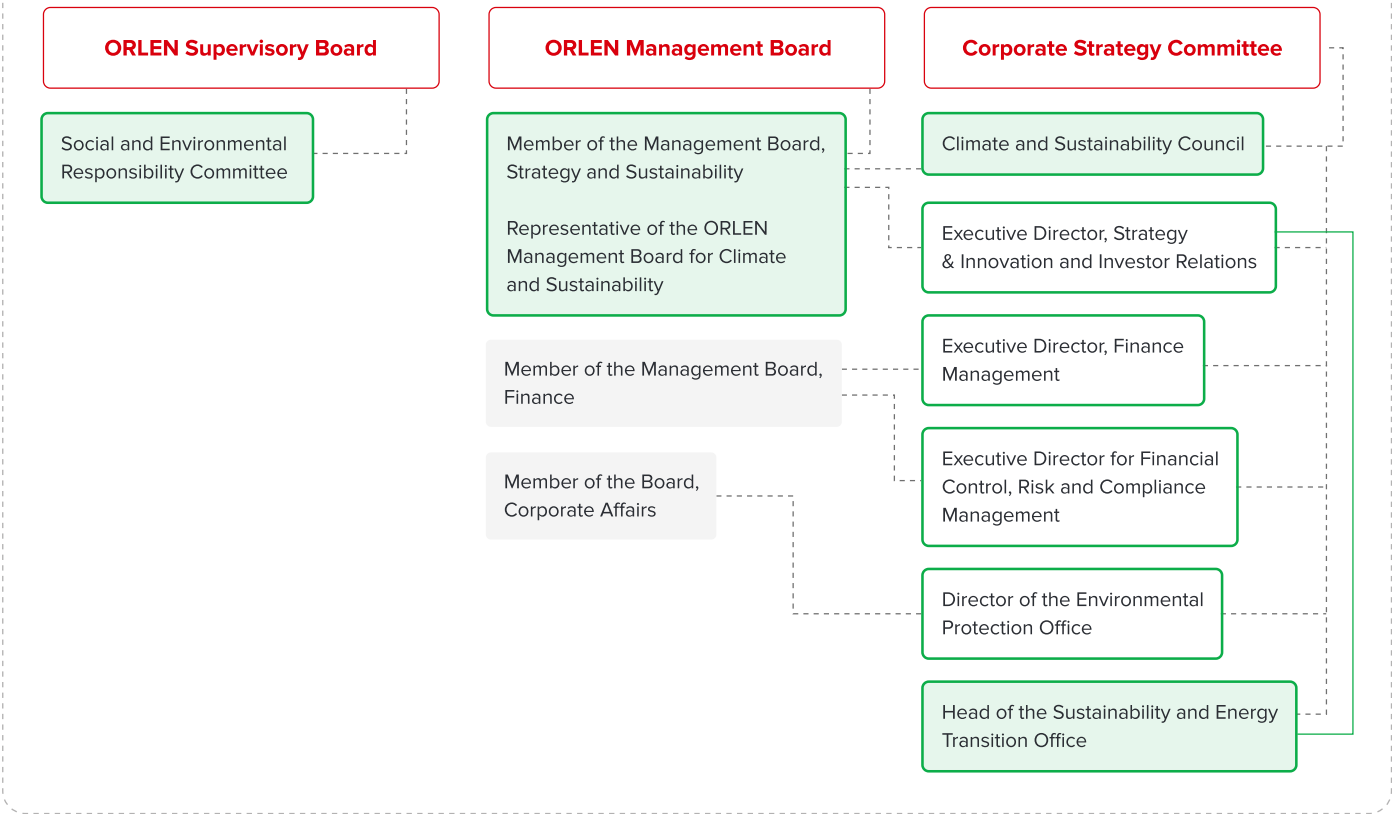


ESG considerations are a crucial element at every level of management. The management of risks and opportunities arising from climate change is the responsibility of President of the Management Board and Member of the Management Board for Strategy and

Sustainability, who acts as the Representative for Sustainability and Climate and chairs the Climate and Sustainability Council. The Climate and Sustainability Council reports directly to the Management Board through meetings of the Strategy Committee.

FIGURE 23

The governance framework of the ORLEN Group for sustainability and climate matters:



The Council's key responsibilities include the identification and monitoring of climate-related opportunities and risks, along with the analysis and reporting of climate impacts. This includes assessing their effect on financial results and position, as well as reviewing planned capital expenditure.



FIGURE 24

## Responsibilities of the Climate and Sustainability Council

## Identification and monitoring of climate-related risks and opportunities



Climate risks and opportunities in the short, medium and long term

Physical risks

Energy transition risks

Opportunities

## Analysis of climate-related risks and their impact on the ORLEN Group's financials



Climate-related risks and opportunities and their impact on

Financial position – assets, liabilities

Financial performance – revenue, expense

Financial planning for capex or M&amp;A projects

## Publication of scenarios analysing resilience of the ORLEN Group's strategy to climate change



Strategy resilience scenarios

IEA Net Zero Emissions Scenario by 2050 (in line with the Paris Agreement)

IPCC RCP 8.5 scenario (no reduction in emissions and no increase in global temperature)

## Approval of sustainability metrics for the ORLEN Group



Indicators and recommendations

Financial and non-financial KPIs for decarbonisation, water consumption and biodiversity

Recommendations for business areas

Being listed on the Warsaw Stock Exchange, ORLEN S.A. is required to comply with the corporate governance standards that it sets. "Best Practice for GPW Listed Companies 2021" ("Best Practice 2021") is the corporate governance code that is currently in effect for companies listed on the WSE Main Market. It was adopted by the WSE Supervisory Board pursuant to Resolution No. 13/1834/2021 on 29 March 2021 and has been in force since 1 July 2021. The code represents the latest iteration of the corporate governance standards that have applied to companies listed on the WSE Main Market since 2002. While its adoption is voluntary, issuers are required, under the WSE Rules, to disclose to capital market participants the extent and method of their compliance with Best Practice 2021.

Best Practice 2021 is available on the WSE website at <https://www.gpw.pl/dobre-praktyki> and in the ORLEN corporate website's shareholder and investor relations section at <https://www.orlen.pl/relacje-inwestorskie/o-spolce/lad-korporacyjny>. This section also contains the Company's up-to-date statement of compliance with the corporate governance principles defined in Best Practice 2021.

In accordance with the WSE Rules and following the 'comply or explain' approach as set out in the European Commission Recommendation on the quality of corporate governance reporting<sup>1</sup>, on 29 July 2021 ORLEN S.A. published its statement of compliance with Best Practice 2021.

In 2023, there were no incidental breaches of the Best Practice 2021 principles at the Company.

As at the issue date of this Report, ORLEN S.A. complied with substantially entire Best Practice 2021, with the exception of principles 2.1., 2.2., 2.11.6., and 4.1., which relate to diversity policy and holding electronic General Meetings).

**"Principle 2.1.** Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%."

**"Principle 2.2.** Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1."

<sup>1</sup>) European Commission Recommendation 2014/208/EU of 9 April 2014 on the quality of corporate governance reporting ('comply or explain') (OJ UE L 109, 12 April 2014, p. 43–47).



**“Principle 2.11.6.** In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.”

These three diversity policy-related principles are not complied with by ORLEN S.A. As at the authorisation date of this Report, the Company lacked a formal document that would set out diversity goals and criteria for its Management or Supervisory Board. Nevertheless, ORLEN has been methodically introducing a diversity policy for its employees over the long term, which was formalised in a consolidated document in 2021. This policy is expanded on within numerous internal employment rules and procedures.

As part of its diversity management efforts, the Company has defined objectives that cover:

- promoting equal employment opportunities with a strong focus on ensuring non-discrimination and respect for diversity;
- managing cultural differences;
- facilitating the employment of individuals prone to social exclusion or marginalisation in the labour market at ORLEN Group companies and thereby increasing the employment rate of people with disabilities;
- supporting employee-led equality initiatives;
- establishing a comprehensive and equitable remuneration and incentive policy;
- defining employment and compensation standards for seconded personnel, i.e. expatriates and inpatriates;
- tailoring work environments to meet the diverse employee needs, such as amenities for individuals with disabilities and breastfeeding mothers;
- offering support to people facing hardship;
- implementing work-life balance programmes.

The ORLEN Group’s Sustainable Development Strategy for 2024-2030 also outlines the organisation’s approach to responsible governance and related goals. Within the ‘Governance’ pillar of this strategy, the Company has committed to fostering diversity and inclusion.

In addition, on 14 December 2023 the Company signed a Diversity Charter, an international initiative under the patronage of the European Commission, present in 26 European Union member states. The Charter aims to promote equality and diversity management in the workplace.

By signing the Charter, ORLEN pledges to prohibit any form of discrimination in the workplace and to actively work towards creating and promoting diversity. It also demonstrates the Company’s willingness to engage all employees and partners in these endeavours.

The endorsement of the Diversity Charter by the Company confirms its unwavering commitment to embedding sustainable business practices across its organisation on a daily basis. In 2021, the ORLEN Group introduced the Diversity Policy mentioned earlier, a document that thoroughly outlines the Company’s approach to leveraging the diverse talents, skills, and personalities of its workforce. Recognising its role as a conscious and responsible employer, ORLEN has also put in place a well-being policy, which comprises a suite of measures dedicated to ensuring employee well-being. Moreover, the Company runs initiatives aimed at supporting individuals with disabilities, encourages employee volunteerism, and offers employees access to its dedicated Psychological Research and Support Centre. The ORLEN Group maintains a consistent ethical business framework, founded on the ORLEN Group Code of Ethics and overseen by the Ethics Officer. A new Human Rights Policy is also being currently implemented across Group companies.

Championing diversity and actively opposing all forms of discrimination are key priorities for the Company as it plans its future sustainable growth.

In selecting members of the Supervisory Board, the Company must ensure that the Audit Committee members satisfy the qualification standards under the Act on Statutory Auditors, Audit Firms, and Public Oversight<sup>3</sup>.

The Company also annually discloses comparable diversity metrics for its Management and Supervisory Boards. Neither the Supervisory Board nor the Management Board of the Company meets the Best Practice 2021 gender diversity requirement, whereby the minority group should have at least 30% representation on both these bodies.

1) Commercial Companies Code of 15 September 2000 (consolidated text: Dz.U. of 2024, item 18)

2) Act on State Property Management of 16 December 2016 (consolidated text: Dz.U. of 2024, item 125)

3) Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017 (consolidated text: Dz.U. of 2023, item 1015, as amended)



TABLE 79

Gender representation on ORLEN Group companies' management and supervisory boards as at year-end 2022 and 2023

Gender representation on ORLEN Group companies' management boards	ORLEN Group		ORLEN S.A.	
	2023	2022	2023	2022
Women	20%	16%	14%	14%
Men	80%	84%	86%	86%

Gender representation on ORLEN Group companies' supervisory boards	ORLEN Group		ORLEN S.A.	
	2023	2022	2023	2022
Women	31%	31%	35%	44%
Men	69%	69%	65%	56%

**"Principle 4.1.** Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed."

At present, the Company does not provide for an option to attend the General Meeting via means of electronic communication and therefore does not comply with the above principle of Best Practice 2021. 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 proposals were voted on and rejected by the Shareholders at the Annual General Meetings held on 29 June 2011 and 30 May 2012. As at the issue date of this Report, the Company did not receive any requests from Shareholders to hold a virtual or hybrid General Meeting.

In the Company's opinion, non-compliance with principle 4.1. does not affect the reliability of the Company's disclosure policy, nor does it hinder Shareholders' attendance at General Meetings. The Company broadcasts in real time and shares video recordings of General Meetings in the Investor Relations section of its corporate website at: <https://www.orlen.pl/pl/relacje-inwestorskie/akcje-i-obligacje/walne-zgromadzenie>. This section also contains all information relating to any planned and past General Meetings of ORLEN S.A.





## 8.2. Disclosure policy and communication with the capital market

The Company rigorously follows all the disclosure policy and investor communication principles under Section 1 of Best Practice 2021.

The Company publishes all information that it is legally required to disclose to the public in the Investor Relations section of its corporate website at: <https://www.orlen.pl/pl/relacje-inwestorskie>, ensuring that the information is always complete, accurate, and up to date.

The Company releases its periodic reports as soon as practicable after the close of each reporting period, within a timeframe that is adequate for preparing the consolidated financial statements of the entire ORLEN Group. If any one-off events are identified during the preparation of a periodic report, which may have a material effect on the financial performance for the period, they are promptly communicated by means of current reports. To further enhance the clarity of its financial data releases and facilitate their proper understanding, ORLEN S.A. holds earnings calls on the issue dates of its periodic reports, at which it addresses queries from shareholders, investors, stock market analysts, and journalists. To access the audio recordings of conference calls with analysts, you can go to <https://www.orlen.pl/pl/relacje-inwestorskie/raporty-i-publikacje/Telekonferencje>, and to access the video recordings of earnings calls, you can go to <https://www.orlen.pl/pl/relacje-inwestorskie/raporty-i-publikacje/wideokonferencje>.

ORLEN is committed to fostering strong relations with shareholders, institutional and retail investors, and analysts from brokerage firms and investment banks. It is an active participant in various conferences aimed at engaging capital market stakeholders as they offer an excellent platform to present the ORLEN Group's strategic plans and financial performance. In addition, to provide opportunity to discuss its business prospects in detail, the Company, upon request, holds individual meetings with representatives of institutional investors and stock market analysts as well as attending annual retail investor events. ORLEN also ensures that any queries from capital market participants about the Company's business are responded as soon as practicable but in any case within no longer than 14 days. For more information on the Company's engagement with the capital market, including its communication channels, see the figure below.

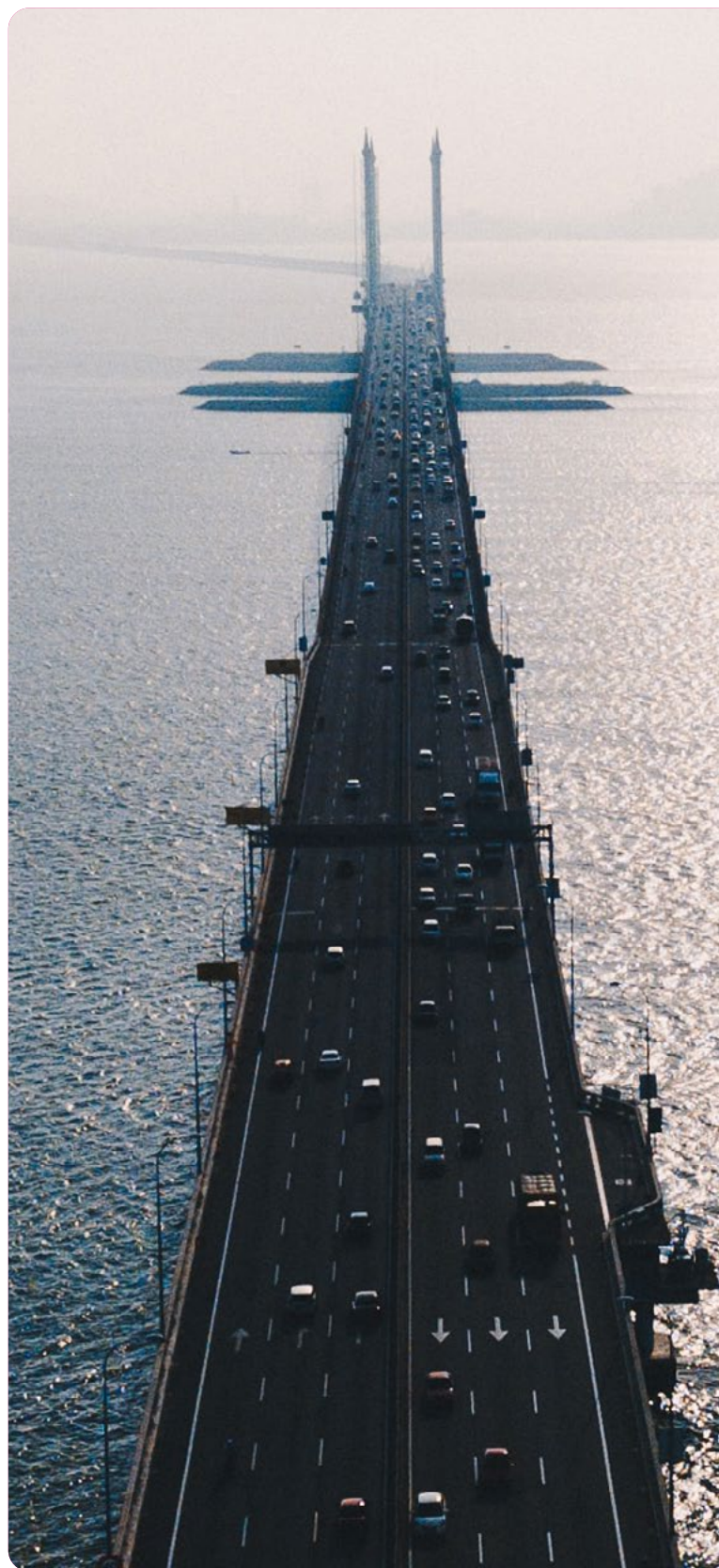




FIGURE 25

## ORLEN's communication channels with the capital market.



The Investor Relations section of the Company's corporate website, which provides financial and operating data on the Group's business as well as information about its macro environment.

<https://www.orlen.pl/pl/relacje-inwestorskie>



The 'ORLEN in Your Portfolio' programme website provides information about the loyalty scheme for shareholders, as well as a comprehensive knowledge base on the capital market and investing. The 'ORLEN in Your Portfolio' programme has attracted the participation of six brokerage houses and has garnered more than 22.5 thousand registered participants at year-end 2023, up 22% year on year. The ORLEN Investment Academy (see below) and the programme are intertwined, with their activities complementing each other.

<http://orlenwportfelu.pl/>



The ORLEN Investment Academy is a comprehensive educational programme dedicated to the functioning of the capital market. Under the patronage of CFA Society Poland, the programme offers participants access to attractive textbooks and self-study lectures prepared by experts from the Society. The Academy caters to both novice and experienced investors, with tailored courses culminating in an exam and the issuance of a certificate.

<https://www.orlenwportfelu.pl/zyskaj-wiedz%C4%99/>

The programme being now in its sixth year, the fifth ORLEN Investment Academy exam was conducted in 2023. Last year, the programme's educational portfolio was expanded to include the new 'Great Investors' series of short films dedicated to presenting the biographies of the most influential investors in history. Webinars were also hosted, featuring capital market experts. Moreover, the Company attended numerous retail investor conferences, including Wallstreet 27, the 7th edition of the Index Investment Challenge, CFA Society Poland, the ForFin 2023 Finance and Investment Forum, and the Financial Education Day. The Company also organised the 'Investing in times of uncertainty' roadshow and the Retail Investor Day in Gdańsk.

