

**Report from the work of the Remuneration Committee
of the Supervisory Board of KGHM Polska Miedź S.A. for 2008**

(approved by the Supervisory Board of KGHM Polska Miedź S.A. on 8 May 2009)

During the period 01 January – 25 February 2008 the 6th term Remuneration Committee of the Supervisory Board of KGHM PM S.A. functioned in the following composition:

<i>First name, surname</i>	<i>period of work on the Remuneration Committee in 2008</i>
Stanisław Andrzej Potycz Chairman	01.01.2008 – 25.02.2008
Remigiusz Nowakowski	01.01.2008 – 25.02.2008
Jerzy Żyżyński	01.01.2008 – 25.02.2008

During the period from 1 January 2008 to the convening of the Extraordinary General Meeting of the Company in February, the Remuneration Committee of the Supervisory Board of KGHM Polska Miedź S.A. met at a meeting on 4 February 2008. During this meeting the Members of the Committee discussed issues related to changes in labour contracts with Members of the Management Board of KGHM Polska Miedź S.A. Based on protocols from the meetings of the Committee on 22 February 2007 and 19 March 2007, the Committee decided to recommend to the Supervisory Board changes in labour contracts with Members of the Management Board based on an increase in wages and changes to chapter VI of the labour contracts with Members of the Management Board of KGHM Polska Miedź S.A. The recommendations of the Committee were presented to the Supervisory Board during its meeting on 4 February 2008, and the wording of the proposed changes to the labour contracts were provided to the members of the Supervisory Board.

In February 2008 the Extraordinary General Meeting of the Company made changes to the composition of the Supervisory Board.

At a meeting of the Supervisory Board on 27 March 2008, the Supervisory Board reviewed information from the Management Board on the manner of remuneration of the Members of the Management Board in 2007, and the Supervisory Board determined that the Remuneration Committee examine in detail the questions related to the variable remuneration of the Members of the Management Board.

At this same meeting the Supervisory Board appointed the Remuneration Committee with the following composition:

<i>First name, surname</i>	<i>period of work on the Remuneration Committee in 2008</i>
Leszek Hajdacki	27.03.2008 – 26.06.2008
Jacek Kuciński	27.03.2008 – 26.06.2008
Arkadiusz Kawecki Chairman	27.03.2008 – 26.06.2008

On 26 June 2008 the Ordinary General Meeting appointed the Supervisory Board of KGHM Polska Miedź S.A. in its current composition.

Following this, at its meeting on 21 July 2008 the Supervisory Board appointed the 7th term Remuneration Committee of the Supervisory Board of KGHM Polska Miedź SA with the following composition:

First name, surname	period of work on the Remuneration Committee in 2008
Leszek Hajdacki	21.07.2008 – 31.12.2008
Jacek Kuciński	21.07.2008 – 31.12.2008
Arkadiusz Kawecki Chairman	21.07.2008 – 31.12.2008

Next, during this same meeting of the Supervisory Board, on 21 July 2008, in the matter of the proposal of the Management Board expressed in a letter, PZ/72/2008, dated 11 July 2008, the Supervisory Board took the following decisions:

- in voting the Supervisory Board rejected the proposed changes to the labour contracts with members of the Management Board based on the addition of wording that the place of work is not only the head office of KGHM, but also their place of residence.
- by resolution no. 10/VII/08 the Supervisory Board accepted the proposal of the Management Board and introduced a change to the labour contracts, based on the introduction in chap. VII, sec. 4 of the wording „KGHM shall purchase for the Member of the Management Board in each calendar year in which this Contract shall remain in force a packet of medical services with a value of up to PLN 10 000.00.”
- by resolution no. 11/VII/08 the Supervisory Board introduced a change to the labour contracts with members of the Management Board based on a change to the wording of sec. 2 in chapter VII of the labour contracts; this section was given the following wording: „The Member of the Management Board is allowed the use of a Company vehicle. The principles of use of the Company vehicle and coverage of the related costs shall be described in a separate contract.”
- with regard to the Management Board proposal respecting an increase in variable remuneration, the Supervisory Board decided that this proposal was to first be considered by the Remuneration Committee of the Supervisory Board, which would prepare for the Supervisory Board a relevant proposal in this regard.

Next, following discussions regarding the variable remuneration for Members of the Management Board for 2007, the Supervisory Board passed the following resolutions:

- resolution no. 13/VII/08 on granting Ireneusz Reszczyński, for his service on the Management Board, variable remuneration for 2007 in the amount of 50% of the fixed remuneration due him for 2007,
- resolution no. 14/VII/08 on granting Stanisław Kot, for his service on the Management Board, variable remuneration for 2007 in the amount of 50% of the fixed remuneration due him for 2007,
- resolution no. 15/VII/08 on granting Marek Fusiński, for his service on the Management Board, variable remuneration for 2007 in the amount of 50% of the fixed remuneration due him for 2007,
- resolution no. 16/VII/08 on granting Krzysztof Skóra, for his service on the Management Board, variable remuneration for 2007 in the amount of 40% of the fixed remuneration due him for 2007,
- resolution no. 17/VII/08 on granting Maksymilian Bylicki, for his service on the Management Board, variable remuneration for 2007 in the amount of 40% of the fixed remuneration due him for 2007,

- resolution no. 18/VII/08 on not granting to Dariusz Kaśków, for his service on the Management Board, variable remuneration for 2007.

The Remuneration Committee of the Supervisory Board of KGHM Polska Miedź S.A., at a meeting on 18 August 2008 in Lubin, prepared a recommendation for the Supervisory Board regarding the payment of an advance on the variable remuneration for members of the Management Board for the second quarter of 2008.

Next, the Supervisory Board, at the meeting on 18 August 2008, resolved, after seeking the opinion during the meeting of the Remuneration Committee, to grant the Members of the Management Board an advance on the variable remuneration for the second quarter of 2008.

The Supervisory Board passed the following resolutions:

Resolution no. 23/VII/08 regarding setting the amount of the quarterly advance on the variable remuneration for President of the Management Board Mirosław Krutin.

Resolution no. 24/VII/08 regarding setting the amount of the quarterly advance on the variable remuneration for Vice President of the Management Board Maciej Tybura.

Resolution no. 25/VII/08 regarding setting the amount of the quarterly advance on the variable remuneration for Vice President of the Management Board Herbert Wirth.

The Supervisory Board of KGHM Polska Miedź S.A., at its meeting on 14 November 2008, by Resolution no. 41/VII/08, approved the Regulations of the Remuneration Committee of the Supervisory Board of KGHM Polska Miedź S.A.

The Supervisory Board of KGHM Polska Miedź S.A., at its meeting on 22 December 2008, heard the positive, oral recommendation of the Chairman of the Remuneration Committee, Arkadiusz Kawecki, regarding passage by the Supervisory Board of a resolution approving the new contract for the use of a company car by the members of the Management Board, and passed **resolution no. 47/VII/08** regarding approval of a sample contract for the use of a company car by the members of the Management Board of KGHM Polska Miedź S.A.