

KGHM Polska Miedź S.A.

**Report
on representation expenses,
expenses incurred on legal services, marketing services,
public relations services and social communication services,
and advisory services associated with management
for 2021**

*Resolution No. 37/X/22 of the Supervisory Board of KGHM Polska Miedź S.A.
dated 25 April 2022*

Lubin, April 2022

Table of Contents

1. Introduction.....	3
2. Expenses incurred on marketing services.....	3
3. Expenses incurred on public relations and social communication services.....	3
4. Representation expenses.....	3
5. Expenses incurred on legal services	4
6. Expenses incurred on advisory services associated with management.....	4
7. Summary.....	4
8. Signatures	5

1. Introduction

The Management Board of KGHM Polska Miedź S.A., acting on the basis of § 34 point 3 of the Statutes of the Company, hereby presents the report on representation expenses, expenses incurred on legal services, marketing services, public relations services and social communication services, and advisory services associated with management for 2021. Expenses are understood as the sum of expenditures and costs.

This report has been prepared in thousand Polish zlotys. The report does not include VAT, in respect of the purchase of goods, materials and services related to the expenditures shown.

2. Expenses incurred on marketing services

In 2021, expenses incurred on marketing services amounted to PLN 1 586 thousand. These services involved among others campaigns to promote vaccination against COVID-19, the project „Competent in the sector” aimed at training youth in line with the real demands of the labour market, as well as the purchase of advertising materials.

3. Expenses incurred on public relations and social communication services

Expenses incurred on public relations and social communication services during the 12 months of 2021 amounted to PLN 56 737 thousand, including PLN 36 064 thousand for the sponsoring of sport, science and the arts. Activities carried out in this area found their expression in cooperation with sports clubs, organisers of sporting and cultural events, and scientific conferences. The Company's sponsoring activities were aimed at building the image of the Company as a sponsor which cares about the development needs of local communities and of those farther afield. The sponsoring activities were conducted in compliance with the rules set forth in the Sponsoring Policy of KGHM Polska Miedź S.A. and were reviewed by the Sponsoring Committee. The Company places great emphasis on advancing projects which are a part of its corporate social responsibility. Activities in the field of public relations also included actions involving internal and external communications as well as promoting the brand in sponsored events. Actions involving communications included among others the issuance of publications, the production of internal television programs, and sponsoring articles and radio and television shows in external media describing the Company's profile and activities.

4. Representation expenses

In 2021 the Company incurred PLN 4 905 thousand on representation-related expenses. These expenses served in the building of positive relations between the Company and its environment, among others by funding mining and metallurgical sector celebrations as well as celebrations of the Company's 60th anniversary (PLN 3 862 thousand) and maintaining ties with customers (PLN 1 043 thousand).

5. Expenses incurred on legal services

In 2021 expenses incurred by the Company on legal services amounted to PLN 10 049 thousand and were related to providing the Company with external legal advice involving its on-going operating and investment activities, and with conducting court and other proceedings.

6. Expenses incurred on advisory services associated with management

Expenses incurred by the Company on advisory services associated with management amounted to PLN 4 807 thousand. These services comprised among others areas such as climate policy, support in adapting the functioning of KGHM to selected ISO standards, and reviewing and updating the strategy of the KGHM Group.

7. Summary

The following table summarizes the expenses included in this report.

Description	PLN thousand	
	Execution 2021	Share in sales revenue
Representation expenses	4 905	0.02%
Expenses incurred on marketing services	1 586	0.01%
Expenses incurred on public relations and social communication services, including:	56 737	0.23%
sponsoring	36 064	0.15%
Expenses incurred on legal services	10 049	0.04%
Expenses incurred on advisory services associated with management	4 807	0.02%
Total expenses	78 084	0.32%

This report was prepared for the year ended 31 December 2021 and consists of 5 pages.

Lubin, 7 April 2022

8. Signatures

Marcin Chludziński – President of the
Management Board

Adam Bugajczuk – Vice President of the
Management Board (Development)

Paweł Gruza - Vice President of the
Management Board (International Assets)

Andrzej Kensbok - Vice President of the
Management Board (Finance)

Marek Pietrzak - Vice President of the
Management Board (Corporate Affairs)

Marek Świder - Vice President of the
Management Board (Production)

appropriate signatures on the original

Lubin, 14 April 2022