Facebook: <https://www.facebook.com/GrupaORLEN>

LinkedIn: <https://www.linkedin.com/company/pkn-orlen-s.a./?originalSubdomain=pl>

X: <https://twitter.com/GrupaORLEN>

YouTube: [https://www.youtube.com/@grupa\\_orlen](https://www.youtube.com/@grupa_orlen)

TikTok: <https://www.tiktok.com/@grupaorlen>

In an effort to maintain transparency and ensure equal access to information, the Company leverages social media channels (X, Facebook, LinkedIn, YouTube, and TikTok) to provide real-time updates on its activities. The Company also holds media conferences that are accessible to everyone and broadcast live with English translations. The conferences follow all major corporate events such as the release of quarterly results or strategy announcement.





**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.

**Investor and Analyst Days at ORLEN**

The Company regularly hosts workshops that focus on various aspects of its operations. These workshops are led by members of the Management Board, executive directors, and other selected managers at the Company's facilities and are open to capital market participants.

The Company's website also presents the Group's strategic vision, objectives, and plans. Delivery of this strategy is thoroughly discussed in the Directors' Reports on the ORLEN Group's operations and in the Group's integrated reports, both of which can be accessed through the ORLEN corporate website at <https://www.orklen.pl/pl/relacje-inwestorskie>. What is more, integral to the Company's strategic business planning are ESG considerations. In its 'Update of the ORLEN Group's Strategy to 2030', as published in February 2023, the Company committed to securing energy, fuel, and gas supplies from environment-friendly sources as the top priority for the ORLEN Group until 2030. On the path to this goal, the Group will primarily invest in renewable energy generation, hydrocarbon production, and green projects, including biogas and biofuels, as well as developing hydrogen technologies, modern petrochemical assets, and safe nuclear power generation capacities.

At <https://www.orklen.pl/pl/o-firmie/strategia-2030>, the Company offers insights into the ORLEN Group's Strategy until 2030, including its general framework, quantifiable long-term strategic targets, initiatives aimed at implementing it, and milestones in its delivery, which is tracked through a set of financial and non-financial indicators. The ORLEN Group is set to invest approximately PLN 320bn in strategic projects by the end of this decade. The new ORLEN Group will deliver LIFO-based EBITDA of more than PLN 400bn by the end of this decade, thanks to which it will be able to increase profit distribution based on an attractive and progressive dividend policy. Projects implemented under the strategy will also address global trends and challenges, mainly in such areas as energy security and climate change. Implementation of the ORLEN2030 strategy will bring us closer to achieving our long-term objective of becoming carbon neutral by 2050.

At the same time, the ORLEN Group's Sustainable Development Strategy for 2024-2030 outlines the organisation's approach to and goals for minimising climate impact, promoting environmental stewardship, enhancing working conditions, fostering local community engagement, and embracing responsible governance. A significant element of this strategy is the Just Transition Programme for local communities in transition-impacted areas. The ORLEN Group is the first energy company in Central Europe to have committed to achieving a net zero carbon footprint by 2050. The Group will reduce emissions in the refining, petrochemical, and upstream segments by 25% (relative to 2019 levels) by 2030. In addition, it will cut carbon intensity in the energy segment by 40%, and net carbon intensity for total energy sold by the ORLEN Group by as much as 15%. Built on five key pillars, i.e. Climate, Environment, Employees, Communities, and Governance, the strategy sets targets that align directly with the UN Sustainable Development Goals and the EU ESRS reporting standards. For more details, please visit: <https://www.orklen.pl/pl/zrownowazony-rozwoj/strategia-zrownowazonego-rozwoju>.

The Company discloses on its website the ORLEN Group's aggregate expenditure on supporting cultural initiatives, sports, charitable organisations, the media, NGOs, and trade unions. These disclosures are included in:

- annual expenses reports submitted to the Annual General Meeting (to access the 2022 report, please go to [https://www.orklen.pl/content/dam/internet/orklen/pl/pl/relacje-inwestorskie/akcje-i-obligacje/walne-zgromadzenie/dokumenty/21-06-2023/10\\_3\\_Sprawozdanie\\_z\\_wydatkow\\_%202022.pdf](https://www.orklen.pl/content/dam/internet/orklen/pl/pl/relacje-inwestorskie/akcje-i-obligacje/walne-zgromadzenie/dokumenty/21-06-2023/10_3_Sprawozdanie_z_wydatkow_%202022.pdf)coredownload.pdf

and

- annual sponsorship reports (to access the 2022 report, please go to <https://www.orklenteam.pl/raport-sponsoringowy/>).



## 8.3. Control, IMS internal audit, risk management and compliance system

The ORLEN Group's organisational structure includes internal control, risk management, compliance, and internal audit functions.

### 1. Internal audit

The audit function is performed by the Audit Office of ORLEN S.A. The activities of the internal audit function conform to the International Standards for Professional Internal Auditing as issued by the Institute of Internal Auditors (IIA). The internal audit function operates based on annual audit plans approved by the Management Board and adopted by the Audit Committee of the Supervisory Board and the Supervisory Board. It may also carry out ad hoc audits as ordered by the Supervisory Board or the Management Board. The internal audit function monitors implementation of their recommendations and prepares reports on its findings in this regard. All monitoring reports are submitted to the Management Board and the Audit Committee.

### 2. Internal control

The Control and Security Office of ORLEN S.A. conducts inspections and inquiries at ORLEN S.A. and other ORLEN Group companies. The Office assesses compliance by ORLEN S.A. and ORLEN Group employees with applicable laws and regulations and internal policies as well as countering any threats to the Group's interests. The Control and Security Office is responsible for segment oversight to the extent it falls within the purview of the internal control function across ORLEN Group companies.

### 3. Financial control

The Financial Control Office, which is part of the Financial Control, Risk Management and Compliance Area, carries out financial audits to identify and detect financial irregularities and fraud, applying the criteria of legal compliance, relevance, cost efficiency, reliability, efficiency and legitimacy. In accordance with ORLEN S.A.'s reporting lines, the financial control area reports directly to President of the Management Board, Chief Executive Officer of ORLEN S.A.

### 4. Risk management

The Corporate Risk Management Unit, which is part of the Financial Control, Risk Management and Compliance Area, coordinates the risk management process across the Group. The direct responsibility for risk management at individual ORLEN Group companies lies with their respective management boards and the coordinators they appoint. The Risk Management System is structured primarily around the Enterprise Risk Management Policy and Procedure.

### 5. Compliance

The role of the compliance system in place at ORLEN S.A. and other ORLEN Group companies is to supervise their compliance with applicable laws and regulations, internal rules and policies, and adopted standards of conduct. This involves implementation of legal and organisational measures to ensure compliance across ORLEN S.A.'s and other ORLEN Group companies' business processes.

The internal control, risk management, compliance, and internal audit functions submit to the Supervisory Board periodic reports on their performance to enable the latter to monitor their effectiveness.

The Company's system of internal control and risk management in the preparation of financial statements is enacted 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,
- providing ORLEN Group companies with accounting guidelines, including clarifications and interpretations of the ORLEN Group's accounting policies, and holding regular meetings with ORLEN Group companies to discuss the effective IFRS-compliance accounting guidelines and policies and thus to ensure their consistent application across the Group for the purposes of consolidated reporting;
- 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 ORLEN and the ORLEN Group;
- procedures to authorise, approve and issue opinions on financial statements before they are issued;
- an internal audit system operating within the Integrated Management System.



Economic events 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. ORLEN keeps its IT system up to date with the changing accounting policies and other legal requirements. 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 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 data sourced from reporting packages provided by individual ORLEN Group companies is consolidated. 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 ensuring 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 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 conducted by it Deloitte Audyt Spółka z ograniczoną odpowiedzialnością, Spółka komandytowa (the "Auditor") was appointed as a qualified auditor of ORLEN's financial statements for 2022–2024. On 25 September 2023, ORLEN S.A. and Deloitte Audyt sp. z o.o. sp.k. of Warsaw signed an agreement to terminate the agreement for audits and reviews of financial statements (the "Agreement") of 17 April 2019. The reason for the termination was the auditor's inability to continue to perform the Agreement following the issuance by the Polish Audit Oversight Agency of a decision to temporarily prohibit the auditor from providing services covered by the applicable Polish standards of professional financial auditing.

On 26 October 2023, the ORLEN S.A. Supervisory Board, acting in accordance with the emergency procedure adopted by the Audit Committee, selected MAZARS Audyt Sp. z o.o. to audit separate financial statements of ORLEN S.A. and consolidated financial statements of the ORLEN Group for the financial years 2023 and 2024. 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 whose powers and responsibilities are defined in the Act on Statutory Auditors, Audit Firms, and Public Oversight<sup>1</sup> and include:

- monitoring the preparation of the ORLEN Group's consolidated financial statements to ensure compliance with the Group's Accounting Policies 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 (including financial 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 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 ORLEN and the ORLEN Group.

The Company has developed and continues to enhance a certified Integrated Management System, which is based on several standards such as ISO 9001, AQAP 2110 for quality management, ISO 14001 for environmental management, ISO 45001 for occupational health and safety management, ISO 50001 for energy management, ISO/IEC 27001 for information security management, as well as ISCC EU and KZRINiG Biomass and Biofuels Certification System, Factory Production Control System (FPC), and Food Safety Management System (HACCP).

<sup>1</sup>) Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017 (consolidated text: Dz.U. of 2023, item 1015, as amended)



In 2023, ORLEN S.A. underwent periodic external verification/recertification, with eight audits conducted by duly accredited third parties, including BV Poland, UDT-CERT, PCBC, CCJ WAT, and ITWL.

ORLEN S.A.'s compliance system has a decentralised structure, where compliance risk is managed by directors reporting directly to Management Board members under the supervision of Executive Director for Financial Control, Risk Management and Compliance and, with respect to tax compliance risk, under the supervision of Head of Tax Office. The compliance framework for ORLEN S.A. is outlined in the ORLEN Group Compliance Policy and for other ORLEN Group companies – in the Organisational Standard for the Application of the ORLEN Group Compliance Policy at ORLEN Group Companies.

The Compliance Policy requires that all ORLEN S.A. functions submit ad-hoc regulatory reports within no longer than seven business days from learning of any potential or actual changes to the regulatory environment relevant to their operations. In 2023, a total of 89 such reports were received. Each function also consistently provided routine regulatory updates, which list all legal regulations applicable to the Company's activities within the purview of individual Directors reporting directly to the ORLEN S.A. Management Board. Executive Director for Financial Control, Risk Management and Compliance Area also regularly reports on the compliance management process to the Company's Management and Supervisory Boards.

Furthermore, the Compliance Policy defines ORLEN S.A.'s licence management rules and lobbying policy, both of which are key parts of the Company's compliance framework.





## 8.4. Shareholding structure

In accordance with the regulations governing the Polish capital market, ORLEN S.A. is notified exclusively of shareholdings representing 5% or more of the total voting rights at the Company's General Meeting. Pursuant to Article 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies<sup>1</sup>, anyone who reaches or exceeds a 5% share in the total voting rights at a public company's general meeting is required to immediately notify the Polish Financial Supervision Authority and the Company. As at the authorisation date of this Report, the Company received such notifications from two entities listed in the table below.

Each ORLEN share confers one vote at the Company's General Meeting, with no preference rights attached to any ORLEN shares.

The State Treasury is the largest shareholder in the Company, holding an approximately 49.90% of its share capital, which translates into an equivalent proportion of the total voting rights at the ORLEN General Meeting. With an around 5.76% equity interest in the Company and an identical share of the total voting rights at its General Meeting (as per data available as at the date of the last General Meeting), the next major shareholder is Nationale-Nederlanden Otwarty Fundusz Emerytalny.

Neither in 2023 nor as at the authorisation date of this Report were there any other entities identified as holding more than a 5% share in the total voting rights at the ORLEN General Meeting.

### Restrictions on transferability of shares

The Company's Articles of Association do not impose any restrictions on the transferability of 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.

TABLE 80

ORLEN S.A.'s shareholding structure as at 1 January 2023 and 31 December 2023

Shareholder	Number of shares and voting rights at General Meeting (as at 1 Jan 2023)	% of share capital and total voting rights at the General Meeting (as at 1 Jan 2023)	Number of shares and voting rights at the General Meeting (31 Dec 2023)	% of share capital and total voting rights at the General Meeting (as at 31 Dec 2023)
State Treasury	579,310,079*	49.90%	579,310,079	49.90%
Nationale-Nederlanden OFE	60,709,120**	5.23%	62,655,000***	5.40%
Other	520,922,850	44.87%	518,976,970	44.70%
<b>Total</b>	<b>1,160,942,049</b>	<b>100.00%</b>	<b>1,160,942,049</b>	<b>100.00%</b>

\* As per the notification received by ORLEN S.A. from the shareholder on 29 November 2022

\*\* As per information published by Nationale-Nederlanden Otwarty Fundusz Emerytalny on 2 January 2023

\*\*\* As per disclosures made for the purposes of the ORLEN Annual General Meeting held on 21 June 2023

TABLE 81

ORLEN S.A.'s shareholding structure as at the authorisation date of this Report

Shareholder	Number of shares and voting rights at General Meeting (as at the authorisation date of this Report)	% of share capital and total voting rights at the General Meeting (as at the authorisation date of this Report)
State Treasury	579,310,079	49.90%
Nationale-Nederlanden OFE	66,877,387****	5.76%
Other	514,754,583	44.34%
<b>Total</b>	<b>1,160,942,049</b>	<b>100.00%</b>

\*\*\*\* As per disclosures made for the purposes of the ORLEN Extraordinary General Meeting held on 6 February 2024

<sup>1</sup>) Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (consolidated text: Dz.U. of 2022, item 2554, as amended)





## 8.5. Exercising voting rights and shareholders' special control powers

Detailed rules for the exercise of special control powers and voting rights are laid down in ORLEN's Articles of Association. According to the provisions of the Articles of Association, one ORLEN share confers one vote 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). For the purposes of the Articles of Association, the exercise of voting rights by a subsidiary is deemed the exercise of such voting rights by its parent as defined in the laws referred to the Articles of Association, whereas the total number of voting rights held by a shareholder is the sum of the voting rights attached to the shares held by the shareholder and the voting rights which the shareholder would receive as a result of conversion of the depositary receipts held by the shareholder into shares.

Shareholders whose voting rights are aggregated or reduced are jointly referred to as a "Shareholder Grouping". The aggregation of voting rights consists in adding up all voting rights held by individual shareholders comprising a Grouping. The reduction of voting rights consists in decreasing the total number of voting rights held at the General Meeting by shareholders comprising a 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 are detailed 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. Also, one member of the 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 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 Solino S.A., and any 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.

ORLEN's Articles of Association further provide that the Company's principal business activities involve undertaking tasks aimed at enhancing Poland's energy security. Accordingly, the Articles of Association provide that:

- 1) In its capacity as a shareholder in the Company, the State Treasury has the right to request that the Company's Management Board report in detail on the tasks executed by the Company to contribute to Poland's energy security.
- 2) In its capacity as a shareholder in the Company, the State Treasury has the right to receive from the Company's Management Board, no later than within two months from the conclusion of the annual general meeting, information pertaining to:
  - a. implementation by the Company of any strategic investment projects or its involvement in any investment projects which are necessary to ensure Poland's energy security;
  - b. entry by the operator or owner of a distribution system or interconnector into an obligational relationship with a foreign entity for, or in connection with, the planning, review, construction, expansion or disposal of a transmission network, distribution network, interconnector or direct line as defined in the Energy Law where the present value of such infrastructure or, for new projects, including projects being planned, its estimated value exceeds the PLN equivalent of EUR 500,000;
  - c. entry by the operator or owner of a storage facility into an obligational relationship with a foreign entity for, or in connection with, the development, review, construction, expansion or disposal of storage facilities as defined in the Energy Law where the present value of such infrastructure or, for new projects, including projects being planned, its estimated value exceeds the PLN equivalent of EUR 500,000;



- d. entry by the owner of a generation or cogeneration unit into an obligational relationship with a foreign entity for, or in connection with, the development, review, construction, expansion or disposal of a generation or cogeneration unit as defined in the Energy Law where the present value of such infrastructure or, for new projects, including projects being planned, its estimated value exceeds the PLN equivalent of EUR 500,000; or
- e. entry into an obligational relationship with a foreign entity in relation to, or in connection with, hydrocarbon exploration, appraisal or production, within the meaning of the Polish Geological and Mining Law, if the value of the obligational relationship exceeds the PLN equivalent of EUR 5,000,000

- with the proviso that items a) - e) above shall not apply to information on credit agreements, maintenance services, including overhauls, geophysical, drilling, and well services, as well as services or deliveries related to the performance of such agreements or activities, and item 5) shall not apply to information on activities of a foreign subsidiary in connection with the execution of contracts and agreements related to the administration of the subsidiary's organisation in the ordinary course of its business, including employment contracts, use of assets where the related liabilities do not exceed EUR 5,000,000, or general and administrative expenses.

**3)** In its capacity as a shareholder in the Company, the State Treasury has the right to receive detailed information on decisions made by General Meetings of ORLEN's Subsidiaries or Associates, within 21 days from the conclusion of such General Meetings, if their agenda includes any of the matters enumerated in ORLEN's Articles of Association and have implications for Poland's energy security. However, this does not include information on credit facility agreements, maintenance services, including overhauls, geophysical, drilling or well services or projects, or any related services or deliveries. Additionally, this does not include information on any foreign Subsidiary's activities in connection with the execution of contracts or agreements related to the administration of the subsidiary's organisation in the ordinary course of its business, including employment contracts, use of assets where the related liabilities do not exceed EUR 5,000,000, or general and administrative expenses.

**4)** In addition, the entity authorised to exercise rights attached to the shares held by the State Treasury and the minister competent for energy matters are entitled to receive from the Company economic and financial analyses of the Company and its related companies acting as a distribution system operator or a storage system operator.

**5)** Notwithstanding the above, the energy minister, if requested by the Management Board of the Company and having received the opinion of the entity authorised to exercise rights attached to the shares held by the State Treasury shares, has the power to grant approval for:

- amendment of material provisions of existing contracts for natural gas imports to Poland and execution of new such contracts;
- implementation by the Company of a strategic investment project or the Company's participation in an investment project which may permanently or temporarily impair its economic efficiency but which is necessary to carry out a national energy security task in connection with:
  - ensuring continuity of natural gas supplies to customers and maintaining the required emergency natural gas stocks,
  - ensuring safe operation of gas networks,
  - balancing the gas market and managing the operations and capacity of energy facilities and equipment connected to the national gas grid,
  - natural gas production.

**6)** In its capacity as a shareholder in the Company, the State Treasury acknowledges the guidance of the Management Board of the Company in regard to appointing or dismissing the Company's representatives on the Management and Supervisory Boards of System Gazociągów Tranzytowych EuRoPol Gaz S.A.

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<sup>1</sup>;
- the Act on Control of Certain Investments<sup>2</sup>;
- the Act on State Property Management<sup>3</sup>.

