

- Józef Czyczerski
- Leszek Hajdacki
- Ryszard Kurek

At its meeting on 25 February 2008 the Supervisory Board made the following appointments:

Chairman of the Supervisory Board	- Marek Trawiński,
Deputy Chairman	- Jacek Kuciński,
Secretary	- Marek Panfil.

Due to the completion of the 6th term Supervisory Board, the Ordinary General Meeting of KGHM Polska Miedź S.A. on 26 June 2008, by resolutions nos. 30-36/2008, appointed the following persons to the 7th term Supervisory Board: Marcin Dyl, Arkadiusz Kawecki, Jacek Kuciński, Marek Panfil, Marek Trawiński and Marzenna Weresa, as well as the following members elected by the employees on 14 – 15 May 2008 and appointed by resolution of the Ordinary General Meeting no. 29/2008: Józef Czyczerski, Leszek Hajdacki and Ryszard Kurek.

From 25 June to 31 December (7th term)

- Marcin Dyl
- Arkadiusz Kawecki
- Jacek Kuciński
- Marek Panfil
- Marek Trawiński
- Marzenna Weresa

as well as the following employee-elected members:

- Józef Czyczerski
- Leszek Hajdacki
- Ryszard Kurek

At its meeting on 21 July 2008 the Supervisory Board appointed the following functions:

Chairman of the Supervisory Board	- Marek Trawiński,
Deputy Chairman	- Jacek Kuciński,
Secretary	- Marek Panfil.

II. Principles and functioning of the Supervisory Board of KGHM Polska Miedź S.A.

The principles and functioning of the Supervisory Board of KGHM Polska Miedź S.A. are regulated by laws respecting public companies and by:

- The Statutes of KGHM Polska Miedź S.A.,
- The Regulations of the Supervisory Board of KGHM Polska Miedź S.A. with its registered head office in Lubin, and
- Corporate Governance principles.

The Supervisory Board continuously supervised the activities of the Company and realised its tasks based on the specific rights granted to the Supervisory Board of KGHM Polska Miedź S.A. by the Statutes of the Company under Chapter IVB, § 20, and in turn by the Regulations of the Supervisory Board under Chapter III, § 8.

The Supervisory Board performed its functions at meetings of the Supervisory Board convened for this purpose, as well as through its members delegated to work in the Committees.

During the reporting period, the Supervisory Board of KGHM Polska Miedź S.A. held 14 meetings, of which 8 meetings were held at the head office of the Company in Lubin, and 6 in the office of KGHM Polska Miedź S.A. in Warsaw (the first half of the meeting of the Supervisory Board on 17 – 18 April was held in Lubin, while the second half, on 23 April, was held in Warsaw).

The Supervisory Board at each meeting reviewed information provided by the Management Board regarding the current work of the Management Board, always reviewing the resolutions of the Management Board of the Company. The Supervisory Board also reviewed on an on-going basis information regarding the financial results of KGHM Polska Miedź S.A. for individual months of 2008 and accrued results from the beginning of 2008. In accordance with the labour contracts with the members of the Management Board, the Supervisory Board reviewed the work of the Management Board on a quarterly basis, and considered the proposals of the Management Board regarding the payment of an advance on variable remuneration. The Supervisory Board also periodically reviewed the report of the Management Board on the realisation of subsidies, sponsoring, representation, marketing and advertising in KGHM Polska Miedź S.A. and in the Group, as well as the report on the realisation of consulting, advisory and analytical services performed by entities external to KGHM Polska Miedź S.A. and the Group. The Supervisory Board in particular analysed the realisation of investment tasks, as reflected in several meetings of the Supervisory Board.

During the financial year the Supervisory Board decided that the information of the Management Board on the subject of the unit cost of copper production and the actions taken by the Management Board aimed at reducing production costs, as well as information on the extent of achievement of the Company Budget, will be permanent points at the meetings of the Supervisory Board of KGHM Polska Miedź S.A. At each meeting the Supervisory Board also reviewed its correspondence.

