

Company profile

Statement on the application of corporate governance principles
Supervisory Board Committees

The Supervisory Board has appointed the following committees: the Audit Committee, the Remuneration Committee and the Strategy Committee. These committees assist the Supervisory Board in the preparation of evaluations and opinions and undertaking other actions supporting the decision-making process of the Supervisory Board.

The Audit Committee is responsible for supervision in the areas of financial reporting, the internal control system, risk management and internal and external audits.

The Remuneration Committee is responsible for supervising the performance of contracts signed with the Management Board, the remuneration and benefits system in the Company and in the Group, training and other benefits provided by the Company, as well as audits performed by the Supervisory Board in this regard.

The Strategy Committee supervises the implementation of the Company's strategy, the Company's annual and long-term operating plans, supervising the consistency of these documents, and also provides its opinion to the Supervisory Board on the strategic projects presented by the Management Board of the Company and any changes thereto, as well as on the Company's annual and long-term operating plans.

The detailed powers, scope of action and operating procedures of the Committees are described in the regulations approved by the Supervisory Board. On 10 October 2012, the Supervisory Board implemented changes in the scope of duties of the respective Committees.

Audit Committee

In accordance with the Regulations of the Supervisory Board, the duties of the Audit Committee are as follows:

- supervision, on behalf of the Supervisory Board, of the process of financial reporting in the Company, including the process of reporting to the Supervisory Board;
- analysis and/or evaluation of the accounting principles applied in the Company;
- review of transactions executed by the Company, which the Audit Committee considers important for the Company;
- the analysis of findings and recommendations of the audits and risk management processes in the Company;
- selecting independent auditors to audit the Company's financial statements in order to recommend their approval by the Supervisory Board and participation in business negotiations prior to the signing of the contract between the Company and the auditor;
- ongoing co-operation with the Company's independent auditor during the audit, analyses and formulation of audit recommendations and the auditor's opinion on the financial statements, the auditor's letter to the Management Board and/or Supervisory Board, and the preparation of draft statements and evaluations required by the regulations governing the Company's authorities and other administrative institutions;
- providing an opinion on the Company's internal audit plan and internal audit regulations and on the changes in the position of the internal audit director;
- analysis of the findings and recommendations of the Company's internal audit and monitoring the progress in implementation of the recommendations by the Management Board;
- monitoring of the principles adopted by the Company in the scope of accounting, finance and hedging against trade and financial risks, and the Company's exposure to significant damage;
- carrying out other tasks and duties delegated by the Supervisory Board.

The composition of the Audit Committee as at 1 January 2012 was as follows:

Marek Panfil
Marcin Dyl
Marzenna Weresa

Following the changes in the Supervisory Board composition, as of 31 January 2012, the members of the Audit Committee were:

Lech Jaroń (until 28 June 2012)
Krzysztof Kaczmarczyk
Mariusz Kolwas (until 24 April 2012)
Robert Oliwa (until 3 September 2012)

On 21 May 2012, Paweł Białek joined the Audit Committee and on 1 October 2012, Krzysztof Opawski became the Committee member.

As at 31 December 2012, the following Supervisory Board Members served on the Audit Committee:

Paweł Białek
Krzysztof Kaczmarczyk
Krzysztof Opawski

Remuneration Committee

In accordance with the Regulations of the Supervisory Board the duties of the Remuneration Committee are as follows:

- conducting recruitment and employment of members of the Management Board by preparing draft documents and processes to be submitted to the Supervisory Board for approval;
- development of draft agreements and templates of other documents related to the hiring of members of the Management Board, and supervision over the performance of their contractual obligations entered into by the parties;
- supervising the remunerations of the Management Board, in particular preparing settlement documents for the variable components of salary and bonuses, in order to submit recommendations to the Supervisory Board;
- monitoring and carrying out periodical analyses of the remuneration system of the Company's management staff and, if necessary, formulating recommendations to the Supervisory Board;
- supervising additional benefits offered to the Management Board under employment contracts, such as insurance, cars, housing, etc.;
- carrying out other tasks and duties delegated by the Supervisory Board.

As at 1 January 2012, the following Members of the Supervisory Board served on the Remuneration Committee of the Supervisory Board of KGHM Polska Miedź S.A.:
Arkadiusz Kawecki (until 19 January 2012)

Franciszek Adamczyk (until 19 January 2012)
Jacek Kuciński (until 25 April 2012)

Following changes in the composition of the Supervisory Board, as of 31 January 2012 the members of the Remuneration Committee included:

Maciej Łaganowski (until 28 June 2012)
Paweł Markowski (until 28 June 2012)
Jacek Kuciński (until 25 April 2012)

On 21 May 2012, Paweł Białek, Dariusz Krawczyk and Robert Oliwa (who served on the Committee until 3 September 2012) joined the Remuneration Committee and on 1 October 2012, Ireneusz Piecuch became the Committee member.

As at 31 December 2012, the following Supervisory Board Members served on the Audit Committee:

Paweł Białek
Dariusz Krawczyk
Ireneusz Piecuch

Strategy Committee

In accordance with the Regulations of the Supervisory Board, the duties of the Strategy Committee are as follows:

acting on behalf of the Company's Supervisory Board in the performance of tasks associated with the Company's strategy and annual and long-term operating plans;
monitoring the implementation of the Company's strategy by the Management Board and evaluating to what extent the existing strategy satisfies the changing needs;
monitoring the performance of the Company's annual and long-term operating plans by the Management Board and evaluating whether any modifications are required;
evaluating consistency of the Company's annual and long-term operating plans with the Company's strategy implemented by the Management Board and, if necessary, proposing changes to the Company's documents;
submitting to the Company's Supervisory Board opinions on the strategic projects presented by the Management Board of the Company and any changes thereto, as well as on the Company's annual and long-term operating plans;
carrying out other tasks and duties delegated by the Supervisory Board.

As at 1 January 2012, the following Members of the Supervisory Board served on the Strategy Committee of the Supervisory Board of KGHM Polska Miedź S.A.:

Franciszek Adamczyk
Jacek Kuciński
Jan Rymarczyk

Following changes in the composition of the Supervisory Board, as of 31 January 2012 the members of the Strategy Committee included:

Krzysztof Kaczmarczyk
Jacek Kuciński (until 25 April 2012)
Aleksandra Magaczewska, and
Jacek Poświata

On 21 May 2012, Paweł Białek and Ireneusz Piecuch joined the Strategy Committee and on 1 October 2012, Dariusz Krawczyk became the Committee member.

As at 31 December 2012, the following Supervisory Board Members served on the Strategy Committee:

Paweł Białek
Krzysztof Kaczmarczyk
Dariusz Krawczyk
Aleksandra Magaczewska
Krzysztof Opawski
Ireneusz Piecuch
Jacek Poświata

At year-end, the Audit, Remuneration and Strategy Committees submit to the Supervisory Board reports on their activities.