<sup>1)</sup> Act on Special Rights Vested in the Minister Competent for State Assets and their Exercise in Certain Capital Companies or Groups Conducting Business Activities in the Electricity, Crude Oil and Gas Fuel Sectors, dated 18 March 2010 (consolidated text: Dz.U. of 2020, item 2173)

<sup>2)</sup> Act on Control of Certain Investments of 24 July 2015 (consolidated text: Dz.U. of 2023, item 415)

<sup>3)</sup> Act on State Property Management of 16 December 2016 (consolidated text: Dz.U. of 2024, item 125).



## 8.6. Amendments to Articles of Association

Any amendment to ORLEN's Articles of Association requires a resolution of the General Meeting and, to take effect, 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 restate the Articles of Association or make other editorial changes as set out in a resolution passed by the General Meeting.

In 2023, the General Meeting resolved to amend the Company's Articles of Association twice, on 22 March 2023 and 21 June 2023. All the amendments discussed below were entered in the National Court Register, and their entry was disclosed by the Company in relevant current reports.

On 22 March 2023, the Extraordinary General Meeting of the Company amended its Articles of Association in order to:

**1)** bring them in alignment with the amendments made to the Commercial Companies Code under the amendment act of 9 February 2022 (Dz. U. of 2022, item 807), which came into effect in October 2022. These amendments to the Articles of Association included:

- superseding the provisions concerning the conclusion of a parent/subsidiary agreement as defined in Art. 7 of the Commercial Companies Code with provisions concerning the conclusion of such agreement as is referred to in Article 4.1.4(f) of the Commercial Companies Code. The amendments to this respect have not changed the existing system of powers of the Company's governing bodies specified in the Company's Articles of Association; This change did not affect the existing division of powers and responsibilities between the Company's governing bodies under the Articles of Association;
- updating the definition of "Parent" under Article 1.4 of the Articles of Association in line with amended Article 4.1.4(f) of the Commercial Companies Code;
- expanding the General Meeting's powers under Article 7.7 of the Articles of Association to include the power to pass a resolution to set the aggregate cap on fees that the Company may pay to all advisers to the Supervisory Board over a financial year. This amendment followed from the addition of Article 382(1) to the Commercial Companies Code;
- changing the provisions governing the holding of Supervisory Board meetings, adoption of resolutions by the Supervisory Board, and the election of its Chair, Deputy Chair, and Secretary;
- expanding the Supervisory Board's powers with regard to the preparation by the Supervisory Board of an annual written report on its activities for the previous financial year and the submission of this report the General Meeting as required under Article 382 of the Commercial Companies Code;
- adding Article 9.11a to the Articles of Association, whereby the Management Board is required to provide certain information to the Supervisory Board without any notice therefrom as provided for in new Article 380(1) of the Commercial Companies Code.

**2)** reflect the consequences of the mergers effected by the Company in 2022. These integrations have transformed ORLEN into a major multi-utility provider whose offerings now feature product and service lines that the Company used to market on a much smaller scale or that were entirely absent from its portfolio. Accordingly, the definitions of "energy" and "ordinary course of business" under Article 1.4 and Article 8.11.6 of the Articles of Association, respectively, had to be updated.

**3)** expand the list of the Company's business activities under Article 2 of the Articles of Association to include 'retail sale via mail order houses or via Internet' and 'other retail sale not in stores, stalls or markets'.

**4)** streamline the operation of the Company's governing bodies and modify the Company's real property management protocols by introducing a new threshold triggering the need to secure the Supervisory Board's prior consent to disposal of a real property, without, however, changing the General Meeting's powers in this domain.

**5)** harmonise certain decision-making processes at the Company with regard to obtaining corporate consents to subscription, acquisition or disposal of shares in ORLEN Group companies which operate, under generally applicable laws, a natural gas distribution or storage system, including imposing the requirement that any consent to such disposal must define its terms and conditions.

On 22 March 2023, the Extraordinary General Meeting also unanimously resolved to restate the Company's Articles of Association, incorporating all the amendments thereto.

On 21 June 2023, the Annual General Meeting resolved to amend the Company's Articles of Association so as to change the Company's name from Polski Koncern Naftowy ORLEN S.A. to ORLEN S.A. Accordingly, since the entry of this amendment in the National Court Register on 3 July 2023, the Company has been trading as ORLEN S.A.



## 8.7. General Meeting

### Operation of the General Meeting

Proceedings and powers of ORLEN's General Meeting are set out in the Articles of Association and the Rules of Procedure for the General Meeting, which are available on ORLEN's website at: <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 ORLEN are held at the Company's registered office in Plock but may also be held in Warsaw.

ORLEN uses its best efforts to ensure that any proposed draft resolutions of the General Meeting, other than those of a procedural nature, contain a statement of reasons for their adoption unless such reasons are apparent from the supporting 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 statement of reasons for adopting the proposed resolution must be provided by the requesting shareholder(s). The Company's Management Board also uses its best efforts to ensure that shareholders provide adequate statements of reasons for any matters they propose to include in the General Meeting's agenda.

All materials to be presented at a General Meeting are available to shareholders on the corporate website at [www.orklen.pl](http://www.orklen.pl) starting from the date of the notice of 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 publishing a relevant notice on the Company's website and through 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 Article 399.2 to 399.4 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 ensures that every General Meeting is broadcast online and its proceedings are simultaneously interpreted into English. The Company has not provided for an option to attend General Meetings using electronic means enabling real-time two-way communication where shareholders could take the floor during the General Meeting from a location other than its venue. To date, the Company has not received any requests from Shareholders to hold a virtual or hybrid General Meeting. Accordingly, ORLEN has disclosed that it does not comply with principle 4.1 of Best Practice 2021. Non-compliance with this principle does not affect the reliability of the Company's disclosure policy, nor does it hinder Shareholders' attendance at 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 extraordinary obstacles arise that prevent its conduct or if it becomes manifestly moot. The cancellation or rescheduling of a General Meeting is effected by posting a relevant notice on the Company's website, which must contain a statement of reasons for such action and comply with all applicable legal requirements, including the Rules of Procedure for the General Meeting.

### Powers and responsibilities of the ORLEN 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 liability 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 Article 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;
- grant consent to entry into such agreement as is referred to in Article 4.1.4(f) of the Commercial Companies Code;
- pass a resolution to consent to subscription, acquisition or disposal of shares in Group companies which operate, under generally applicable laws, a natural gas distribution or storage system, subject to the condition that any consent to such disposal must define its terms and conditions;
- pass a resolution to set the aggregate cap on fees that the Company may pay to all advisers to the Supervisory Board over a financial year.

### Attendance at the ORLEN General Meeting

Eligible to attend the Company's General Meeting are exclusively persons that hold Company shares no later than sixteen days prior to the date of the General Meeting (record date).

Shareholders may communicate with the Company via its corporate website, using the dedicated contact form available at: <https://www.orlen.pl/pl/relacje-inwestorskie/kontakt/kontakt-dla-akcjonariuszy>, or via email sent to [walne.zgromadzenie@orlen.pl](mailto:walne.zgromadzenie@orlen.pl). These communication channels may be used especially to notify the Company of any electronic powers of proxy granted, including sending the power of proxy document (or a power of proxy revocation), and to submit requests and other documents to the Company, such as requests to place a particular matter on the agenda of the General Meeting or proposed draft resolutions, including statements of reasons for their adoption. The ORLEN corporate website's General Meeting section is a repository of useful information for Company shareholders, including the notices of any upcoming General Meetings, accompanied by relevant documents, and materials pertaining to past General Meetings, such as General Meetings resolutions and video recordings of General Meeting proceedings.

General Meetings are attended Management Board and Supervisory Board members who have adequate knowledge and expertise to address the matters to be discussed at the General Meeting and, if needed, answer related shareholder queries. The Annual General Meeting may also be attended by Management Board or Supervisory Board members whose mandates expired before its date but who served in the financial year which the Annual General Meeting is to approve the Directors' Report and financial statements for. It is the Management Board's responsibility to provide General Meeting attendees with information about the Company's financial performance 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 such other persons as may be invited by the body convening the General Meeting or allowed to enter the meeting room by Chair of the General Meeting. These invitees typically include qualified auditors, legal and financial advisers, and Company employees. Additionally, ORLEN allows the presence of media representatives at its General Meetings. The Management Board also ensures that each General Meeting is attended by an independent expert in commercial law.

Unless required otherwise by the Commercial Companies Code or the Company's Articles of Association, General Meeting passes resolutions by an absolute majority of votes. General Meetings are conducted in accordance with the Rules of Procedure for the General Meeting.

### General Meetings in 2023

In 2023, the Company held two General Meetings.

**On 22 March 2023, an Extraordinary General Meeting was held, which:**

- resolved to amend and restate the Company's Articles of Association;
- resolved to consent to the merger of the Company with LOTOS SPV 5 Spółka z ograniczoną odpowiedzialnością of Gdańsk (entry number in the National Court Register: KRS 0000896706) and to the Merger Plan.







On 21 June 2023, the Annual General Meeting was held, which:

- approved the Directors' Report on the operations of the Company and the ORLEN Group as well as the financial statements for 2022;
- granted discharge from liability to all members of the Company's Management and Supervisory Boards and members of the governing bodies of companies acquired by ORLEN in 2022, i.e. members of the governing bodies of Grupa LOTOS S.A. and Polskie Górnictwo Naftowe i Gazownictwo S.A., for their activities in 2022;
- distributed the net profit for the financial year 2022, of PLN 27,261,937,353.96, as follows:
  - PLN 6,385,181,269.50 was allocated to dividend payment (PLN 5.50 per share),
  - the balance, i.e. PLN 20,876,756,084.46, was allocated to the Company's statutory reserve funds;
- approved the Report of the Supervisory Board of ORLEN S.A. for the financial year 2022, including, without limitation, information on the operations of the ORLEN Group, the Supervisory Board and its committees, as well as such other information and assessments as are required under applicable laws and regulations and Best Practice for GPW Listed Companies 2021;
- endorsed the Report of the Supervisory Board of ORLEN S.A. on remuneration of members of the Management Board and the Supervisory Board for 2022;

- resolved to amend the Company's Articles of Association so as to change the Company's name from Polski Koncern Naftowy ORLEN S.A. to ORLEN S.A. and to restate the Articles of Association accordingly.

In addition, an Extraordinary General Meeting of ORLEN S.A. was held on 6 February 2024, which resolved to make changes in the composition of the Company's Supervisory Board (for more details, see Section 8.8.2). The Company shareholders also consented to the disposal of all shares in Gas Storage Poland of Dębogórze. They further consented to the disposal of certain real properties in the municipalities of Stara Biała and Płock through their contribution to ORLEN Olefiny, an ORLEN Group company, in payment for shares in its increased shared capital. They also resolved to consent to the disposal of an organised part of the Company's business to PGNiG Upstream Polska Sp. z o.o. through the contribution of that organised part of the Company's business to PGNiG Upstream Polska Sp. z o.o. in exchange for all new shares in the increased share capital thereof. Moreover, the General Meeting voted to consent to the subscription for shares in the increased share capital of Polska Spółka Gazownictwa sp. z o.o. of Tarnów in exchange for the contribution in kind of property, plant and equipment comprising transmission infrastructure, i.e. gas pipelines and related gas network assets, land, and perpetual usufruct titles to land.





## 8.8. Management and supervisory bodies

ORLEN's Supervisory Board, including its Committees, and Management Board operate in accordance with the Company's Articles of Association and the Rules of Procedure for the Supervisory Board or the Management Board, as appropriate, as well as generally applicable laws and regulations. They are also required to comply with the principles of corporate governance as set out by the Warsaw Stock Exchange.

The Company's diversity management does not include observing a specific gender diversity ratio. As at the authorisation date of this Report, neither the Supervisory Board nor the Management Board of the Company met the Best Practice 2021 gender diversity requirement, whereby the minority group should have at least 30% representation on both these bodies.

Pursuant to the Company's Articles of Association, the Supervisory Board assesses any external professional engagements of Management Board members and decides whether to consent to their serving on the supervisory or management bodies of other entities and being compensated for such service.

### 8.8.1. Management Board

TABLE 82

Composition of ORLEN Management Board as at 1 January and 31 December 2023

Full name	Position on ORLEN Management Board	Remit
Daniel Obajtek	<ul style="list-style-type: none"> <li>President of the Management Board, Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>Equity Investments, Human Resources, Oil and Gas Trading (from 9 May 2023), Office of Corporate Governance and Organisational Management, Control and Security, Audit, Financial Control, Legal, Public and International Relations, Merger Analysis and Support, Supply Chain Management (from 10 May 2023), Oil Trading (from 30 October 2023), and oversight of oil and gas procurement (from 10 May to 29 October 2023)</li> </ul>
Armen Konrad Artwich	<ul style="list-style-type: none"> <li>Member of the Management Board, Corporate Affairs</li> </ul>	<ul style="list-style-type: none"> <li>Administration, Environmental Protection, Corporate Group, Risk Management and Compliance Management, and Corporate Procurement (until 9 May 2023)</li> </ul>
Adam Burak	<ul style="list-style-type: none"> <li>Member of the Management Board, Communication and Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Communication, Marketing, Sports Marketing, Sponsorship, and Events</li> </ul>
Patrycja Klarecka	<ul style="list-style-type: none"> <li>Member of the Management Board, Retail Sales (until 29 May 2023)</li> <li>Member of the Management Board, Digital Transformation (from 30 May 2023)</li> </ul>	<ul style="list-style-type: none"> <li>IT, Digital Transformation (from 30 May 2023), Retail Sales (until 9 May 2023), Infrastructure and Information Security Supervision, and Public Relations</li> </ul>



<b>Michał Róg</b>	<ul style="list-style-type: none"> <li>Member of the Management Board, Wholesale and International Trade (until 29 May 2023)</li> <li>Member of the Management Board, Trading and Logistics (from 30 May 2023)</li> </ul>	<ul style="list-style-type: none"> <li>Refining Product Wholesale Trading, Petrochemical Trading, Retail Sales (from 10 May 2023), Logistics, Supply Chain Management (until 9 May 2023), and Electromobility (from 21 August 2023)</li> </ul>
<b>Jan Szewczak</b>	<ul style="list-style-type: none"> <li>Member of the Management Board, Finance</li> </ul>	<ul style="list-style-type: none"> <li>Business Controlling, Finance Management, Credit Risk and Insurance Management, Taxes, Procurement</li> </ul>
<b>Józef Węgrecki</b>	<ul style="list-style-type: none"> <li>Member of the Management Board, Operations</li> </ul>	<ul style="list-style-type: none"> <li>Power Generation, Water and Wastewater Management, Occupational Health and Safety, Hydrogen Technology, and Synthetic Fuels</li> </ul>
<b>Piotr Sabat</b>	<ul style="list-style-type: none"> <li>Member of the Management Board, Development</li> </ul>	<ul style="list-style-type: none"> <li>Capital Investments, Development and Technology (until 9 May 2023), Development (from 10 May 2023), and Technical Matters (until 9 May 2023)</li> </ul>
<b>Krzysztof Nowicki</b>	<ul style="list-style-type: none"> <li>Member of the Management Board, Production and Optimisation</li> </ul>	<ul style="list-style-type: none"> <li>Refining, Petrochemical Production, Technology and Efficiency (from 28 February 2023), Technical Matters (from 28 February 2023), Digitisation of Production, Process Safety (from 31 January 2023), and, jointly with Management Board Member for Development, oversight of the Olefin III Project (from 3 July to 19 September 2023)</li> </ul>
<b>Iwona Waksmundzka-Olejniczak</b>	<ul style="list-style-type: none"> <li>Member of the Management Board, Strategy and Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Strategy and Innovation, Investor Relations, Oil and Gas Trading (from 10 May to 29 October 2023), Gas Trading (from 30 October 2023), upstream operations outside Poland, and – in the capacity of Head of the PGNiG Central Branch in Warsaw – oversight of ORLEN S.A.'s PGNiG branches</li> </ul>
<b>Robert Perkowski</b>	<ul style="list-style-type: none"> <li>Member of the Management Board, Upstream</li> </ul>	<ul style="list-style-type: none"> <li>Upstream operations in Poland</li> </ul>

On 30 March 2023, the Minister of State Assets, acting as the entity authorised to exercise rights carried by Company shares held by the State Treasury, reappointed Daniel Obajtek as Member of the Management Board of a new joint term of office commencing on the date of the Annual General Meeting approving the Company's financial statements for the financial year 2022. Subsequently, the Supervisory Board designated Daniel Obajtek as President of the ORLEN S.A. Management Board for the new joint term of office.

On 27 April 2023, the Supervisory Board appointed the following persons to the Management Board:

- Armen Konrad Artwich as Member of the Management Board,
- Adam Burak as Member of the Management Board,
- Patrycja Klarecka as Member of the Management Board,
- Krzysztof Nowicki as Member of the Management Board,
- Robert Perkowski as Member of the Management Board,
- Michał Róg as Member of the Management Board,
- Piotr Sabat as Member of the Management Board,
- Jan Szewczak as Member of the Management Board,
- Iwona Waksmundzka-Olejniczak as Member of the Management Board, and
- Józef Węgrecki as Member of the Management Board,

for a joint three-year term of office beginning on the day following the expiry date of the then current joint term of office of the Company's Management Board, i.e. the date of the Annual General Meeting approving the Company's financial statements for 2022.

After the end of the financial year 2023 but prior to the issue date of this Report, the following changes were made in the composition of the Management Board:

- On 1 February 2024, upon reviewing a letter from Daniel Obajtek, President of the Management Board of ORLEN S.A., in which he declared that he 'offers his position for the Supervisory Board's consideration', the Supervisory Board resolved to remove Mr. Obajtek from the Management Board of ORLEN S.A., effective as of 5 February 2024.
- Michał Róg resigned as Member of the Company's Management Board on 2 February 2024, effective as of 5 February 2024.
- Patrycja Klarecka, Armen Artwich, and Jan Szewczak resigned as Members of the Company's Management Board on 5 February 2024, effective immediately



**4)** On 6 February 2024, the Minister of State Assets, acting on behalf of the shareholder State Treasury pursuant to Article 9.1.3 of the Company's Articles of Association, appointed Witold Literacki as Member of the ORLEN S.A. Management Board, effective immediately. The Supervisory Board simultaneously designated Mr. Literacki as acting President of the ORLEN S.A. Management Board, effective from the same date.

**5)** Moreover, at its meeting on 6 February 2024, the Supervisory Board resolved to remove from office the following ORLEN S.A. Management Board Members: Adam Burak, Krzysztof Nowicki, Robert Perkowski, Piotr Sabat, and Iwona Waksmundzka-Olejniczak.

**6)** The Supervisory Board further resolved to delegate, with effect from 7 February 2024, its Members: Kazimierz Mordaszewski, Tomasz Sójka, and Tomasz Zieliński, to temporarily act as Members of the Management Board until the earlier of appointment of new Management Board Members and the date falling three months after the effective date of the delegation.

**7)** On 9 February 2024, Tomasz Sójka resigned as Member of the Company's Supervisory Board, with effect as of 16 February 2024.

**8)** On 16 February 2024, the Supervisory Board resolved to delegate, with effect from 17 February 2024, Ireneusz Sitarski, Member of the Supervisory Board, to temporarily act as Member of the Management Board of ORLEN S.A. until the earlier of appointment of a new Management Board Member and the date falling three months after the effective date of the delegation.