In order to improve communications between the Management Board and the Supervisory Board, the practice was continued of providing written information to the Management Board in the form of a letter from the Chairman of the Supervisory Board after each meeting of the Supervisory Board, with information on all of the decisions taken by the Supervisory Board during the meeting.

In 2008 the Supervisory Board passed 120 resolutions, including 6 resolutions in the form of written voting beyond the meetings.

The date, location and major issues dealt with by the Supervisory Board, as well as decisions taken by the Supervisory Board during individual meetings, are presented below.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 17 January 2008 in Lubin

The Supervisory Board reviewed the presentation of the Management Board of KGHM Polska Miedź S.A. regarding the assumptions to the Budget of the Company for 2008, with particular regard to the question of cash flow. The Management Board also presented the Supervisory Board with a provisional technical – economic plan for the years 2008- 2012.

In connection with the request of a Member of the Supervisory Board, the Supervisory Board, as a result of voting, made changes to the composition of the Management Board of the Company: dismissed were the President of the Management Board, Krzysztof Skóra, and a Vice President of the Management Board, Dariusz Kaśków, and the duties of President of the Management Board were assigned to the First Vice President of the Management Board, Ireneusz Reszczyński. In addition the Supervisory Board, as the result of a resolution passed, decided that the Management Board of KGHM Polska Miedź S.A. would be composed of three Members of the Management Board.

The Supervisory Board decided to begin procedures for the competitive selection of the President and members of the Management Board of KGHM, and passed a resolution on the preparation of competition regulations for the President and Members of the Management Board of KGHM Polska Miedź S.A.

The Supervisory Board heard and accepted information from the Management Board on the subject of expenditures by KGHM Polska Miedź S.A. on research and development work, analyses and expert opinions respecting science and technology, legal and financial consulting services and rationalisation and inventions in 2006.

After reviewing presented documentation on the intention to dispose of the companies Walcownia Metali „Łabędy” S.A. and Walcownia Metali Nieżelaznych, the Supervisory Board requested the Management Board to suspend all actions by the Management Board of Ecoren S.A. until a decision is taken regarding the further functioning of Ecoren S.A. by the Management Board of KGHM Polska Miedź S.A.

In addition, at the request of the Management Board of the Company, the Supervisory Board, after reviewing the presented documents, passed decisions in the following issues:

- it gave its consent for the acquisition by KGHM Polska Miedź S.A. of shares of PeBeKa S.A.,
- it set the amount of the quarterly advance on variable remuneration for individual Members of the Management Board for the third quarter of 2007,
- it gave its consent for the participation by Members of the Management Board of KGHM Polska Miedź S.A. in the supervisory boards of related entities,
- it gave its consent for the performance of tax consulting services by a company from the Ernst & Young Group.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 4 February 2008 in Lubin

The Supervisory Board reviewed documentation presented by the Management Board and received information from the Management Board regarding the situation on the copper market in 2007 and perspectives in this regard in 2008, the investment strategy of the Company in the years 2008-2010, with due regard to the takeover of companies and entering into new fields of activity and vertical integration, and the intention to dispose of the assets in the Quartz Work Region.

After reviewing the request of the Management Board, the Supervisory Board passed a resolution on granting consent to the acquisition by KGHM Polska Miedź S.A. of shares of KGHM Letia S.A. and the disposal of property transferred to KGHM Letia S.A. as a contribution in kind.

The Supervisory Board again discussed questions related to the Company Budget for 2008 submitted for approval by the Management Board, and attached its concerns to the document submitted by the Management Board.

Following an initial discussion on the subject of the proposed regulations of the competition for President of the Management Board, the Supervisory Board decided to send these regulations to the Legal Department of the Head Office for their opinion.

The Supervisory Board reviewed the recommendations of the Remuneration Committee of the Supervisory Board with respect to proposed changes to the labour contracts with the President and Members of the Management Board.