On 14 February 2024, the ORLEN Supervisory Board commenced recruitment processes for the roles of President, Vice Presidents, and Members of the ORLEN Management Board.

The positions advertised on the Company's website included: President of the Management Board; Vice President of the Management Board, Finance; Vice President of the Management Board, Strategy and Sustainability; Member of the Management Board, Corporate Affairs; Member of the Management Board, Wholesale Trade and Logistics; Member of the Management Board, Upstream; Member of the Management Board, Retail Sales; Member of the Management Board, Production; and Member of the Management Board, Power Generation and Energy Transition.

The recruitment announcements for positions on the ORLEN Management Board also specified the conditions that candidates for each role had to meet. The detailed requirements for the individual positions, as well as application submissions instructions were posted on the Company's corporate website.

**9)** On 10 April 2024, the Company's Supervisory Board appointed Ireneusz Fafara as President of the ORLEN S.A. Management Board for a joint term of office, ending on the date of the Annual General Meeting approving the Company's financial statements for 2025. At the same meeting, the Supervisory Board entrusted Witold Literacki, appointed to the Management Board by the Minister of State Assets pursuant to Art. 9.1.3 of the Company's Articles of Association, with the position of Vice President of the Management Board for Corporate Affairs and First Deputy President of the Management Board, with effect from 11 April 2024.

Furthermore, the Supervisory Board decided to terminate with immediate effect the delegation of Ireneusz Sitarski, Member of the Supervisory Board, who temporarily acted as Member of the Management Board.

**10)** On 16 April 2024, the Supervisory Board appointed the following persons to the ORLEN Management Board, with effect from 1 May 2024:

- Magdalena Bartoś as Vice President of the Management Board, Finance,
- Robert Soszyński as Vice President of the Management Board, Strategy and Sustainability, and
- Wiesław Prugar as Member of the Management Board, Upstream,

for a joint term of office, ending on the date of the Annual General Meeting approving the Company's financial statements for 2025. At the same meeting, the Supervisory Board removed Józef Węgrecki as Member of the Management Board, with effect from 1 May 2024. For brief professional biographies of the newly appointed members of the Company's Management Board, including their educational backgrounds, qualifications, and careers, please refer to Current Report No. 26/2024 of 16 April 2024, which is available at:

<https://www.orlen.pl/pl/relacje-inwestorskie/raporty-i-publicacje/raporty-biezace/2024/02/Raport-biezacy-nr-26-2024>



TABLE 83

## Composition of the ORLEN Management Board as at the authorisation date of this Report

Full name	Position on ORLEN Management Board	Remit
Ireneusz Fąfara	<ul style="list-style-type: none"> <li>President of the Management Board</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources, Governing Bodies Support and Organisation Management Office, Audit, Public and International Relations, Merger Analysis and Support, Supply Chain Management, Business Controlling, Financial Management, Credit Risk Management, Insurance Management, Taxes, Group Office, Capital Investments, Development</li> </ul>
Witold Literacki	<ul style="list-style-type: none"> <li>Vice President of the Management Board, Corporate Affairs and First Deputy President of the Management Board</li> </ul>	<ul style="list-style-type: none"> <li>Refining Product Wholesale Trading, Petrochemical Trading, Retail Sales, Logistics, Electric Mobility, Oil Trading, Equity Investments, Strategy &amp; Innovation and Investor Relations, Gas Trading, Management of ORLEN S.A.'s PGNiG Branches, Corporate Communications, Marketing, Sponsorship</li> </ul>
Kazimierz Mordaszewski	<ul style="list-style-type: none"> <li>Member of the Supervisory Board temporarily delegated to act as Management Board Member</li> </ul>	<ul style="list-style-type: none"> <li>Digital Transformation, IT, Infrastructure and Information Security Supervision, Public Relations, Legal, Administration, Procurement, Control and Security</li> </ul>
Tomasz Zieliński	<ul style="list-style-type: none"> <li>Member of the Supervisory Board temporarily delegated to act as Management Board Member</li> </ul>	<ul style="list-style-type: none"> <li>Refining, Petrochemical Production, Technology and Efficiency, Technical Matters, Digitalisation of Production, Process Safety, Environmental Protection, Risk Management and Compliance</li> </ul>
Józef Węgrecki	<ul style="list-style-type: none"> <li>Member of the Management Board</li> </ul>	<ul style="list-style-type: none"> <li>Energy, Occupational Health and Safety, Water and Wastewater Management, Hydrogen Technologies and Synthetic Fuels</li> </ul>

To view the current division of power and responsibilities between Members of the ORLEN Management Board, please visit the Company's website at: <https://www.orklen.pl/pl/o-firmie/o-spolce/organy-i-struktura-spolki/obszary-odpowiedzialnosci>.





Composition of the Management Board and brief information on the educational backgrounds and professional experience of its Member as at the authorisation date of this Report:



**Ireneusz Fąfara,**

**President of the Management Board**

A seasoned fuel sector expert with extensive knowledge of energy transition-related challenges, Ireneusz Fąfara has led major companies and other large organisations, including managing multibillion-euro projects.

In 2010–2017, he worked for the ORLEN Group. As President of the Management Board of ORLEN Lietuva, he played a key role in transforming the Mažeikiai refinery to restore its profitability. His achievements include forging game-changing agreements and resolving protracted disputes concerning logistics, which led to ORLEN Lietuva significantly increasing exports. He has in-depth knowledge of the ORLEN Group's business and its operational dynamics.

Since the late 1990s, Mr. Fąfara has held senior executive positions at prominent public and private companies. He served on the Supervisory Boards of Rockbridge TFI (2018–2024; resigned upon appointment as President of the Management Board of ORLEN S.A.), PKO BP (2009–2010), LOTOS (2009–2010), Korporacja Ubezpieczeń Kredytów Eksportowych (2007–2009), Kompania Węglowa (2003–2005), the National Health Fund (2005–2008), and the Energy Market Agency (1997–1998).

He led Bank Gospodarstwa Krajowego as President of its Management Board (2007–2009) and was Vice President of the Management Board at the Polish Social Insurance Institution (1998–2007). Mr. Fąfara is an alumnus of the University of Economics in Kraków.



**Witold Literacki,**

**Vice President of the Management Board,  
Corporate Affairs and First Deputy President of the  
Management Board**

Witold Literacki graduated from the Faculty of Social Sciences at the University of Silesia in 1994. In 2006, he completed an MBA programme at the Lublin School of Business run in cooperation with the University of Central Lancashire, UK.

He is an expert in finance and taxes. For many years, his career has been closely linked to the fuel and energy industry. He has gained managerial experience in both foreign and Polish companies, including PKN ORLEN S.A.

In 2022–2023, Mr. Literacki served as Chief Financial Officer at PERN S.A., following his role as Chief Financial Officer at Warszawskie Zakłady Mechaniczne PZL-WZM w Warszawie S.A. from 2020 to 2022.

Before that, for 12 years until 2020, he headed the Tax Office at PKN ORLEN S.A. In 2007–2008, he served as Tax Manager at RWS Stoen S.A. His career also included the positions of Senior Tax Control Manager at Carrefour Polska Sp. z o.o. from 1999 to 2007 and consultant at Arthur Andersen Sp. z o.o. from 1997 to 1999. From 1990 to 1997, he worked as an inspector at the Tax Inspection Department of the Zabrze Tax Office.



**Kazimierz Mordaszewski,**

**Member of the Supervisory Board temporarily delegated to act as Management Board Member**

Kazimierz Mordaszewski is a seasoned lawyer, public official, diplomat, and manager with over 20 years of leadership experience. His extensive background reflects a diverse involvement in the justice system, security services, and public service in Poland, as well as in the EU and NATO, followed by roles in domestic and international business.

He has been engaged in the fuel sector and oil and gas markets, including addressing the challenges associated with the energy transition, since his several year-long stay in the Persian Gulf countries, members of OPEC. He participated in initiatives that led to the diversification of natural gas supplies to Poland, including projects related to the construction of the country's LNG terminal and negotiations with representatives of the Qatari gas industry regarding LNG delivery contracts.



**Tomasz Zieliński,**

**Member of the Supervisory Board temporarily delegated to act as Management Board Member**

Tomasz Zieliński holds a PhD in engineering from the Ignacy Mościcki Industrial Chemistry Research Institute in Warsaw, which he was awarded in 2003. In 2001, he graduated in chemical technologies from the Faculty of Civil Engineering, Mechanics, and Petrochemistry, Warsaw University of Technology's Płock Campus as well as completing a postgraduate programme in financial management and marketing at the same institution. In 2009, he attained a Master of Business Administration (MBA) from the University of Illinois at Urbana-Champaign in cooperation with the Lublin University of Technology. Additionally, he completed the Professional Development Program – Strategic Business Management at Harvard University Extension School and Strategies for Sustainability at the Stanford Center for Professional Development, Stanford University.

Since June 2013, Mr. Zieliński has been President of the Management Board of the Polish Chamber of Chemical Industry, Poland's leading chemical industry association active domestically and internationally.

The Chamber is the most influential organisation in the chemical sector, which comprises approximately 13,000 companies hiring a total of more than 343,000 people and accounting for nearly 19% of the Polish industry.

A valued chemical industry expert, for over 23 years he has served in senior managerial as well as research and academic positions, including at major chemical, refining and petrochemical companies in Poland and Central Europe (in 2004–2006, he was Head of the Office of Vice President of the Management Board, Production, Wholesale, and Logistics at ORLEN S.A.; in 2010–2013, he served as Member of the Management Board, Strategy and Operations at ANWIL S.A.; in 2012–2013, he led Chemeko sp. z o.o. as President of its Management Board; in 2009–2010, he was Vice President of the Management Board, Chief Strategy and Development Officer at Grupa Azoty Zakłady Chemiczne Police S.A.; in 2010, he chaired the Supervisory Board of Kemipol sp. z o.o.; in 2005, he led the R&D Team at ORLEN Unipetrol a.s. as part of its integration with the ORLEN Group; in 2011–2013, he was Chair of the Supervisory Board of Spolana s.r.o.).

For several years, Mr. Zieliński engaged in numerous strategic consulting projects, including for DGA S.A., AKJ Capital S.A., and Instytut Studiów Energetycznych sp. z o.o. He also held a teaching position at the Warsaw University of Technology and conducted research at the Ignacy Mościcki Industrial Chemistry Research Institute in Warsaw.

Previously, he also served on the board of Fertilizers Europe in Brussels, was a member of the Advisory Board to the World Refining Association, and acted as an expert for Parliamentary Working Groups on the Chemical Industry.

For more than ten years, he has represented the interests of the Polish chemical industry both nationally and internationally, sitting on the boards of numerous national and international business and industry associations. Since 2016, he has been a member of the National Association Board (NAB) of the European Chemical Industry Council in Brussels (CEFIC), where he represents the interests of seven countries in the Central Europe Cluster (Poland, Slovakia, Hungary, Czech Republic, Romania, Bulgaria and Croatia). He has also served on the Management Board and Steering Committee of the European Chemical Employers Group in Brussels (ECEG) for nearly ten years. He is a member of the Board of the Chemistry Committee at the Polish Academy of Sciences, member of the Council and the Committee on Climate and Energy Policy at the National Chamber of Commerce, and member of the Coordination Board for Hydrogen Economy at the Ministry of Climate and Environment. In addition, he sits on the boards of Łukasiewicz Network-affiliated research institutions, namely the Ignacy Mościcki Industrial Chemistry Research Institute and Łukasiewicz New Chemical Syntheses Institute in Puławy.

Mr. Zieliński is a member of the supervisory boards of various companies both in Poland and abroad. Moreover, he serves on the economic councils of many Polish universities of technology, agenda and scientific advisory councils, and industry associations, including being a long-standing member of the American Chemical Society. He is a co-inventor of patented industrial chemistry solutions and the author of numerous scientific and popular science publications and conference presentations.



**Józef Węgrecki,**

#### **Member of the Management Board, Operations**

Józef Węgrecki has served as Member of the ORLEN Management Board since 23 March 2018. His remit includes the oversight of the following areas: power generation, hydrogen technologies and synthetic fuels, water and wastewater management, and occupational health and safety.

From 5 February to 23 March 2018, in his capacity as Member of the Supervisory Board, he was temporarily delegated to act as Member of the 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 is a shareholder. In 1978–1990, Mr. Węgrecki worked at Zakład Remontowy Energetyki Kraków, where sat on the management board, also holding the position of Chief Technical Officer. Subsequently, in 1990–1993, he was Vice President of the Management Board of the employee-owned company REMAK Opole. From 1993 to 2017, he served as President and Member of the Management Board of Remak-Krak Sp. z o.o. In 2017, Mr. Węgrecki was appointed Vice President of the Management Board of Energa Wytwarzanie S.A., 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.

His professional interests include 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 of the Minister of Infrastructure for long service, an Honoris Gratia badge for charity and community service, and a Medal of the 100th Anniversary of Poland Regaining Independence.

## **Principles of the ORLEN Management Board**

Pursuant to the Company's Articles of Association, the Management Board consists of five to eleven members, including 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 ORLEN Management Board is appointed directly 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. The Supervisory Board has the right to remove such member. In accordance with the Articles of Association, Management Board members are appointed following a recruitment process designed to assess candidates' qualifications and identify the most suitable candidate for the role. Upon initiating the process to recruit a Management Board member, the Supervisory Board must establish specific recruitment terms and procedures. This includes setting the place and deadline for submitting applications, scheduling candidate interviews, defining interview topics, and detailing both the qualifications candidates must possess and how their qualifications will be evaluated.

The Company's Articles of Association, informed by the Act on State Property Management, specify the eligibility criteria for Management Board candidates.

Currently, a candidate for the Management Board must satisfy all the listed criteria:

- he/she has a university degree obtained in Poland or a university degree obtained abroad and recognised in Poland under applicable regulations;
- he/she has at least five years' experience working under a contract of employment, including a contract of employment with a cooperative as a member thereof, serving in a elected or appointed position, providing services under other agreement, and/or transacting business as a sole trader;
- he/she has at least three years' experience serving in managerial or independent positions or transacting business as a sole trader;
- he/she meets requirements under applicable laws and regulations, other than the requirements listed above; in particular, he/she is not in breach of any restrictions or prohibitions on serving on the management bodies of commercial-law companies.

The Articles of Association further provide that no person meeting any of the following criteria may be considered as a candidate to the Management Board:

- 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 a volunteer 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 on the party's behalf;



- 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 of interest with the Company.

The Supervisory Board may, for cause, suspend from duties President or any Vice President or member of the Management Board as well as the entire Management Board. If President of the Management Board is suspended from duties or removed from office, or his or her mandate otherwise expires before the end of the Management Board's term, until new President is appointed or incumbent President resumes his/her duties following suspension, all of President's powers, excluding the casting vote referred to in Article 9.5.2 of the Articles of Association, are exercised by a person appointed acting President of the Management Board pursuant to a Supervisory Board resolution.

Management Board members are appointed for a joint term of office expiring on the date of the Annual General Meeting that approves the financial statements for the second full financial year of the term.

The current term of office of the Management Board began on 22 June 2023 and ends on the date of the ORLEN General Meeting that will approve the Company's financial statements for the financial year 2025.

For detailed rules on convening Management Board meetings, please refer to the Rules of Procedure for the Management Board.

According to the Rules of Procedure for the Management Board, the Management Board members are required to notify the Supervisory Board of any conflict of interest which has arisen or may arise in connection with their position. 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 any underlying matters and request that a relevant note be made in the minutes of the Management Board meeting at which such decisions are made. In the case of doubt as to whether a conflict of interest exists, the Management Board is required to vote to resolve the matter. According to the Rules of Procedure for the Management Board, a conflict of interest means a situation where a decision made by a member of the Management Board may be influenced by his/her personal interests or those of his/her family member or close associate, i.e. his/her spouse, children, relatives or affines of up to the second degree, or any persons with whom the member has personal links.

## Powers and responsibilities of the ORLEN Management Board

All members of the Management Board are obliged and authorised to manage ORLEN's affairs. Decisions on any matters going beyond the ordinary course of business are subject to resolutions of the Management Board. A matter is considered to fall within the ordinary course of business if it is enumerated in Article 8.12.6(a) of the Company's Articles of Association. Such matters include activities 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 in energy (i.e. electricity, heat, property rights attached to certificates of origin for electricity or energy saving certificates, guarantees of origin of electricity, and capacity trading on the secondary market) and any other matters not expressly excluded under the Rules of Procedure for the Management Board.

The Extraordinary General Meeting held on 22 March 2023 introduced an amendment to the Company's Articles of Association, which significantly redefined the 'ordinary course of business' thereunder. In accordance with the amended Articles of Association, the ordinary course of the Company's business now also includes: provision of electricity grid ancillary services; handling switching by customers to a different electricity or heat supplier and provision, delivery and exercise of any related services, products and rights, including operating processes related to the supply, transmission and distribution of electricity or heat; certification of capacity market units, including for the purposes of participation in capacity auctions on the capacity market; trading in natural gas storage capacities and associated withdrawal and injection capacities; trading in natural gas transmission and distribution system capacities; trading in LNG regasification capacities; and hedging against movements in fuel and/or energy prices, transacting in CO<sub>2</sub> emission allowances, and entry into any financial instruments related to hedging against financial and/or commodity risks.

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 reserves otherwise.

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

- adopt or amend the Rules of Procedure for the Management Board;
- adopt or amend ORLEN's Organisational Rules and Regulations;
- adopt requests to be submitted to the Supervisory Board and/or to the General Meeting;
- convene the General Meetings and propose agendas therefor;
- adopt annual and long-term budgets and growth strategies for the Company;
- approve the implementation of an investment project and assumption of related liabilities if these involve expenditure or charges exceeding PLN 50,000,000;



- incur liabilities, dispose of property rights, and encumber in any way the Company's assets with a value exceeding PLN 50,000,000 (subject to exceptions);
- acquire or dispose of real property, including a perpetual usufruct title or other ownership interest in real property, or grant limited rights in rem to real property;
- dispose of, subscribe for, or encumber shares or other equity instruments in other entities, including shares admitted to public trading;
- effect issuance of securities by the Company;
- authorise the Company's and the ORLEN Group's financial statements;
- adopt or amend the employee remuneration scheme or to introduce or structure an incentive scheme;
- conclude, amend, or terminate a collective bargaining agreement in effect at the Company or other trade union agreements;
- establish the rules of granting and revoking powers of attorney;
- formulate the Company's donation policy;
- grant power of commercial proxy;
- establish the internal division of powers and responsibilities between members of the Management Board;
- set up establishments/offices in countries other than Poland;
- resolve other matters which at least one member of the Management Board requests to be put to vote;
- pay interim dividends.