At the request of the Management Board, after hearing the recommendation of the Auditing Committee, the Supervisory Board gave a positive opinion of the „Auditing Plan for 2008 in KGHM Polska Miedź S.A. in Lubin”.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 25 February 2008 in Lubin

As a result of changes in the composition of the Supervisory Board made by the Extraordinary General Meeting of KGHM Polska Miedź S.A. on 14 February 2008, the members of the Supervisory Board elected a Chairman, a Deputy Chairman and a Secretary of the Supervisory Board of KGHM Polska Miedź S.A.

The Supervisory Board reviewed the presentation of the Management Board presented during the meeting on the current situation in the Company.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 12 March 2008 in Lubin

The Supervisory Board passed a resolution on the taking of actions aimed at conducting a competition for the position of President of the Management Board of KGHM Polska Miedź S.A. – the Supervisory Board approved the „Regulations for conducting a competition for the position of President of the Management Board of KGHM Polska Miedź S.A.” and decided to commence competition proceedings for the position of President of the Management Board of KGHM Polska Miedź S.A.

In addition, the Supervisory Board passed a resolution on creating a Competition Committee (composed of Arkadiusz Kawecki, Jacek Kuciński and Marek Panfil) as part of the procedures for conducting a competition for the position of President of the Management Board of KGHM Polska Miedź S.A.

The Supervisory Board continued discussions on the Company Budget for 2008 submitted by the Management Board and the provisional technical – economic plan of the Company for the years 2008 – 2012.

The Supervisory Board introduced changes and approved the „Regulations for the election and dismissal of members of the Supervisory Board of KGHM Polska Miedź S.A. elected by the employees of the Company”.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 27 March 2008 in Lubin

After reviewing the request of the Management Board and after hearing information on the subject of the strategic directions of development of KGHM Polska Miedź S.A., the Supervisory Board approved the Company Budget for 2008.

Due to a request by members of the Supervisory Board on suspending procedures for the election through competition of the President of the Management Board of KGHM, following discussions, as a result of reaching an agreement, the Supervisory Board decided to carry out changes to the Competition Regulations based on the addition to the Regulations of a point on the possibility of extending the competition proceedings for the position of President of the Management Board of KGHM Polska Miedź S.A.

After reviewing the functioning and results of the work of the Committees, the Supervisory Board determined the composition of the Auditing and Remuneration Committees. During the meeting the appointed Committees were officially constituted.

In addition, the Supervisory Board, through its resolutions, committed the Management Board of the Company to:

- present a schedule of actions aimed at improving the proportions between income and costs in the budget in 2008 and in the medium perspective (5 years) and to reflect these actions by adjusting the Budget;
- present the Supervisory Board with information prior to each decision on equity investments in the subsidiaries and associated entities, until the development by the Management Board of a joint strategy for the Company and Group.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 7 April 2009 in Warsaw

The Supervisory Board reviewed the report of the Competition Committee on the progress of the first stage of the competition for the function of President of the Management Board of KGHM Polska Miedź S.A., and following discussions decided to approve the request of the Competition Committee to continue proceedings for 7 candidates for the function of President of the Management Board of KGHM Polska Miedź S.A. The Supervisory Board also decided that the qualifying interviews with the candidates admitted to further competition proceedings, who were invited to the meeting by the Chairman of the Competition Committee, would be carried out at the next meeting of the Supervisory Board.

The Supervisory Board approved a thematic framework for the plan of work by the Supervisory Board in the year 2008.