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

- trading in crude oil or other hydrocarbon feedstock used to produce fuels in a refinery, excluding biocomponents and fuel additives, where the transaction volume exceeds 165,000 tonnes of crude oil or other hydrocarbon feedstock used to produce fuels in a refinery, excluding biocomponents and fuel additives;
- trading in natural gas or trading in natural gas transmission, distribution, or storage system capacities in Poland or abroad, or trading in natural gas storage capacities in Poland or abroad where the transaction volume exceeds 100 million Nm<sup>3</sup>;
- the acquisition of biocomponents and biofuels, including raw materials for the production of biocomponents and biofuels, where the transaction value exceeds PLN 200,000,000;
- trading in fuels as defined in the Company's Articles of Association, other than those referred to in Article 6.1–3 where the transaction value exceeds PLN 200,000,000;
- sale or purchase of refining products in international commercial transactions where the transaction volume exceeds 90 thousand tonnes, excluding heavy fuel oil;
- submitting a bid or proposal in a public procurement/contract award procedure (including participation in related contract negotiations) concerning wholesale trade in refining products or vehicle fleet fuel cards where the transaction value exceeds PLN 200,000,000;

- trading in energy, property rights attached to certificates of origin of electricity or energy efficiency certificates, guarantees of origin and documents confirming their issue, and related energy ranges, as well as provision of electricity grid ancillary services and handling any activities related to switching by customers to a different electricity supplier where the transaction volume exceeds 300 GWh;
- submitting a bid in a contract award procedure (including one conducted under the Public Procurement Law) concerning trading in (separately or jointly) energy or energy-related services or products (including participation in contract negotiations or other actual or legal transactions related to the contract) and handling any activities related to switching by customers to a different electricity supplier where the transaction volume exceeds 300 GWh.

The Management Board is required to provide the Supervisory Board with regular and comprehensive updates on all matters of importance related to ORLEN's business, associated risks, and risk management strategies. This includes providing the Supervisory Board with information on issues specified in Article 380(1) of the Commercial Companies Code. Accordingly, the Management Board submits to the Supervisory Board adequate periodic reports within such timeframes and in such manners as are specified by the Supervisory Board pursuant to its Rules of Procedure. Other information, documents, reports, and clarifications are provided to the Supervisory Board as soon as practicable but in any case no later than within two weeks from being requested unless the request specifies a longer time limit.

Furthermore, the Management Board must ensure that, for the purposes of fulfilling its responsibilities, the Supervisory Board has unrestricted access to any requested documents, reports, information, and clarifications on matters concerning the Company as well as to any information, reports, or clarifications concerning the Company's subsidiaries and affiliates, which are available to the Management Board.





## 8.8.2. Supervisory Board

TABLE 84

Composition of ORLEN Supervisory Board as at 1 January and 31 December 2023

Full name	Position on ORLEN Supervisory Board
Wojciech Jasiński	• Chair of the Supervisory Board
Andrzej Szumański	• Deputy Chair of the Supervisory Board, Independent Member of the Supervisory Board
Anna Wójcik	• Secretary of the Supervisory Board
Barbara Jarzembowska	• Independent Member of the Supervisory Board
Andrzej Kapała	• Independent Member of the Supervisory Board
Michał Klimaszewski	• Independent Member of the Supervisory Board (until 31 October 2023)
Roman Kusz	• Independent Member of the Supervisory Board
Jadwiga Lesisz	• Member of the Supervisory Board
Anna Sakowicz-Kacz	• Independent Member of the Supervisory Board
Janina Goss	• Independent Member of the Supervisory Board (appointed as of 11 January 2023 and removed as of 13 December 2023).

On 11 January 2023, Janina Goss was appointed to the Supervisory Board of ORLEN S.A. On 13 December 2023, the Minister of State Assets, acting on behalf of the shareholder State Treasury pursuant to Article 8.2.1 of the Company's Articles of Association, removed Ms. Goss from the ORLEN Supervisory Board.

On 20 October 2023, Michał Klimaszewski resigned from the ORLEN Supervisory Board, effective as of 31 October 2023.

After the end of the financial year 2023 but prior to the issue date of this Report, the following changes were made in the composition of the Supervisory Board:

**1)** On 25 January 2024, the Minister of State Assets, acting on behalf of the shareholder State Treasury pursuant to Article 8.2.1 of the Company's Articles of Association, appointed Wojciech Popiołek to the Supervisory Board of ORLEN S.A.

**2)** On 6 February 2024, the Minister of State Assets, acting on behalf of the shareholder State Treasury pursuant to Article 8.2.1 of the Company's Articles of Association, removed Wojciech Popiołek from the Supervisory Board of ORLEN S.A.

**3)** On 6 February 2024, the Extraordinary General Meeting of ORLEN S.A. resolved to remove from office the following Supervisory Board Members: Wojciech Jasiński, Anna Wójcik, Andrzej Kapała, Roman Kusz, Andrzej Szumański, Barbara Jarzembowska, Jadwiga Lesisz, and Anna Sakowicz-Kacz.

**4)** On 6 February 2024, the Extraordinary General Meeting of ORLEN S.A. appointed Wojciech Popiołek as Member of the Company's Supervisory Board, designating him as its Chair, with effect from 7 February 2024.

**5)** The Extraordinary General Meeting of ORLEN S.A. further resolved to appoint: Michał Gajdus, Ewa Gąsiorek, Katarzyna Łobos, Kazimierz Mordaszewski, Mikołaj Pietrzak, Ireneusz Sitarski, Tomasz Sójka, and Tomasz Zieliński as Members of the Company's Supervisory Board.

**6)** On 9 February 2024, Tomasz Sójka resigned as Member of the Company's Supervisory Board, with effect as of 16 February 2024.



TABLE 85

## Composition of the ORLEN Supervisory Board as at the authorisation date of this Report

Full name	Position on ORLEN Supervisory Board
Wojciech Popiołek	• Chair of the Supervisory Board, Independent Member of the Supervisory Board
Michał Gajdus	• Deputy Chair of the Supervisory Board, Independent Member of the Supervisory Board
Katarzyna Łobos	• Secretary of the Supervisory Board, Independent Member of the Supervisory Board
Ewa Gąsiorek	• Independent Member of the Supervisory Board
Kazimierz Mordaszewski	• Member of the Supervisory Board temporarily delegated to act as Management Board Member
Mikołaj Pietrzak	• Independent Member of the Supervisory Board
Ireneusz Sitarski	• Independent Member of the Supervisory Board
Tomasz Zieliński	• Member of the Supervisory Board temporarily delegated to act as Management Board Member

In 2023, the ORLEN Supervisory Board held 11 minuted meetings and passed 375 resolutions. The attendance of ORLEN Supervisory Board members at the meetings was 96%. All absences were authorised by the Supervisory Board. Throughout 2023, the Supervisory Board had seven independent members, while as at the authorisation date of this Report it had six. All members submitted representations concerning their satisfaction of the independence criteria and potential involvement in a business competing with that of the Company.

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, all of whom completed specialist courses and training programmes.

### Composition of the Supervisory Board and brief information on the educational backgrounds and professional experience of its Member as at the authorisation date of this Report:



#### Wojciech Popiołek,

#### Chair of the Supervisory Board, Independent Member of the Supervisory Board

Wojciech Popiołek is an alumnus of the Faculty of Law and Administration, University of Silesia in Katowice. In 1977, he successfully defended his doctoral thesis entitled "The Publishing Agreement in Private International Law". Between 1979 and 1980, he undertook an academic internship in France. He earned his habilitation in 1990 and was awarded full professorship in 2010.

From 2006 to 2019, he chaired the Department of Civil Law and International Private Law, University of Silesia in Katowice, where he has also been tenured since 2014. Professor Popiołek delivers lectures, conducts colloquia, and supervises seminars. He has overseen the preparation of numerous doctoral dissertations.



Moreover, he has frequently reviewed doctoral theses, post-doctoral habilitations, and full professorship applications.

Professor Popiołek has been a distinguished speaker at many domestic and international conferences focused on civil law, corporate law, and international private law. In addition, he has authored over one hundred and fifty academic publications. He has also prepared numerous legal opinions and reports for companies, public administration agencies, and judicial bodies.

His memberships include L'Association Henri Capitant, the European Law Association, and the Polish Association of International Private Law. In 2013–2018, he served on the Governing Council of UNIDROIT (2013–2018). He also sits on the editorial boards of specialist law reviews and periodicals such as *Rejent*, *Przegląd Prawa Handlowego*, and *Przegląd Ustawodawstwa Gospodarczego*.

Furthermore, Professor Popiołek is an arbitrator of the Court of Arbitration at the Polish Chamber of Commerce, where he also serves on the Arbitration Council. He practices as a legal counsel at Katowice-based ADP Popiołek, Adwokaci i Doradcy.



**Michał Gajdus,**

### **Deputy Chair of the Supervisory Board, Independent Member of the Supervisory Board**

Michał Gajdus is a graduate of the Faculty of Law and Administration, the University of Warsaw, where he also pursued doctoral studies in jurisprudence as well as teaching civil law, contract law, and intellectual property law. Mr. Gajdus also holds a bachelor's degree in International Relations from the University of Warsaw. After completing his legal training with the Warsaw District Bar Council, he passed the bar exam in 2017 and established his own legal practice in Warsaw.

He currently works for top international law firms in Poland and has been recognised in prestigious legal rankings, including IAM Patents 1000, Managing IP, and Legal500 in litigation and intellectual property categories.

Mr. Gajdus advises leading international and domestic companies across the energy, pharmaceutical, mining, insurance, financial, and telecommunications sectors. His expertise includes handling strategic disputes requiring economic and business acumen. He represents clients in high-value cases, with stakes amounting to tens of billions of Polish złoty, and advises on business risk, intellectual property strategy, and key investment decisions.

He has also represented Polish judges in rule-of-law cases before the European Court of Human Rights and argued cases concerning the independence of the Polish judiciary before the Court of Justice of the European Union.

Mr. Gajdus's commitment to the legal profession includes serving as Deputy Disciplinary Officer for the Warsaw Bar Association in 2021–2023 and as a member of committees of the Warsaw District Bar Council and the National Bar Council of Poland.



**Katarzyna Łobos,**

### **Secretary of the Supervisory Board, Independent Member of the Supervisory Board**

Katarzyna Łobos graduated from the Faculty of Law and Administration of the Maria Curie-Skłodowska University in Lublin as well as completing the Postgraduate Corporate Law Programme at the University of Warsaw's Faculty of Law and Administration. She holds a Ph.D. in law and is a licensed legal counsel.

Ms. Łobos has gained extensive experience in legal consulting and corporate legal counselling during her tenure at a prestigious law firm, where she led the Commercial Law Practice.

She is the author of legal opinions on civil, administrative, commercial, and company and partnership law matters. Serving as a Legal Adviser at Poland's National Audit Office, she was acting Deputy Director of the Legal and Audit Decisions Department. Her responsibilities included overseeing the audit process with respect to reviews of objections to post-audit notices by competent collective bodies and deciding panels of the reviews committee (preparing cases, participating in meetings, etc.). Additionally, as a member of the Audit Planning Group, she was involved in the development of strategic assumptions for the audit plan.



**Ewa Gąsiorek,**

### Independent Member of the Supervisory Board

Ewa Gąsiorek was awarded a PhD in finance in 2014 from the University of Economics in Katowice, where in 2007–2012 she pursued doctoral studies in economics and had previously graduated from the Faculty of Finance and Insurance with a master's degree in finance and accounting, majoring in finance and investment. In 2005, she completed a professional programme in management and marketing at the WSB University, and in 2006–2007 a postgraduate programme in financial control and internal audit for public finance sector entities at the University of Economics in Katowice.

Since 2011, Ms. Gąsiorek has served as Deputy Director for Implementation of the Province of Warsaw's Budget at the Budget and Finance Department of the Marshal's Office of the Province of Warsaw. Her responsibilities include overseeing implementation of the Province's budget, managing the budget accounting, accounting for income and expenses of the Province's unincorporated entities, and preparing the Province's budget reports and financial statements, including the consolidated balance sheet. She also handles the collection and enforcement of debts owed to the Province of Warsaw, including managing matters related to granting relief for liabilities under both public and civil law, conducts the Province's VAT and excise duty settlements, manages its banking affairs, including those of its individual organisational units, oversees the Province's financial liquidity management and the servicing of its debt, performs credit risk assessments, cooperates with domestic banks and international institutions in obtaining repayable financing (CEB, EIB), and prepares documentation necessary for the Province's credit rating by international rating agencies.

In 1997–2011, Ms. Gąsiorek worked at the Będzin Municipality Office, where her responsibilities included preparing the Municipality's annual budgets, securing repayable and non-repayable financing, and implementing EU-cofinanced projects under the Regional Operational Programme for the Province of Katowice, the Human Capital Operational Programme, and the Cohesion Fund.

Ms. Gąsiorek's academic achievements include publications on financial management, the efficiency of public spending, finance risks, and the qualitative assessment of budgeting. She was a member of the Polish Economic Society, Katowice Chapter.

In 2015–2020, Ms. Gąsiorek served on the Supervisory Board of Miejskie Przedsiębiorstwo Taksówkowe Sp. z o.o. of Warsaw, and in 2014–2015 on the Supervisory Board of Szpital Kolejowy im. dr. Roeflera Sp. z o.o. of Pruszków. Since 2020, she has been member of the Audit Committee of the Capital City of Warsaw.



**Kazimierz Mordaszewski,**

### Member of the Supervisory Board

Kazimierz Mordaszewski is a seasoned lawyer, public official, diplomat, and manager with over 20 years of leadership experience. His extensive background reflects a diverse involvement in the justice system, security services, and public service in Poland, as well as in the EU and NATO, followed by roles in domestic and international business.

He has been engaged in the fuel sector and oil and gas markets, including addressing the challenges associated with the energy transition, since his several year-long stay in the Persian Gulf countries, members of OPEC. He participated in initiatives that led to the diversification of natural gas supplies to Poland, including projects related to the construction of the country's LNG terminal and negotiations with representatives of the Qatari gas industry regarding LNG delivery contracts.



**Mikołaj Pietrzak,**

### Independent Member of the Supervisory Board

Mikołaj Pietrzak is an alumnus of the Faculty of Law and Administration, the University of Warsaw, as well as holding a Cambridge University Certificate in English and European Law. A member of the Warsaw Bar Association, he has served as Dean of the Warsaw District Bar Council since November 2016.

From 2010 to 2016, he chaired the Human Rights Committee of the National Bar Council of Poland. In 2016, he was appointed by the UN Secretary-General to the five-member Board of Trustees of the United Nations Voluntary Fund for Victims of Torture, which he subsequently chaired in 2018 and 2019.

He is a recipient of numerous awards for his civil society and human rights advocacy, including the Edward Wende Award and the CCBE Human Rights Award. He has also been honoured with the 'Meritorious Service' badge by the Bar Association.

He is a founding partner in Pietrzak Sidor & Wspólnicy. Mr. Pietrzak's practice is primarily focused on criminal law, in particular representing



clients in economic crime and corporate compliance cases. He also specialises in human rights and constitutional law. He has been recognised three times by the Rzeczpospolita daily as the best criminal defence lawyer for businesses as well as being ranked by Chambers Europe among the top Polish attorneys in corporate criminal law.

Mr. Pietrzak is a member of reputable international lawyer associations, including the European Criminal Bar Association, the US National Association of Criminal Defense Lawyers, and the Legal Experts Advisory Panel of Fair Trials International. In 2014, he joined London-based Doughty Street Chambers, having previously been a member of also London-based Perren Buildings Chambers. He represented Polish attorneys-at-law in the Council of Bars and Law Societies of Europe's (CCBE) Human Rights Committee and Permanent Delegation to the European Court of Human Rights. He is a member of the International Criminal Court Bar Association and was included in the list of eligible defence counsel at the Special Tribunal for Lebanon.

Mr. Pietrzak is a co-founder of the Prof. Zbigniew Hołda Association and coordinated the 'Human Rights and Settling Accounts with the Past' programme run by the Helsinki Foundation for Human Rights. He served on the Board of Social Advisers to the Human Rights Ombudsman and the Agenda Council of Amnesty International Poland.



**Ireneusz Sitarski,**

### **Independent Member of the Supervisory Board**

Ireneusz Sitarski, Independent Member of the Supervisory Board, temporarily delegated to act as Member of the Management Board from 17 February to 10 April 2024

Ireneusz Sitarski graduated with a master's degree in economics from the Faculty of Foreign Trade of the Central School for Economic Planning and Statistics in Warsaw (now the Warsaw School of Economics).

He is an economic adviser specialising in corporate finance, restructuring, and mergers and acquisitions. Over the long span of his career, Mr. Sitarski has carried out advisory projects, developed privatisation strategies, and prepared analyses and valuations for both public and private sector enterprises. He has managed projects to restructure distressed or non-performing loans at Polish banks. He led a company managing a National Investment Fund, executing restructuring projects and supervising and conducting business acquisition and disposal transactions.

Serving in the government administration as Undersecretary of State at the Ministry for the Privatisation and Restructuring of State-Owned

Assets (1994–1996) and the Ministry of State Treasury (2001–2003), Mr. Sitarski transformed enterprises wholly-owned by the state into companies in which the State Treasury is a shareholder, supervised their activities, and managed the sale of shares to strategic or financial investors across the fuel, energy, gas, banking, insurance, and lottery sectors.

The companies he helped manage include Warsaw Stock Exchange-listed NFI Foksal S.A. and Impexmetal S.A. At the latter, the parent company of a non-ferrous metal processing group, he coordinated and managed the trade policy as Member of the Management Board, Chief Commercial Officer.

Mr. Sitarski has extensive experience as a member and chair of supervisory boards of a range of companies, including Telekomunikacja Polska S.A., Giełda Papierów Wartościowych S.A., Polskie Towarzystwo Ubezpieczeń S.A., Bank Gospodarki Żywnościowej S.A., Dwory S.A., Huta Aluminium Konin S.A., and PESA Bydgoszcz S.A.

He ran in the 2018 elections for the Provincial Assembly of the Province of Warsaw and the 2019 European Parliament elections and Polish general elections.



**Tomasz Zieliński,**

### **Member of the Supervisory Board temporarily delegated to act as Management Board Member**

Tomasz Zieliński holds a PhD in engineering from the Ignacy Mościcki Industrial Chemistry Research Institute in Warsaw, which he was awarded in 2003. In 2001, he graduated in chemical technologies from the Faculty of Civil Engineering, Mechanics, and Petrochemistry, Warsaw University of Technology's Płock Campus as well as completing a postgraduate programme in financial management and marketing at the same institution. In 2009, he attained a Master of Business Administration (MBA) from the University of Illinois at Urbana-Champaign in cooperation with the Lublin University of Technology. Additionally, he completed the Professional Development Program – Strategic Business Management at Harvard University Extension School and Strategies for Sustainability at the Stanford Center for Professional Development, Stanford University.

Since June 2013, Mr. Zieliński has been President of the Management Board of the Polish Chamber of Chemical Industry, Poland's leading chemical industry association active domestically and internationally. The Chamber is the most influential organisation in the chemical sector, which comprises approximately 13,000 companies hiring a total of more than 343,000 people and accounting for nearly 19% of the Polish industry.