In addition, the Supervisory Board reviewed information presented by the Management Board on the system of management in the Company, using the budgeting process and a Balanced Scorecard; on the economic-financial position of the Company; on the subject of consulting, marketing and sponsoring expenditures and on loans granted for 2007 and the Budget for 2008, and also on a document titled „Power Bridge”.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 17,18 in Lubin, 23 April 2008 in Warsaw

As part of the further stage in the competition proceedings, the Supervisory Board carried out qualifying interviews with seven candidates for the function of President of the Management Board of KGHM Polska Miedź S.A. Following these qualifying interviews, and after insightful discussions and evaluation of each of the candidates, the Supervisory Board of KGHM Polska Miedź S.A. decided (in secret voting) to appoint Mirosław Krutin as President of the Management Board of KGHM Polska Miedź S.A. The Supervisory Board also decided that as of 23 April 2008 the Management Board of KGHM Polska Miedź S.A. would be composed of four Members of the Management Board.

After reviewing the request of the Management Board, the Supervisory Board passed a decision regarding setting of the amount of, and payment of, the quarterly advance on the variable remuneration of the Members of the Management Board for the fourth quarter of 2007.

At the request of the Management Board, the Supervisory Board granted its consent to the acquisition of shares in the increased share capital of KGHM LETIA S.A., and as a result, to the disposal of property of the Legnica Smelter Division of KGHM Polska Miedź S.A.

After reconvening the meeting on 23 April 2008, the Supervisory Board discussed questions related to the Ordinary General Meeting of KGHM Polska Miedź S.A. convened for 26 June 2008, held a meeting with the Auditor of the Company, who presented the Supervisory Board with information regarding the progress of auditing the financial statements of the Company for 2007 and approved the following documents for presentation to the Ordinary General Meeting of the Company:

- evaluation of the proposal of the Management Board on the coverage of losses from prior years;
- evaluation of the Financial Statements of KGHM Polska Miedź S.A. for financial year 2007;
- evaluation of the Report of the Management Board on the Activities of KGHM Polska Miedź S.A. in financial year 2007;
- evaluation of the Consolidated Financial Statements of the KGHM Polska Miedź S.A. Group for financial year 2007;
- evaluation of the Report of the Management Board on the Activities of KGHM Polska Miedź S.A. Group in financial year 2007;

- a resolution on submitting to the Ordinary General Meeting requests on approving of the activities of the Members of the Management Board in financial year 2007.

Next, after analysis of a request presented by the Management Board, the Supervisory Board expressed its consent to the acquisition by KGHM Polska Miedź S.A. of shares in the increased share capital of „Energetyka” sp. z o.o.

At the request of the President of the Management Board, as a result of voting (secret voting), the Supervisory Board dismissed from the Management Board of KGHM Polska Miedź S.A. Ireneusz Reszczyński, Marek Fusiński and Stanisław Kot, and set the number of members of the Management Board at three. Next, at the request of the President of the Management Board, after interviewing each of the proposed candidates, the Supervisory Board in secret voting appointed as Vice Presidents of the Management Board Herbert Wirth, who was given the function of First Vice President of the Management Board, and Maciej Tybura.

The Members of the Supervisory Board, by appropriate resolutions, introduced changes in the labour contracts with the President of the Management Board and the members of the Management Board.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 16 May 2008 in Warsaw

The Supervisory Board passed a resolution regarding the approval of documents to be submitted to the Ordinary General Meeting of the Company:

- evaluation of the proposal of the Management Board on the appropriation of profit for financial year 2007;
- approval of the report of the Supervisory Board on the results of its evaluation of the Report of the Management Board on the Activities of the Company, the results of the evaluation of the Financial Statements of the Company and the proposal of the Management Board on the appropriation of Company profit for financial year 2007;
- approval of the report of the Supervisory Board on the results of its evaluation of the Report of the Management Board on the Activities of the Group and the results of the evaluation of the annual Consolidated Financial Statements of the KGHM Polska Miedź S.A. Group for financial year 2007;
- approval of the brief assessment by the Supervisory Board of the standing of the Company in financial year 2007.

In addition, it approved the Report on the Activities of the Supervisory Board of KGHM Polska Miedź S.A. during the period from 1 January 2007 to 31 December 2007.

The Supervisory Board considered the proposals of the Management Board and expressed its consent to the seating of members of the Management Board on the supervisory boards of subsidiaries, and also, after reviewing a proposal of the Management Board, it approved the sample contract with members of the Management Board of KGHM Polska Miedź S.A. for the use of Company vehicles.

The Supervisory Board reviewed information from the Management Board:

- on the introduction of changes to the approved Budget for 2008;
- on the planned personnel strategy toward the bodies of Group companies and the top leadership of the Divisions and Departments of KGHM Polska Miedź S.A.;

The Supervisory Board, after reviewing information included in a letter from the Director of the Department of Inventions and the Protection of Industrial Proprietary Rights of the Head Office, concerning improprieties with respect to rationalisation as well as the directions and means of solving this problem, committed the Management Board to review this document and to carry out the matters described by it in accordance with the best interest of the Company.

The Supervisory Board set the proposed tasks for the Management Board of KGHM Polska Miedź S.A. in financial year 2008, whose achievement should be the basis for evaluating the work of the Management Board and the payment of variable remuneration.

On 20 May 2008 the Supervisory Board, in written form, passed a resolution on its opinion on the proposal of the Management Board to the Ordinary General Meeting on setting the right to dividend date and the dividend payment date for financial year 2007.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 17 June 2008 in Lubin

The Supervisory Board reviewed information from the Management Board on the following subjects:

- personnel policy and the principles of remuneration for the management boards and supervisory boards of Group companies,
- the unit cost of production of Cu and Ag,
- the balance of mine production for the years 2008 – 2012 and the following 10 years,
- rationalisation and invention activities in KGHM Polska Miedź S.A. and the companies of the KGHM Polska Miedź S.A. Group,
- the report of the Management Board on its analysis of total Head Office costs,
- the business mission and strategy of Ecoren S.A. and its subsidiaries.

In addition, the Supervisory Board, after receiving the proposals of the Management Board of the Company, reviewed the Regulations of the Management Board of KGHM Polska Miedź S.A. and the Regulations of the Supervisory Board of KGHM Polska Miedź S.A.

On 23 June 2008 the Supervisory Board of KGHM passed a resolution in written form on the approval of tasks for the Management Board of KGHM Polska Miedź S.A. in 2008.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 21 July 2008 in Warsaw

Due to the election of the 7th term Supervisory Board of KGHM on 24 June 2008 by the Ordinary General Meeting of KGHM Polska Miedź S.A., the Supervisory Board constituted itself and elected from amongst its members in secret voting a Chairman of the Supervisory Board, a Deputy Chairman and a Secretary of the Supervisory Board. In secret voting the members of the Supervisory Board also selected permanent members of the following Supervisory Board committees: the Auditing Committee and the Remuneration Committee, which constituted themselves on the same day.

The Supervisory Board reviewed information from the Management Board on the subject of rationalisation and invention activities in KGHM Polska Miedź S.A. and in the companies of the Group; from the presentation presented by the President of Telefonía Dialog on the business mission and strategy of Telefonía Dialog S.A. and its subsidiaries; information from the Management Board on its decision to liquidate the company Polish Copper Ltd. in London; information from the Management Board on its analysis of total Head Office costs and information from the Management Board on the unit costs of Cu and Ag production.

After reviewing the proposals of the Management Board, the Supervisory Board passed a decision on the subject of property management. Based on the proposals of the Management Board, the Supervisory Board following a discussion also passed a resolution introducing changes in the labour contracts with the members of the Management Board of KGHM.

The Supervisory Board evaluated the work of the Management Board in financial year 2007 and passed resolutions setting the variable remuneration of members of the Management Board for 2007.

The Supervisory Board discussed the corporate documents of the Company: proposed changes in the Regulations of the Supervisory Board and changes, proposed by the Management Board as well as by the Supervisory Board, in the Regulations of the Management Board.

On 29 July 2008 the Supervisory Board of KGHM Polska Miedź S.A. passed a resolution in written form on approval of a sample contract with members of the Management Board of KGHM Polska Miedź S.A. for the free use of a flat.