A valued chemical industry expert, for over 23 years he has served in senior managerial as well as research and academic positions, including at major chemical, refining and petrochemical companies in Poland and Central Europe (in 2004–2006, he was Head of the Office of Vice President of the Management Board, Production, Wholesale, and Logistics at ORLEN S.A.; in 2010–2013, he served as Member of the Management Board, Strategy and Operations at ANWIL S.A.; in 2012–2013, he led Chemeko sp. z o.o. as President of its Management Board; in 2009–2010, he was Vice President of the Management Board, Chief Strategy and Development Officer at Grupa Azoty Zakłady Chemiczne Police S.A.; in 2010, he chaired the Supervisory Board of Kemipol sp. z o.o.; in 2005, he led the R&D Team at ORLEN Unipetrol a.s. as part of its integration with the ORLEN Group; in 2011–2013, he was Chair of the Supervisory Board of Spolana s.r.o.).

For several years, Mr. Zieliński engaged in numerous strategic consulting projects, including for DGA S.A., AKJ Capital S.A., and Instytut Studiów Energetycznych sp. z o.o. He also held a teaching position at the Warsaw University of Technology and conducted research at the Ignacy Mościcki Industrial Chemistry Research Institute in Warsaw.

Previously, he also served on the board of Fertilizers Europe in Brussels, was a member of the Advisory Board to the World Refining Association, and acted as an expert for Parliamentary Working Groups on the Chemical Industry.

For more than ten years, he has represented the interests of the Polish chemical industry both nationally and internationally, sitting on the boards of numerous national and international business and industry associations. Since 2016, he has been a member of the National Association Board (NAB) of the European Chemical Industry Council in Brussels (CEFIC), where he represents the interests of seven countries in the Central Europe Cluster (Poland, Slovakia, Hungary, Czech Republic, Romania, Bulgaria and Croatia). He has also served on the Management Board and Steering Committee of the European Chemical Employers Group in Brussels (ECEG) for nearly ten years. He is a member of the Board of the Chemistry Committee at the Polish Academy of Sciences, member of the Council and the Committee on Climate and Energy Policy at the National Chamber of Commerce, and member of the Coordination Board for Hydrogen Economy at the Ministry of Climate and Environment. In addition, he sits on the boards of Łukasiewicz Network-affiliated research institutions, namely the Ignacy Mościcki Industrial Chemistry Research Institute and Łukasiewicz New Chemical Syntheses Institute in Puławy.

Mr. Zieliński is a member of the supervisory boards of various companies both in Poland and abroad. Moreover, he serves on the economic councils of many Polish universities of technology, agenda and scientific advisory councils, and industry associations, including being a long-standing member of the American Chemical Society. He is a co-inventor of patented industrial chemistry solutions and the author of numerous scientific and popular science publications and conference presentations.

## Operating procedures of the ORLEN Supervisory Board

Pursuant to the Company's Articles of Association, the Supervisory Board consists of six to fifteen members, including its Chair.

The Supervisory Board is appointed and removed as follows:

- 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;
- Other members of the Supervisory Board, including all members referred to in Article 8.5 of the Articles of Association (independent Supervisory Board members), are appointed and removed by the General Meeting.

The State Treasury's right to appoint a Supervisory Board member expires upon disposal by the State Treasury of its entire shareholding in the Company.

Members of the ORLEN Supervisory Board are appointed for a joint term of office expiring on the date of the Annual General Meeting that approves the financial statements for the second full financial year of the term. The current term of office of the Supervisory Board began on 25 June 2022 and ends on the date of the ORLEN General Meeting that will approve the Company's financial statements for the financial year 2024.

Both the entire Supervisory Board and its individual members may be removed at any time prior to expiry of their term of office.

Chair of the Supervisory Board is elected and removed by the General Meeting. The General Meeting may elect as Chair of the Supervisory Board the person appointed thereto pursuant to Article 8.2.1 of the Articles of Association. Deputy Chair and Secretary of the Supervisory Board are elected from among other Supervisory Board members and relieved of their positions by the Supervisory Board.

At least two Supervisory Board members must meet the independence criteria under ORLEN's Articles of Association.

Best Practice 2021 requires that at least two Supervisory Board members meet the independence criteria under the Act on Statutory Auditors, Audit Firms and Public Oversight and have no actual and material links to any shareholders holding 5% or more of the total voting rights at the Company.

Before being appointed to the Supervisory Board, independent members of the Supervisory Board must represent to the Company in writing that they meet the relevant criteria under the Articles of Association, the Act on Statutory Auditors, Audit Firms and Public Oversight, and Best Practice 2021. These representations are submitted the other Supervisory Board members and to the Management Board. A Supervisory Board member must immediately notify the other members of the Supervisory Board and the Management Board of any changes in circumstances relevant to his/her independence status. Upon such notice, the Supervisory Board, acting pursuant to its Rules of Procedure, examines whether any actual relationships or circumstances exist that could affect the Supervisory Board member's satisfaction of the independence criteria.



If a situation arises where a hitherto independent Supervisory Board member no longer satisfies the independence criteria, he/she must promptly notify the Company, and the Company must then disclose to its shareholders the current number of independent Supervisory Board members.

If the number of independent members of the Supervisory Board falls below two, the Management Board is required to promptly convene a General Meeting to change to the composition of the Supervisory Board.

Until such time as the number of independent members of the Supervisory Board is increased to meet the applicable requirement under the Articles of Association, the Supervisory Board may continue to operate as then composed, and the provisions of Article 8.9a of the Articles of Association (listing resolutions whose passage requires the votes of at least half of the independent Supervisory Board members) do not apply.

In accordance with the Rules of Procedure for the Supervisory Board, no Supervisory Board member should resign during the Board's term if this could prevent the Supervisory Board from discharging its responsibilities, in particular timely resolving on any material matters.

The Supervisory Board conducts its business in accordance with the relevant provisions of the Company's Articles of Association and the Rules of Procedure for the Supervisory Board, both of which are available online at the Company's corporate website at: <https://www.orklen.pl/pl/o-firmie/o-spolce/organy-i-struktura-spolki/dokumenty-korporacyjne>.

The passage of resolutions on any of the following matters:

- payment of any consideration by the Company or any related party thereof to members of the Management Board;
- granting consent to the execution by the Company of a material transaction, as defined in the Articles of Association, with its Related Party, taking into consideration the applicable exemptions and other detailed rules as specified in Chapter 4b of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, and granting consent to the execution by the Company or a subsidiary thereof of an agreement with a Supervisory Board or Management Board member, excluding any agreements commonly concluded on minor daily life matters
- appointment of an auditor to audit the Company's financial statements;

requires votes in favour from at least half of the independent members of the Supervisory Board. This is, however, without prejudice to the application of Article 15.1 and 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 ORLEN Supervisory Board

The ORLEN Supervisory Board conducts continuous oversight of the Company's operations, in all areas 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 by-laws effective 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 the 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;
- an 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;
- an assessment of the appropriateness of the Company's and the Group's sponsorship and donation spending, including the amount spent on these purposes;
- a 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);
- an assessment of the Management Board's fulfilment of the requirement to report certain information to the Supervisory Board in compliance with the relevant provisions of the Commercial Companies Code, as well as an assessment of the manner in which the Management Board prepared or submitted information, documents, reports, or clarifications requested by the Supervisory Board;
- information on the total remuneration paid by the Company for all expert studies and analyses commissioned by the Supervisory Board during the financial year.



Under the Company's Articles of Association, the Supervisory Board's powers and responsibilities include in particular:

- 1)** subject to other pertinent provisions of the Articles of Association – appointing and removing President, Vice Presidents and other members of the Management Board;
- 2)** representing the Company in agreements and contracts concluded with Management Board members, including with respect to the terms and conditions of their employment;
- 3)** suspending, for a good cause, any or all Management Board members from their duties, as well as delegating Supervisory Board members to temporarily stand in for Management Board members who are unable to perform their duties;
- 4)** approving the Rules of Procedure for the Management Board;
- 5)** appointing an audit firm to audit or review the financial statements of the Company and the consolidated financial statements of the Group;
- 6)** assessing the Company's separate and consolidated financial statements, the Directors' Report on ORLEN S.A.'s and the ORLEN Group's operations, and the Management Board's proposals concerning allocation of profit or coverage of loss, and presenting written annual reports on findings of such assessments to the General Meeting;
- 7)** providing opinions on all matters to be submitted by the Management Board for consideration to the Annual or Extraordinary General Meeting;
- 8)** granting consent for members of the Management Board to serve, and receive remuneration for serving, on supervisory or management bodies of other entities;
- 9)** granting consent to the implementation of an investment project and to assuming related liabilities if these involve expenditure or charges exceeding the equivalent of a half of the Company's share capital;
- 10)** defining the scope, required level of detail, and dates of submission by the Management Board of annual and long-term budgets as well as growth strategies for the Company;
- 11)** approving growth strategies and long-term budgets for the Company;
- 12)** providing opinions on annual budgets;
- 13)** granting consent, at the Management Board's request, to the disposal of real property or a perpetual usufruct title to or other interest in real property, with a net carrying amount exceeding PLN 2,000,000;

**14)** granting consent, at the Management Board's request, to the acquisition of real property or a perpetual usufruct title to or other interest in real property whose net acquisition price exceeds one-fortieth of the Company's share capital;

**15)** approving the report on entertainment expenses, legal expenses, marketing expenses, public relations and social communication expenses, and management consultancy fees;

**16)** granting consent to the repurchase by the Company of Company shares with a view to preventing serious damage as referred to in Art. 362.1.1 of the Commercial Companies Code, imminently threatening the Company;

**17)** appointing acting President of the Management Board if President of the Management Board has been suspended from duties or his or her mandate has expired before the end of his or her tenure.

The Supervisory Board is further required to:

- approve any material related-party transactions within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies;
- perform periodic reviews of material arm's-length transactions entered into by ORLEN S.A. in the ordinary course of business 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 – assess the need for prior consultation with a third party to independently estimate the value of the transaction and analyse its economic impact;
- 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 – draw up an opinion on the business viability of the transaction and assess the need for prior consultation with a third party to independently estimate the value of the transaction and analyse its economic impact;
- approve the detailed rules and procedure for disposal of non-current assets;
- provide opinions on the Management Board's recommendations for appointment or removal of the Company's representatives on the Management and Supervisory Boards of System Gazociągów Tranzytowych EuRoPol GAZ S.A. and submits such recommendations for approval to the State Treasury in its capacity as a shareholder in the Company;
- provide opinions on the exercise by the Company of its voting rights at the General Meeting of System Gazociągów Tranzytowych EuRoPol GAZ S.A.



Under the Company's Articles of Association, the Management Board is required to secure the Supervisory Board's prior consent for any the following actions:

- 1)** disposal of any intangible assets, items of property, plant and equipment or long-term investments which are non-current assets as defined in the Accounting Act, including through their contribution to a company or cooperative, if the market value of such assets exceeds PLN 100,000,000 or 5% of total assets, within the meaning of the Accounting Act, as reported in the most recent financial statements received by the General Meeting, as well as entering into a legal transaction to grant another entity the right to use such assets for a period longer than 180 days in a calendar year if the market value of the assets covered by such legal transaction exceeds PLN 100,000,000 or 5% of total assets;
- 2)** acquisition of non-current assets as defined in the Accounting Act with a value exceeding PLN 100,000,000 or 5% of total assets, within the meaning of the Accounting Act, as reported in the most recent financial statements received by the General Meeting;
- 3)** acquisition, subscription or disposal of shares in companies or holding by the Company of other equity interests in other entities, subject to the condition that the Supervisory Board may waive the requirement to seek its prior consent for certain transactions of this kind by specifying the maximum amount of and defining the terms and procedure for the execution of a transaction for which such consent is not required;
- 4)** formation of an establishment abroad;
- 5)** disposal or encumbrance of any shares in Naftoport Sp. z o.o., Inowrocławskie Kopalnie Soli Solino S.A., and any company to be established to engage in the pipeline transport of liquid fuels;
- 6)** assumption of any other liability whose amount, whether as a result of a single legal transaction or a series of related legal transactions executed during one financial year, exceeds the equivalent of one-fifth of the Company's share capital, subject to exemptions specified in the Company's Articles of Association;
- 7)** equity investments and investments in property, plant and equipment carried out by the Company on foreign markets, with a value exceeding one-twentieth of the Company's share capital;
- 8)** exercise by the Company of voting rights at the general meeting of companies specified in the Company's Articles of Association;
- 9)** conclusion of an agreement for legal services, marketing services, public relations and communication services, and management consultancy services, if the total expected fees for providing services under such agreement or under other agreements concluded with the same entity exceed PLN 500,000.00, VAT exclusive, per year;
- 10)** amendments to agreements for legal services, marketing services, public relations and communication services, and management consultancy services, which increase the amount of fees above the amount specified in item 9;

**11)** conclusion of an agreement for legal services, marketing services, public relations and communication services, and management consultancy services, which does not specify the maximum amount of fees payable thereunder;

**12)** conclusion of a donation agreement or any other agreement having a similar effect, with a value exceeding PLN 20,000 or 0.1% of total assets, within the meaning of the Accounting Act, as reported in the most recent financial statements received by the General Meeting;

**13)** conclusion of a debt cancellation agreement or any other agreement having a similar effect, with a value exceeding PLN 50,000 or 0.1% of total assets, within the meaning of the Accounting Act, as reported in the most recent financial statements received by the General Meeting;

**14)** payment of interim dividend.

Pursuant to Section 8 of its Rules of Procedure, the Supervisory Board, for the purposes of discharging its duties, has the power to examine all documents of the Company, request reports, documents, and clarifications concerning the Company, in particular its business or assets, and review the Company's assets. In exercising this power, the Supervisory Board may request information not only from the Management Board but also from commercial proxies and any regular employees or associates of the Company, whether engaged under a contract of employment or otherwise. The Supervisory Board's request may extend to information, reports, or clarifications related to the Company's subsidiaries and affiliates, which are in possession of the Management Board or such individuals as are mentioned above.

In order to ensure 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.

As per the recently amended Commercial Companies Code, the Supervisory Board is authorised to engage an adviser to investigate specific issues related to the Company's business and/or assets or to prepare an analysis or expert opinion. The Company's General Meeting may resolve to set an aggregate cap on fees that the Company may pay to all advisers to the Supervisory Board over a financial year.

Pursuant to Sections 27.1 and 27.2 of the Rules of Procedure for the ORLEN Supervisory Board, a Supervisory Board member must 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 this fact be recorded in the minutes of the Supervisory Board meeting. No breach of these provisions may, however, render a Supervisory Board resolution invalid. In the case of doubt as to whether a conflict of interest exists, the Supervisory Board is required to vote to resolve the matter.



### 8.8.3. Committees of the Supervisory Board

The ORLEN Supervisory Board 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:

- the Audit Committee;
- the Strategy and Development Committee,
- the Nomination and Remuneration Committee,
- the Corporate Governance Committee;
- the Social and Environmental Responsibility Committee (previously the Corporate Social Responsibility Committee; renamed on 25 May 2023);
- the Sports Sponsorship Committee (established on 27 January 2023);
- the Security Committee (established on 11 July 2023).

Each Committee is appointed by the Supervisory Board from among its members. Committees vote to elect their Chairs from among their members and are composed of at least three members each.

The first meeting of a Committee is convened by Chair of the Supervisory Board or a Supervisory Board member designated by the former. Committees' business is managed by their respective Chairs, whose responsibilities include oversight of the preparation of the Committees' agendas, the distribution of necessary documents to Committee members, and the minuting of Committee meetings. In fulfilling these responsibilities, Committee Chairs are assisted by the Supervisory Board Support Team.

### Composition of ORLEN Supervisory Board Committees

TABLE 86

Composition of ORLEN Supervisory Board Committees as at 1 January and 31 December 2023

Full name	Position held on ORLEN Supervisory Board Committee
<b>Audit Committee</b>	
Andrzej Kapała	• Committee Chair, Independent Member of the Supervisory Board
Barbara Jarzembowska	• Committee Member, Independent Member of the Supervisory Board
Jadwiga Lesisz	• Committee Member
Michał Klimaszewski	• Committee Member until 31 October 2023, Independent Member of the Supervisory Board
Janina Goss	• Committee Member from 27 January to 13 December 2023, Independent Member of the Supervisory Board
<b>Strategy and Development Committee</b>	
Michał Klimaszewski	• Committee Chair until 31 October 2023, Independent Member of the Supervisory Board
Wojciech Jasiński	• Committee Member
Andrzej Kapała	• Committee Member, Independent Member of the Supervisory Board
Anna Sakowicz-Kacz	• Committee Member, Committee Chair as of 23 November 2023, Independent Member of the Supervisory Board





## Nomination and Remuneration Committee

Wojciech Jasiński	• Committee Chair
Andrzej Szumański	• Committee Member, Independent Member of the Supervisory Board
Anna Sakowicz-Kacz	• Committee Member, Independent Member of the Supervisory Board
Michał Klimaszewski	• Committee Member until 31 October 2023, Independent Member of the Supervisory Board
Anna Wójcik	• Committee Member

## Corporate Governance Committee

Andrzej Szumański	• Committee Chair, Independent Member of the Supervisory Board
Andrzej Kapała	• Committee Member, Independent Member of the Supervisory Board
Barbara Jarzembowska	• Committee Member, Independent Member of the Supervisory Board
Roman Kusz	• Committee Member, Independent Member of the Supervisory Board

## Social and Environmental Responsibility Committee

Jadwiga Lesisz	• Committee Chair
Anna Wójcik	• Committee Member
Michał Klimaszewski	• Committee Member until 31 October 2023, Independent Member of the Supervisory Board
Roman Kusz	• Committee Member, Independent Member of the Supervisory Board

## Sports Sponsorship Committee (as of 27 January 2023)

Roman Kusz	• Committee Chair, Independent Member of the Supervisory Board
Janina Goss	• Committee Member until 13 December 2023, Independent Member of the Supervisory Board
Anna Wójcik	• Committee Member
Anna Sakowicz-Kacz	• Committee Member, Independent Member of the Supervisory Board
Michał Klimaszewski	• Committee Member until 31 October 2023, Independent Member of the Supervisory Board



## Security Committee (as of 11 July 2023)

Wojciech Jasiński	• Committee Chair
Janina Goss	• Committee Member until 13 December 2023, Independent Member of the Supervisory Board
Jadwiga Lesisz	• Committee Member
Michał Klimaszewski	• Committee Member until 31 October 2023, Independent Member of the Supervisory Board

Following the changes in the membership of the Supervisory Board in January and February 2024, as detailed above, the composition of the Supervisory Board committees also changed and as at the authorisation date of this Report was as follows:

TABLE 87

## Composition of the ORLEN Supervisory Board Committees as at the authorisation date of this Report

Full name	Position held on ORLEN Supervisory Board Committee
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### Audit Committee

Ewa Gąsior	• Committee Chair, Independent Member of the Supervisory Board
Katarzyna Łobos	• Committee Member, Independent Member of the Supervisory Board
Ireneusz Sitarski	• Committee Member, Independent Member of the Supervisory Board
Mikołaj Pietrzak	• Committee Member, Independent Member of the Supervisory Board

### Strategy and Development Committee

Wojciech Popiołek	• Committee Member, Chair of the Supervisory Board, Independent Member of the Supervisory Board
Ireneusz Sitarski	• Committee Member, Independent Member of the Supervisory Board
Kazimierz Mordaszewski	• Committee Member
Tomasz Zieliński	• Committee Member

### Nomination and Remuneration Committee

Michał Gajdus	• Committee Chair, Independent Member of the Supervisory Board
Katarzyna Łobos	• Committee Member, Independent Member of the Supervisory Board
Mikołaj Pietrzak	• Committee Member, Independent Member of the Supervisory Board



## Corporate Governance Committee

Wojciech Popiołek	• Committee Chair, Chair of the Supervisory Board, Independent Member of the Supervisory Board
Ewa Gąsiorek	• Committee Member, Independent Member of the Supervisory Board
Michał Gajdus	• Committee Member, Independent Member of the Supervisory Board

## Social and Environmental Responsibility Committee

Mikołaj Pietrzak	• Committee Chair, Independent Member of the Supervisory Board
Wojciech Popiołek	• Committee Member, Chair of the Supervisory Board, Independent Member of the Supervisory Board
Michał Gajdus	• Committee Member, Independent Member of the Supervisory Board
Tomasz Zieliński	• Committee Member
Ireneusz Sitarski	• Committee Member, Independent Member of the Supervisory Board

## Sports Sponsorship Committee

Michał Gajdus	• Committee Chair, Independent Member of the Supervisory Board
Kazimierz Mordaszewski	• Committee Member
Wojciech Popiołek	• Committee Member, Chair of the Supervisory Board, Independent Member of the Supervisory Board

## Security Committee

Kazimierz Mordaszewski	• Committee Member
Ewa Gąsiorek	• Committee Member, Independent Member of the Supervisory Board
Katarzyna Łobos	• Committee Member, Independent Member of the Supervisory Board



## 8.8.4. Audit Committee

The Audit Committee is primarily responsible for advising the Supervisory Board on the proper implementation of the Company's budget and financial reporting, internal controls in place at the Company and across the ORLEN Group (within the meaning of the Accounting Act), and collaboration with the Company's auditors.

The Audit Committee meets at least once per quarter, prior to the publication of the Company's financial statements.

Pursuant to the Rules of Procedure for the Supervisory Board, the majority of the Audit Committee members, including its Chair, must satisfy the independence criteria as defined in the Company's Articles of Association, Best Practice 2021, and the Act on Statutory Auditors, Audit Firms, and Public Oversight. In accordance with the Rules of Procedure for the Supervisory Board and the Statutory Auditors Act, at least one Audit Committee member must have expertise and skills that are specific to the industry in which the Company operates or individual Audit Committee members must have expertise and skills that are specific to different aspects of this industry. At least one Audit Committee member must have accounting or financial auditing skills and expertise. The Audit Committee performs all obligations imposed by the Statutory Auditors Act<sup>1</sup>.

In 2023, the Audit Committee was composed of five members. Four members of the Audit Committee met the independence criteria under the Statutory Auditors Act<sup>1</sup>. Additionally, three Audit Committee members had accounting or financial auditing skills and expertise, as evidenced by their educational backgrounds and careers. Four members of the Audit Committee had skills and expertise specific to the industry in which the Company operates, acquired over the long span of their careers, including many years' service on the ORLEN Supervisory Board ORLEN. Accordingly, all the applicable requirements on the qualifications of Audit Committee members, whether imposed by law or the Company's by-laws and internal policies, were satisfied.

TABLE 88

### Composition of the Audit Committee in 2023

Full name	Date of appointment to		Member of the Audit Committee		
	The Supervisory Board	The Audit Committee	Meets the independence criteria under the Statutory Auditors Act	Has accounting or financial auditing skills and expertise	Has the expertise and skills specific to the industry in which the Company operates
Andrzej Kapała	26 June 2018	19 July 2018	yes	yes	yes
Barbara Jarzembowska	14 June 2019	27 June 2019	yes	no	yes
Jadwiga Lesisz	2 February 2018	26 February 2018	no	yes	yes
Michał Klimaszewski until 31 October 2023	14 June 2019	18 July 2019	yes	no	yes
Janina Goss until 31 December 2023	11 January 2023	27 January 2023	yes	yes	no

<sup>1</sup>) Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017 (consolidated text: Dz.U. of 2023, item 1015, as amended)



TABLE 89

Composition of the Audit Committee as at the authorisation date of this Report

Full name	Date of appointment to		Meets the independence criteria under the Statutory Auditors Act	Member of the Audit Committee	
	The Supervisory Board	The Audit Committee		Has accounting or financial auditing skills and expertise	Has the expertise and skills specific to the industry in which the Company operates
Ewa Gąsiorek	6 February 2024	6 February 2024	yes	yes	yes
Katarzyna Łobos	6 February 2024	16 February 2024	yes	no	no
Ireneusz Sitarski	6 February 2024	6 February 2024	yes	yes	yes
Mikołaj Pietrzak	6 February 2024	6 February 2024	yes	no	no





As at the authorisation date of this Report, the Audit Committee had four members, All of whom meet the independence criteria under the Statutory Auditors Act. Additionally, two Audit Committee members have accounting or financial auditing skills and expertise, as evidenced by their educational backgrounds and careers (for details on the education and career of each of the Supervisory Board members, please refer to Section 8.8.2 of this Report). Two members of the Audit Committee also have skills and expertise specific to the industry in which the Company operates, acquired over the long span of their careers. Accordingly, all the applicable requirements on the qualifications of Audit Committee members, whether imposed by law or the Company's by-laws and internal policies, are satisfied.

In 2023, the Audit Committee held 17 minuted meetings. Pursuant to Section 13.5 of the Rules of Procedure for the Supervisory Board, the Audit Committee decided any matters put before it by voting (a total of five resolutions were so passed).

Apart from the Committee members, the meetings of the Audit Committee were also attended by other members of the Supervisory Board, members of the Management Board, executive directors, office directors, and the auditor.

Under Section 13.5 of the Rules of Procedure for the Supervisory Board, the Audit Committee is primarily responsible for advising the Supervisory Board on the proper implementation of the Company's budget and financial reporting, internal controls in place at the Company and across the ORLEN Group (within the meaning of the Accounting Act), and collaboration with the Company's auditors.

Throughout 2023, the Audit Committee performed these responsibilities mainly through:

- inspecting and monitoring the work of the audit firm engaged by the Company, in particular the work of the Company's auditors and their independence;
- assessing the auditors' independence and giving consent to their provision of permitted non-audit services;
- conducting the process to select an audit firm for the Company and making a recommendation on this matter to the Supervisory Board;
- reviewing interim and full-year separate and consolidated financial statements of ORLEN S.A.;
- discussing any issues or qualifications raised during the audit of financial statements;
- comparing, on a quarterly basis, the Group's actual results and performance against specific targets and budgets;
- giving opinion on the Management Board's proposal regarding the distribution of the 2022 net profit;
- assessing the Company's standing on a consolidated basis, including the performance of its internal control, risk management, and compliance systems and internal audit function in 2022;
- assessing the Company's utilisation of non-current assets;
- reviewing and assessing the performance of the ORLEN Group companies as part of the assessment of the Group's consolidated financial statements;
- reviewing the report on the activities of ORLEN S.A.'s and the ORLEN Group companies' audit functions;

- discussing reports on financial audits carried out by the Financial Control Office of the Financial Control, Risk Management and Compliance Area and on internal audits carried out by the Control and Security Office;
- monitoring the implementation of recommendations issued by the Audit Office, the Control and Security Office, and the Financial Control Office of the Financial Control, Risk Management and Compliance Area;
- discussing any material litigation or administrative or arbitration proceedings that ORLEN S.A. or any other ORLEN Group company was involved in.

The Audit Committee also formulated recommendations for the Supervisory Board on matters which were considered by the latter and which fell within the former's purview.

The Rules of Procedure for the Supervisory Board require that the Audit Committee assess the independence of the audit firm responsible for auditing the Company's financial statements before approving the provision by it of any permitted non-audit services. If the independence of the auditor is confirmed, the Audit Committee may agree to the provision of such services.

Under the Agreement for Audits and Reviews of Financial Statements of 17 April 2019 (the "Agreement"), the auditor of ORLEN S.A. was Deloitte Audyt sp. z o.o. sp.k. of Warsaw. On 25 September 2023, the parties agreed to terminate the Agreement, whereupon the audit firm ceased to act in the capacity of ORLEN S.A.'s auditor. The reason for the termination was the auditor's inability to continue to perform the Agreement following the issuance by the Polish Audit Oversight Agency of a decision to temporarily prohibit the auditor from providing services covered by the applicable Polish standards of professional financial auditing.

On 26 October 2023, the ORLEN Supervisory Board selected MAZARS Audyt Sp. z o.o. to audit the separate financial statements of ORLEN S.A. and the consolidated financial statements of the ORLEN Group for the financial years 2023–2024 and to review the separate financial statements of ORLEN S.A. and the consolidated financial statements of the ORLEN Group for the first and third quarters and the first half of 2024. In 2023, Mazars Audyt Sp. z o.o. did not provide any permitted non-audit services to ORLEN or any other ORLEN Group companies.

In 2023, until the termination of the Agreement, Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Spółka komandytowa provided to ORLEN and certain other ORLEN Group permitted assurance and related non-audit services, contracted in accordance with the applicable procedure, including:

- assessment of the annual report on remuneration of the ORLEN Management Board and Supervisory Board for 2022;
- assessment of the annual report on remuneration of the ENERGA Management Board and Supervisory Board for 2022;
- assurance service consisting in reviewing ORLEN's report as a beneficiary under the Polish governmental scheme 'Aid to energy-intensive sectors related to unexpected increases in natural gas and electricity prices in 2022';



- provision of Comfort Letters (CLs) in connection with the planned issuance of Eurobonds;
- assurance service for ENERGA's Sustainability (ESG) Report;
- performance of agreed-upon procedures to review the satisfaction by ENERGA S.A. of covenants under a credit facility agreement;
- audit of parts of the report on revision of Energa Operator's Regulatory Asset Value (RAV) and AMI Regulatory Asset Value (AMI RAV) for 2022;
- assurance service consisting in verifying the opening balance sheet of ORLEN Unipetrol RPA s.r.o.;
- advisory service consisting in performing a feasibility study for ORLEN Unipetrol RPA s.r.o.'s planned land development project on Argentinská Street, Praha, Czech Republic;
- assurance service related to the merger of Lotos Norway with PGNiG Norge as required under the Norwegian Private Limited Liability Companies Act;
- review of the satisfaction by ORLEN S.A. (PGNiG Branch) of covenants under financing agreements as at 31 December 2022;
- review of documents necessary for ORLEN Lietuva to recover funds from Public Service Obligation;
- audit of oil product packaging of ORLEN Deutschland GmbH.

### 8.8.5. Audit firm selection policy

The currently effective version of the 'Policy for selecting an audit firm for ORLEN S.A.', incorporating amendments made in 2022, was approved by the Supervisory Board on 27 January 2023.

In selecting an audit firm to audit and review ORLEN S.A.'s financial statements, the Supervisory Board strictly complies with all the applicable statutory requirements, in particular those under Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities<sup>1</sup> as well as the Act on Statutory Auditors, Audit Firms, and Public Oversight<sup>2</sup>.

Audits and reviews of ORLEN S.A.'s separate and consolidated financial statements encompass:

- review of reports for the first and third quarters of the financial year,
- review of reports for the first half of the financial year,
- audit of full-year financial statements,
- and, as part of the audit of full-year accounts, audit of the utilisation of any state aid funds (if applicable).

The Supervisory Board selects an audit firm based on the Audit Committee's recommendation, which must provide a rationale for the Committee's advice. It must also present at least two potential audit firms for selection, expressing a clear preference for one based on solid reasons. The recommendation also takes into account any relevant findings or guidance from the annual report of the Polish Audit Oversight Agency that might affect the selection process. The Audit Committee's recommendation for the audit firm to audit and review the financial statements of ORLEN S.A. follows the completion

of the selection procedure.

The Audit Committee is also required to prepare a report documenting the selection process and confirming that it was conducted in accordance with the Company's existing policy and procedure for selecting an audit firm to audit and review ORLEN S.A.'s financial statements.

The selection process for an audit firm to audit and review financial statements should allow sufficient time for the auditor to participate in the annual inventory of significant assets, barring an emergency selection of a new audit firm due to the previous one losing its licence to conduct such audits.

The initial contract with an audit firm for financial statement audits and reviews must not be for a period shorter than two years, with an option to extend it for additional two-year periods upon approval by the Supervisory Board. The maximum duration of uninterrupted audit and review engagements conducted by the same audit firm cannot exceed ten years.

However, the same lead auditor may not conduct the audits and reviews of ORLEN S.A.'s financial statements for more than five consecutive years. The lead auditor may resume audit activities at ORLEN S.A. after a hiatus of at least three years following the conclusion of their last audit and review.

The contract with the audit firm is executed by the Management Board on the terms approved by the Supervisory Board. In instances where adjustments to the audit's scope are necessitated, especially due to increased workload, or in where a change in the Auditor's fee is required, the decision whether to consent to such modifications lies with the Supervisory Board and is subject to the Audit Committee's prior recommendation. If consent is granted, the Management Board then executes an amendment to the contract with the audit firm on the terms agreed on by the Supervisory Board.

If a decision is made to continue the existing engagement and extend the contract with the audit firm for subsequent periods, the Audit Committee presents an appropriate recommendation to the Supervisory Board. The final decision to extend the contract is made by the Supervisory Board upon recommendation of the Audit Committee.

To optimise the process and costs of conducting audits of financial statements of the key ORLEN Group companies, it is recommended that they be audited by the same audit firm as the one conducting the audit of ORLEN S.A.'s financial statements.

The Company has also in place a detailed audit firm selection procedure. The procedure outlines specific responsibilities and guidelines for the Audit Committee regarding the selection of an audit firm. It also includes a protocol for instances where the audit firm auditing the Company's financial statements loses its licence.

<sup>1</sup> Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements concerning statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (Official Journal of the European Union L58, 27.5.2014, pp. 77–112, as amended).

<sup>2</sup> Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017 (consolidated text: Dz.U. of 2023, item 1015, as amended)



## 8.8.6. 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 submitted to the Warsaw Stock Exchange and statements of compliance with best practice referred to in Article 7.3.2 of the Act on State Property Management, giving opinions on proposed amendments to the Company's Articles of Association, by-laws and other constitutional documents, drafting such amendments for the Supervisory Board's own by-laws, and monitoring the management of the Company's business and other affairs for compliance with all legal and regulatory requirements, including capital market disclosure requirements and corporate governance principles.

In 2023, the Corporate Governance Committee held eight minuted meetings.

## 8.8.7. Strategy and Development Committee

The Strategy and Development Committee's primary role is to provide the Supervisory Board with opinions and recommendations on any planned investments and divestments with a potentially material effect on the Company. Its key responsibilities include:

- assessing the effect of any proposed or undertaken investment and divestment projects on the Company;
- assessing any actions, agreements, letters of intent, and other documents related to measures taken to acquire, dispose of, encumber, or otherwise decide on the Company's material assets;
- providing opinions on all strategic documents submitted to the Supervisory Board by the Management Board;
- providing opinions on the Company's growth strategies and long-term budgets.

In 2023, the Strategy and Development Committee held 11 minuted meetings.

## 8.8.8. Nomination and Remuneration Committee

The Nomination and Remuneration Committee's main role is to support the Company's attainment of strategic goals by providing the Supervisory Board with opinions and proposals on how to shape the Company's management structure, including organisational solutions, remuneration schemes, and recruitment procedures to ensure selection of personnel with appropriate qualifications to contribute to the Company's success. The Committee's key responsibilities include:

- initiating and providing opinions on the process of nominating Management Board members in accordance with the Act on the Principles of Remuneration of Persons Managing Certain Companies<sup>1</sup>;
- providing opinions on management solutions proposed by the Management Board to ensure efficient, consistent, and secure management of the Company;
- periodically reviewing and recommending incentive schemes for Management Board members and senior management personnel in line with the Company's best interests and in accordance with the Act on the Principles of Remuneration of Persons Managing Certain Companies<sup>2</sup>;
- periodically reviewing the remuneration system for Management Board members and management personnel reporting directly to Management Board members, including managerial service contracts and incentive schemes, and submitting to the Supervisory Board proposals concerning such contracts and schemes with a view to contributing to attainment of the Company's strategic objectives;
- submitting to the Supervisory Board opinions on whether to award performance-based remuneration, taking into account the degree of completion of the Company's specific targets and objectives;
- assessing the HR management system in place at the Company;
- providing opinions on remuneration reports, which are required to present a comprehensive overview of remunerations at the Company, including any cash or in-kind consideration paid or payable to individual Management and Supervisory Board members as per the Company's remuneration policy in the last financial year.

The majority of the Nomination and Remuneration Committee members should be independent. Where the majority of the Nomination and Remuneration Committee members is not independent, the Committee is chaired by Chair of the Supervisory Board. At least one member of the Nomination and Remuneration Committee must have skills and expertise pertinent to shaping corporate remuneration policy.

In 2023, the Nomination and Remuneration Committee held seven minuted meetings.

1) Act on the Principles of Remuneration of Persons Managing Certain Companies of 9 June 2016 (consolidated text: Dz.U. of 2020, item 1907)

2) Act on the Principles of Remuneration of Persons Managing Certain Companies of 9 June 2016 (consolidated text: Dz.U. of 2020, item 1907)



## 8.8.9. Social and Environmental Responsibility Committee

The Social and Environmental Responsibility Committee is tasked with supporting the Company in the pursuit of its strategic goals by ensuring incorporation of social, ethical and environmental objectives in its activities and relations with stakeholders, including employees, customers, suppliers, shareholders, and local communities. The Committee's responsibilities encompass overseeing the implementation of the Company's Sustainable Development Strategy by regularly assessing the Company's sustainability efforts, monitoring the Company's management of climate-related risks and opportunities as per the ORLEN Group Climate Policy, monitoring the Company's management for compliance with the ORLEN Group Code of Ethics and the ORLEN Group Human Rights Policy, making recommendations to the Supervisory Board regarding the appropriateness of the Company's and the Group's social sponsorship expenses and donations, including their amounts; and preparing an annual report summarising the Company's and the Group's CSR activities.

On 25 May 2023, the Supervisory Board resolved that the Corporate Social Responsibility Committee would be renamed the Social and Environmental Responsibility Committee. In 2023, the Committee held 11 minuted meetings.

## 8.8.10. Sports Sponsorship Committee

The Sports Sponsorship Committee was established by the Supervisory Board on 27 January 2023.

The role of the Committee is to support the achievement of the Company's strategic objectives through its commitment to the development of professional and amateur sports and supporting major sports initiatives to contribute to building the ORLEN brand. Its main responsibilities encompass monitoring the Company's sports sponsorship activities, including through their periodic analysis and evaluation; presenting to the Supervisory Board recommendations on the assessment of the appropriateness of the Company's sports sponsorship spending, including its amount; and adopting an annual report summarising the Company's sports sponsorship activities.