On 31 July 2008 the Supervisory Board of KGHM Polska Miedź S.A. passed a resolution in written form on approval of the Regulations of the Supervisory Board of KGHM Polska Miedź S.A.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 18 August 2008 in Lubin

The Supervisory Board reviewed, at the request of the Management Board, the proposed adjusted Company Budget for 2008 prepared by the Management Board, and following discussions, both separately and with the participation of the Management Board, a decision was taken to commit the Management Board to analyse once again the macroeconomic assumptions and to prepare a detailed list of tangible and equity investments. The Supervisory Board also reviewed a document submitted by the Management Board titled Strategic Directions of KGHM Polska Miedź S.A. The Supervisory Board recognised that this was the beginning of work on the strategy of the Company, approved the three areas of activity of KGHM described in this document, and presented the Management Board with a deadline for presenting the target Strategy of KGHM.

In addition, the Supervisory Board reviewed information from the Management Board on the subject of expenditures on consulting and advisory services in the first half of 2008, and information from the Management Board on the principles of remuneration of the management boards and supervisory boards of subsidiaries of the KGHM Polska Miedź S.A. Group.

At the request of the Management Board, the Supervisory Board expressed its consent to the seating of the President of the Management Board of KGHM on the supervisory board of Polkomtel S.A., and with regard to the disposal of property by the Legnica Smelter Division of KGHM Polska Miedź S.A.

After requesting the opinion of the Remuneration Committee, the Supervisory Board granted the members of the Management Board an advance on the payment of variable remuneration for the second quarter of 2008.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 9 October 2008 in Warsaw

The Supervisory Board considered the proposal of members of the Supervisory Board regarding the dismissal of the President of the Management Board of KGHM Polska Miedź S.A., and in secret voting passed a resolution rejecting the dismissal of the President of the Management Board of KGHM Polska Miedź S.A.

The Supervisory Board reviewed information from the Management Board on the principles of organising sales of copper and other Company products, reflecting the current macroeconomic situation.

At the request of the Management Board, after reviewing the materials presented by the Management Board, the Supervisory Board passed a resolution on expressing an opinion on the investment program „Modernisation of pyrometallurgy” and on expressing an opinion on the investment project „Construction of Gas-Steam Blocks in the power plants in Głogów and Polkowice”. The Supervisory Board also expressed its consent to the seating of the Vice President of the Management Board on the supervisory boards of subsidiaries of KGHM.

The Supervisory Board did not consider the proposal of the Management Board regarding approval by the Supervisory Board of the Regulations of the Management Board.

The Supervisory Board approved the regulations of the Auditing Committee of the Supervisory Board of KGHM Polska Miedź S.A. and decided to request the Management Board to carry out an internal control operation, aimed at clarifying the purposes and reasons for renegotiating the contract on wireless communications in the mining divisions of the Company.

On 23 October 2008 the Supervisory Board of KGHM passed a resolution in written form on the obligation of the Management Board of KGHM Polska Miedź S.A. to present information on actions to be taken during the financial crisis.

On 28 October 2008 the Supervisory Board of KGHM passed a resolution in written form on preliminary acceptance of the offer submitted by a consortium of insurance firms, AIG/Chubb/Liberty, with respect to civil liability insurance for the Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 14 November 2008 in Lubin

After reviewing the materials presented by the Management Board and following discussions, both separately and with the participation of the Management Board, the Supervisory Board passed decisions in the following matters:

- The Supervisory Board requested the Management Board to prepare a report on the realisation of tangible and equity investments in accordance with the Company Budget for 2008, taking into account the proposals and concerns of the members of the Supervisory Board announced during the meeting, as well as to present information on the conformity of the existing „Principles for the selection of contractors/suppliers of work and services, suppliers of products and the manner of entering into contracts on behalf of KGHM Polska Miedź S.A.” with the corporate governance principles prevailing in the Company, as well as on the extent to which these principles are uniformly applied throughout the Company's Divisions;
- The Supervisory Board committed the Management Board of the Company to supplement the report on actions to be taken during the financial crisis, and to present a report conforming to the wording of the previously-passed resolution in this matter, in particular providing an identification of threats to the Company under conditions of financial crisis, and a program of actions adequate to these threats together with scenario analysis.