In 2023, the Sports Sponsorship Committee held nine minuted meetings and passed one resolution.

## 8.8.11. Security Committee

The Security Committee was established by the Supervisory Board on 11 July 2023.

The role of the Committee is to support the achievement of the Company's strategic objectives in the areas of business security, energy security, infrastructure and information security, cybersecurity, and physical safety of Company assets. Specifically, its responsibilities encompass monitoring the Company's key initiatives intended to ensure its business security, energy security, infrastructure and information security, and cybersecurity, as well as the physical safety of its assets; adopting reports on the implementation of the ORLEN Group Safety and Security Policy; adopting reports on the implementation of the ORLEN Group Anti-Corruption and Fraud Prevention Policy; providing opinions on ORLEN cybersecurity reports; providing opinions on reports on the condition of ORLEN S.A.'s critical infrastructure; adopting reports on the measures taken to verify material information on potential ORLEN S.A. security shortcomings; adopting reports on material information and recommendations concerning the ORLEN Group's operations and external environment in the context of its safety and security; overseeing the ORLEN Group's crisis management system, including business continuity protocols; discussing any material safety and security issues and concerns with regard to the Company and/or the Group, including proposing measures to enhance strategic safety and security and improve the safety and security management system; and informing the Supervisory Board of any material issues within the Committee's purview.

In 2023, the Security Committee held three minuted meetings and passed two resolutions.



## 8.9. Remuneration policies

The remuneration of ORLEN Management Board members is determined by the Supervisory Board in accordance with the relevant General Meeting resolution, which in turn must comply with the Act on the Principles of Remuneration of Persons Managing Certain Companies<sup>1</sup>. This process also takes into account recommendations from the Nomination and Remuneration Committee, as well as the Remuneration Policy for Members of the ORLEN S.A. Management Board and Supervisory Board, adopted by General Meeting Resolution No. 29 of 5 June 2020. The implementation of this policy is mandated by the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies<sup>2</sup>.

The main components of the Management Board members' remuneration system include:

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

For 2023, the Supervisory Board set quantitative targets for all members of the Management Board with respect to the following metrics:

- LIFO-based EBITDA of the ORLEN Group,
- Net debt/EBITDA of the ORLEN Group,
- Development CAPEX of the ORLEN Group,
- Maintenance CAPEX of the Group + general and personnel costs of the Group,
- Share of crude oil purchased under long-term contracts for the ORLEN Group,
- Stock performance: ORLEN's TSR relative to the market,
- Accident rate: TRR of the ORLEN Group, including external contractors, in such a manner that the achievement of a particular target level would trigger a corresponding incentive payment.

The Supervisory Board also established two qualitative targets for all Management Board members, related to the key challenges faced by the Group in a given year.

Additionally, the Supervisory Board, acting pursuant to relevant resolutions of the ORLEN General Meeting, set the following criteria a precondition to qualify for variable remuneration for 2023:

- compliance with the principles of remuneration for members of management and supervisory bodies of all Group companies under the Act on the Principles of Remuneration of Persons Managing Certain Companies<sup>3</sup>; and

- discharge of the obligations referred to in Article 17-20, Article 22 and Article 23 of the Act on State Property Management<sup>4</sup> at the Company's subsidiaries within the meaning of Article 4.3 of the Act on Competition and Consumer Protection<sup>5</sup>.

Once a year, the Supervisory Board conducts a comprehensive remuneration review and compiles an annual remuneration report, which is then submitted to the General Meeting for opinion and published.

The first draft of the Remuneration Policy is formulated by the Management Board, which subsequently submits it to the Supervisory Board for opinion and potential amendments. The Supervisory Board then submits its draft of the Policy to the General Meeting. The final version of the Policy is adopted by the General Meeting. The Remuneration Policy which is currently in effect at ORLEN S.A. was enacted by the General Meeting on 5 June 2020 as mandated by the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies<sup>6</sup>. The General Meeting is required to resolve on the Company's Remuneration Policy at least every four years. To be effective, any major amendments to the Remuneration Policy require a General Meeting resolution.

### Incentive schemes for key management personnel (including members of the Management Board)

The incentive schemes in place at ORLEN S.A. for members of its Management Board, directors reporting directly to the Management Board, and other key personnel within the Group share a common core. They reward eligible individuals for fulfilling specific objectives that are set at the beginning of the incentive period. The Supervisory Board specifies these goals for Management Board members, while the Management Board sets them for other key management personnel. The incentive schemes are aligned with the Company's Values, encourage collaboration among employees, and drive them to secure the best possible outcomes for the ORLEN Group. The targets are both qualitative and quantitative, and their achievement is assessed after the end of the year for which they were set.

1) Act on the Principles of Remuneration of Persons Managing Certain Companies of 9 June 2016 (consolidated text: Dz.U. of 2020, item 1907)

2) Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (consolidated text: Dz.U. of 2022, item 2554, as amended)

3) Act on the Principles of Remuneration of Persons Managing Certain Companies of 9 June 2016 (consolidated text: Dz.U. of 2020, item 1907)

4) Act on State Property Management of 16 December 2016 (consolidated text: Dz.U. of 2024, item 125).

5) Act on Competition and Consumer Protection of 16 February 2007 (consolidated text: Dz.U. of 2023, item 1689, as amended)

6) Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (consolidated text: Dz.U. of 2022, item 2554, as amended)





### Remuneration for members of the Management Board and the Supervisory Board of the Company who hold positions on governing bodies of subsidiaries

During their tenure, members of the ORLEN Management Board must obtain approval from the Supervisory Board before serving on the governing bodies of other legal entities, including foundations and

associations. Members of the ORLEN Management Board are not compensated for their roles on the governing bodies of entities that form with the Company a single corporate group as defined in Article 4.14 of the Act of 16 February 2007 on Competition and Consumer Protection<sup>1</sup> (i.e. the Company's subsidiaries).

## 8.10. Diversity Policy

In 2021, ORLEN S.A. adopted a 'Diversity Policy' as a by-law, thereby formalising its longstanding efforts to promote diversity. This policy, along with various dedicated initiatives, reflect the Company's openness and recognition of the potential that diversity brings. However, there is currently no formal policy in place at ORLEN S.A. that would specifically address the question of diversity among Management or Supervisory Board members. The Company annually discloses diversity metrics, including with regard to gender and age, for the supervisory and management bodies across the Group.

In addition, at ORLEN S.A., diversity management is governed by a number of other internal policies and regulations, including:

- the ORLEN S.A. Workplace Rules and Regulations,
- the ORLEN Group Code of Ethics,
- the Collective Bargaining Agreement between ORLEN S.A. and its employees,
- the ORLEN Group Human Resources Management Policy,
- the ORLEN S.A. CSR Strategy (to the extent pertaining employee development and diversity management),
- the ORLEN S.A. Disability Employment and Accessibility Policy,
- the ORLEN S.A. Policy for Assisting Employees in Crisis,
- the ORLEN S.A. Well-Being Policy,
- the ORLEN Group Human Rights Policy,
- a separate by-law dedicated to implementing the Family Friendly Employer.

The objectives of the diversity management include:

- promoting equal employment opportunities with a strong focus on ensuring non-discrimination;
- ensuring respect for diversity;
- managing cultural differences;
- facilitating the employment of individuals prone to social exclusion or marginalisation in the labour market at ORLEN Group companies and thereby increasing the employment rate of people with disabilities;
- supporting employee-led equality initiatives;
- establishing a comprehensive and equitable remuneration and incentive policy;
- defining employment and compensation standards for seconded personnel, i.e. expatriates and inpatriates;
- tailoring work environments to meet the diverse employee needs, such as amenities for individuals with disabilities and breastfeeding mothers;
- offering support to people facing hardship;
- supporting employee work-life balance through dedicated programmes.

<sup>1</sup>) Act on Competition and Consumer Protection of 16 February 2007 (consolidated text: Dz.U. of 2023, item 1689, as amended)



The ORLEN Diversity Policy implementation measures include:

- provision of diversity management training;
- incorporation of employee diversity aspects into HR processes and tools, including recruitment, training and development, and compensation, and into efforts intended to shape the Company's organisational culture;
- organisation of the Diversity Festival, during which employees are encouraged to participate in range of activities designed to broaden their understanding of diversity within the Group;
- one-on-one meetings with expats on managing cultural differences;
- regular employee engagement and satisfaction surveys;
- appointment of a coordination team to combat workplace harassment and bullying (Anti-Harassment Committee appointed by the employer to consider grievances related to workplace harassment and bullying);
- appointment of an Ethics Officer to investigate reports of breaches of the ORLEN Group Code of Ethics (also regarding discrimination, harassment, and bullying);
- appointment of a Human Capital Committee, which reviews, approves or submits for approval by the ORLEN Management Board, and monitors adherence to the ORLEN Group Code of Ethics, particularly by investigating material breaches, implementing remedial actions, issuing guidelines, and addressing major ethical issues;
- signing of the Diversity Charter coordinated by the Responsible Business Forum.

### Human Rights Policy

Recognising that:

- the ORLEN2030 Strategy financing terms require that a comprehensive sustainability strategy be implemented at the Group to ensure effective ESG management across all its business areas, including the protection of human rights;
- this year's incentive plan sets sustainability goals for all Directors who report directly to Management Board members within their respective areas of responsibility;
- the market environment, particularly the rating agencies and multinational corporations involved in key projects with the ORLEN Group, highlights the need for a policy document that clearly articulates the Group's position on human rights protection in line with applicable global standards,

in 2022, the Company developed and published the ORLEN Group Human Rights Policy. The Policy details the essential standards for conduct, behaviour, and regulations within the Group, which directly or indirectly pertain to the safeguarding of human rights both within the organisation and in interactions with external stakeholders.

The Policy was developed on the basis of:

- internal regulations of the ORLEN Group;
- national legislation;
- international standards and guidelines, in particular on the basis of:
  - Universal Declaration of Human Rights,
  - Declaration by the International Labour Organisation concerning the fundamental principles and rights at work, i.e. on the basis of the key conventions of the International Labour Organisation,
  - UN Business Guidelines, i.e. the United Nations Framework Document 'Protect, respect and repair',
  - Guidelines of the Organisation for Economic Cooperation and Development (OECD) for Multinational Enterprises,
  - International Finance Corporation (IFC) standards,
  - Ten Principles of the United Nation Global Compact.

The Policy encompasses:

- ensuring that human and employee rights are respect across the ORLEN Group, including through:
  - cultivating an open and inclusive workplace environment,
  - observing strict occupational health and safety,
  - promoting employee well-being,
  - offering equal employment opportunities,
  - supporting freedom of association, including fostering partner relations with trade unions,
  - preventing child and forced labour,
  - preventing discrimination, workplace bullying, and any other form of workplace misconduct,
- promoting human rights across the supply chain and stakeholder relations, including through:
  - advocating for human rights protection across all areas of the Company's business and requiring respect for human rights from all vendors and trading partners,
  - implementing the ORLEN Group Supplier Code of Conduct to foster responsible business practices among the Group's suppliers,
  - undertaking efforts to raise suppliers' awareness of the importance of human rights protection in their own activities as well as safeguarding the right to inspect suppliers' human rights performance,
  - mitigating business impacts on local communities, including respecting indigenous rights, with a particular focus on protecting local customs, life styles, institutions, ties with the local area, and development models,
  - Promoting amicable dispute resolution and effective physical safety management across business operations;



- reporting and managing misconduct, including through:
  - Providing whistleblowing mechanisms,
  - effectively enforcing a zero-tolerance policy regarding threats, intimidation, retaliation, or any other form of aggression against human rights defenders or any stakeholders concerned in connection with the ORLEN Group's activities,
  - addressing and mitigating the effects of misconduct to prevent future occurrences through robust reporting, detailed reviews, and well-coordinated corrective measures;
- monitoring the Group's human rights commitment and efforts, including through:
  - due diligence audits of the Group's own human rights performance and that of its business partners, including with regard to any new investment projects being planned or executed,
  - monitoring the effectiveness of human rights efforts using both quantitative and qualitative indicators,
  - conducting comprehensive training programmes to enhance employee awareness of and sensitivity to human rights issues.

In 2023, the rollout of the Human Rights Policy commenced at ORLEN S.A with regular communications to employees via channels such as the intranet, Studio GO!, GO! Magazine, emails, and newsletters, along with mandatory training sessions on the ORLEN e-learning platform. The training was developed through a cross-functional collaborative effort. The collective knowledge and expertise of each participating organisational unit resulted in a training programme that comprehensively addresses the topic of human rights at ORLEN. Furthermore, the HR section on the intranet includes an 'ETHICS AND HUMAN RIGHTS' area, which is regularly updated with the latest information on human rights protection. Acceptance of the Human Rights Policy is a formal prerequisite for suppliers wishing to engage in procurement processes. Moreover, the implementation of the Human Rights Policy at ORLEN Group companies began in July 2023. As at 31 December 2023, it was adopted by as many as 26 Group companies.



The ORLEN Group's Sustainable Development Strategy for 2024-2030 also outlines the organisation's approach to responsible governance and related goals. Within the 'Governance' pillar of this strategy, the Company has committed to fostering diversity and inclusion.

In addition, on 14 December 2023 the Company signed a Diversity Charter, an international initiative under the patronage of the European Commission, present in 26 European Union member states. The Charter aims to promote equality and diversity management in the workplace.

By signing the Charter, ORLEN pledges to prohibit any form of discrimination in the workplace and to actively work towards creating and promoting diversity. It also demonstrates the Company's willingness to engage all employees and partners in these endeavours.

In 2021, the ORLEN Group introduced the Diversity Policy mentioned earlier, a document that thoroughly outlines the Company's approach to leveraging the diverse talents, skills, and personalities of its workforce. Recognising its role as a conscious and responsible employer, ORLEN has also put in place a well-being policy, which comprises a suite of measures dedicated to ensuring employee well-being. Moreover, the Company runs initiatives aimed at supporting individuals with disabilities, encourages employee volunteerism, and offers employees access to its dedicated Psychological Research and Support Centre. The ORLEN Group maintains a consistent ethical business framework, founded on the ORLEN Group Code of Ethics and overseen by the Ethics Officer. A new Human Rights Policy is also being currently implemented across Group companies.

The Company annually discloses comparable diversity metrics for its Management and Supervisory Boards. Neither the Supervisory Board nor the Management Board of the Company meets the Best Practice 2021 gender diversity requirement, whereby the minority group should have at least 30% representation on both these bodies.

TABLE 90

#### Gender representation on ORLEN Group companies' management and supervisory boards as at year-end 2022 and 2023

Gender representation on ORLEN Group companies' management boards	ORLEN Group		ORLEN S.A.	
	2023	2022	2023	2022
Women	20%	16%	14%	14%
Men	80%	84%	86%	86%

Gender representation on ORLEN Group companies' supervisory boards	ORLEN Group		ORLEN S.A.	
	2023	2022	2023	2022
Women	31%	31%	35%	44%
Men	69%	69%	65%	56%

1) Commercial Companies Code of 15 September 2000 (consolidated text: Dz.U. of 2024, item 18)

2) Act on State Property Management of 16 December 2016 (consolidated text: Dz.U. of 2024, item 125)

3) Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017 (consolidated text: Dz.U. of 2023, item 1015, as amended)



## 8.11. Regulations governing conflicts of interest and related-party transactions

Both ORLEN S.A. and the ORLEN Group have internal regulations in place for managing conflicts of interest, as well as procedures for dealing with material transactions involving related parties.

The Conflict-of-Interest Management Policy at the ORLEN Group outlines and implements systemic solutions and actions to prevent, minimize, and eliminate the occurrence of fraud and to detect it when it occurs. This Policy defines conflict of interest as well as specifying measures that must be taken to ensure the transparency of business processes where a conflict of interest may arise.

What is more, to the extent provided for in the Policy, conflict-of-interest management is also addressed in the Rules of Procedure for the Management Board and the Rules of Procedure for the Supervisory Board of ORLEN S.A., as well as the Remuneration Policy adopted by the General Meeting on 5 June 2020 in compliance with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

According to the Rules of Procedure for the Management Board, the Management Board members are required to notify the Supervisory Board of any conflict of interest which has arisen or may arise in connection with their position. 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 any underlying matters and request that a relevant note be made in the minutes of the Management Board meeting at which such decisions are made. In the case of doubt as to whether a conflict of interest exists, the Management Board is required to vote to resolve the matter. According to the Rules of Procedure for the Management Board, a conflict of interest means a situation where a decision made by a member of the Management Board may be influenced by his/her personal interests or those of his/her family member or close associate, i.e. his/her spouse, children, relatives or affines of up to the second degree, or any persons with whom the member has personal links.

According to the Rules of Procedure for the ORLEN Supervisory Board, a Supervisory Board member must 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 this fact be recorded in the minutes of the Supervisory Board meeting. No breach of these provisions may, however, render a Supervisory

Board resolution invalid. In the case of doubt as to whether a conflict of interest exists, the Supervisory Board is required to vote to resolve the matter.

The Remuneration Policy follows the division of powers outlined in Article 378 and Article 392 of the Commercial Companies Code to prevent conflicts of interest in determining the amount and rules of remuneration governed by the Policy. This purpose is also served by the Supervisory Board's monitoring, analysis and supervision of the remuneration system and payment of additional consideration to Management Board members in accordance with the Company's Articles of Association and the Rules of Procedure for the Supervisory Board.

If a Management or Supervisory Board member identifies a potential conflict of interest related to matters governed by the Remuneration Policy, they must report it to Chair of the Supervisory Board. In such cases, Chair of the Supervisory Board must take appropriate corrective measures on an ad-hoc basis.

ORLEN S.A. has also put in place a procedure setting out the protocols for conducting material related-party transactions within the ORLEN Group. It outlines the necessary steps to determine the status of transactions, the internal circulation of information about them, and the disclosure obligations associated with such transactions.

Furthermore, in accordance with the Company's Articles of Association, a resolution of the Supervisory Board concerning

- payment of any consideration by the Company or any related party thereof to members of the Management Board or
- granting consent to the execution by the Company of a material transaction, as defined in the Articles of Association, with its Related Party, taking into consideration the applicable exemptions and other detailed rules as specified in Chapter 4b of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, and granting consent to the execution by the Company or a subsidiary thereof of an agreement with a Supervisory Board or Management Board member, excluding any agreements commonly concluded on minor daily life matters requires votes in favour from at least half of the independent members of the Supervisory Board. This is, however, without prejudice to the application of Article 15.1 and 15.2 of the Commercial Companies Code.





The Supervisory Board is further required to:

- approve any material related-party transactions within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies;
- perform periodic reviews of material arm's-length transactions entered into by ORLEN S.A. in the ordinary course of business 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 – assess the need for prior consultation with a third party to independently estimate the value of the transaction and analyse its economic impact;
- 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 – draw up an opinion on the business viability of the transaction and assess the need for prior consultation with a third party to independently estimate the value of the transaction and analyse its economic impact.