After reviewing the proposals of the Management Board, the Supervisory Board passed resolutions:

- on the acquisition of shares in the share capital of PeBeKa S.A.
- on acceptance of the offer respecting civil liability insurance for the bodies of KGHM Polska Miedź S.A.

After reviewing the proposals of the Management Board, the Supervisory Board did not pass a decision regarding payment to the members of the Management Board of an advance on variable remuneration for the third quarter of 2008.

The Supervisory Board also passed decisions regarding:

- approval of the Regulations of the Remuneration Committee;
- legal servicing of the meetings of the Supervisory Board of KGHM Polska Miedź S.A.

The Supervisory Board also reviewed information from the Management Board on realisation of the project for radio communications in the mining divisions of the Company, information from the Management Board on realisation of the recommendations set forth in the Report of the Supervisory Board team examining the question of innovation in the Company, information from the Management Board on the state of the investment by KGHM in the Democratic Republic of Congo, information from the Management Board on the functioning in the Head Office of the division of the Executive Director for Purchasing

and material from the Management Board on the progress of work related to the application of complex combines.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 22 December 2008 in Warsaw

The Supervisory Board reviewed the proposals of the Management Board and passed decisions in the following matters:

- the acquisition of shares in the increased share capital of POL-MIEDŹ TRANS Sp. z o.o.
- the disposal of property by the Legnica smelter division of KGHM Polska Miedź S.A.
- the acquisition of shares in the increased share capital of „MCZ” S.A.
- acceptance of the sample contract for the use of company vehicles by members of the Management Board of KGHM Polska Miedź S.A.
- changes in the wording of the labour contract with Members of the Management Board of KGHM Polska Miedź S.A., respecting the granting of vacation time to the President of the Management Board;

After reviewing the materials presented by the Management Board, the Supervisory Board also passed decisions in the following matters:

- consent was granted to the participation by members of the Management Board of KGHM in the supervisory boards of subsidiaries;
- the Management Board of KGHM Polska Miedź S.A. was committed to supplementing material on the actions of the Management Board respecting the large decreases in the price of copper and respecting the financial crisis on global markets, taking into account the concerns announced by the Members of the Supervisory Board;
- the Management Board of KGHM Polska Miedź S.A. was committed (in connection with resolution no. 33/VII/08 of the Supervisory Board) to immediate review of all contracts and management procedures related to realisation of the radio communications project in the mining divisions of the Company.

In addition, at the request of the Management Board, the Supervisory Board, both amongst themselves as well as with the participation of the Management Board, held preliminary discussions on the Strategy of KGHM Polska Miedź S.A. submitted by the Management Board. The Supervisory Board also heard information from the Chairman of the Auditing Committee on the settlement of taxable benefits related to the execution of duties by a member of the Supervisory Board of the Company.

III. Committees of the Supervisory Board of KGHM Polska Miedź S.A.

The Report on the Activities of the Auditing and Remuneration Committees represent, respectively, annexes no. 1 and no. 2 to this annual Report on the Activities of the Supervisory Board of KGHM Polska Miedź S.A. for financial year 2008.

IV. Evaluation of the work of the Supervisory Board of KGHM Polska Miedź S.A.

This report describes the main directions of the activities of the Supervisory Board in financial year 2008. All of the members of the Supervisory Board properly performed their duties on the Supervisory Board, applying their knowledge and experience in the operation and supervision of commercial law companies.

In submitting this report, the Supervisory Board requests that its members be acknowledged as having properly performed their duties in financial year 2008.