

## Supplementary information

In compliance with the obligations of the Supervisory Board of KGHM Polska Miedź S.A. arising from art. 382 §3 of the Commercial Partnerships and Companies Code and §20 section 2 points 1) and 2) of the Company Statutes, the Supervisory Board positively evaluated the following:

- the financial statements of KGHM Polska Miedź S.A. for financial year 2010,
- the report on the activities of KGHM Polska Miedź S.A. in financial year 2010,
- the consolidated financial statements of the KGHM Polska Miedź S.A. Group for financial year 2010,
- the report on the activities of the KGHM Polska Miedź S.A. Group in financial year 2010,
- the proposal of the Management Board concerning appropriation of Company profit for financial year 2010 and the proposed by the Management Board of the Company dividend-related dates.

and, in execution of its obligations arising from § 20 sec. 2 point 4) of the Statutes of KGHM Polska Miedź Spółka Akcyjna with its registered head office in Lubin, the Supervisory Board of KGHM Polska Miedź S.A. proposed to the Ordinary General Meeting that it grant approval to the following members of the Management Board of KGHM Polska Miedź S.A.: Ryszard Janeczek, Wojciech Kędzia, Maciej Tybura, Herbert Wirth.

Additionally, the following reports of the Supervisory Board will be available on the Internet website of the Company [www.kghm.pl](http://www.kghm.pl) in the section *Investors Zone / General Meeting*:

1. The Annual report on the activities of the Supervisory Board of KGHM Polska Miedź S.A. for financial year 2010 including the evaluation of the work of the Supervisory Board with attached reports from the work of the Audit Committee and the Remuneration Committee.
2. The Brief assessment of the standing of KGHM Polska Miedź S.A. for financial year 2010 including an evaluation of the internal control system and the Company's significant risk management system.
3. The Report of the Supervisory Board of KGHM Polska Miedź S.A. on the results of its evaluation of the report on the Company's activities in financial year 2010, and of the financial statements of the Company for financial year 2010.

4. The Report of the Supervisory Board of KGHM Polska Miedź S.A. on the results of its evaluation of the Report on the activities of the Group in financial year 2010 and of the consolidated financial statements of the KGHM Polska Miedź S.A. Group for financial year 2010.

#### **Information to proposed resolution no. 5 to point 9c of the agenda**

The level of dividend recommended by the Management Board enables realisation of the investment program arising from the Company Strategy for the years 2009-2018, related to increasing annual production by the KGHM Polska Miedź S.A. Group to 700 thousand tonnes of copper in concentrate and diversifying activities. In addition, in subsequent years the Company assumes the continuation and commencement of new, capital-intensive investments in the core business, which are critical to maintaining the efficiency of the production line.

Due to the wide scope of investment plans, the level of dividend recommended by the Management Board is lower than that indicated by the Dividend Policy approved by the Supervisory Board in resolution no. 7/VI/2007 dated 17 January 2007.

Realisation of the investment plans of KGHM Polska Miedź S.A, given the recommended level of dividend for 2010, assumes financing through borrowing at a safe level, one which does not expose the Company to excessive credit risk.

The recommended amount of dividend, in the opinion of the Management Board, represents a compromise between the current interests of shareholders and the need to ensure the Company's long-term operation.

The Management Board of KGHM Polska Miedź S.A. proposes the following dividend-related dates:

- a right to dividend date of 11 July 2011
- a dividend payment date of 12 August 2011

The proposed period between the right to dividend date and the payment date is longer than the 15 working days recommended by the Code of Best Practice for WSE-Listed Companies.

Setting a longer period between these dates is justified by the need to execute taxpayer obligations by KGHM with respect to the flat-rate corporate income tax on

dividends paid in a timely manner and in accordance with laws in force.

Beginning from 1 January 2011, there has been a change to the Corporate Income Tax Act dated 15 February 1992 (CIT), among others with respect to tax exemptions. Additionally, art. 6 sec. 1 of the updated law exempted from taxation joint investment bodies and retirement funds acting on the basis of laws on the organisation and functioning of retirement funds, having their head office in an EU member country other than the Republic of Poland or in another country belonging to the European Economic Area, under condition that they meet all of a variety of itemised specified criteria, requiring documentation pursuant to laws in force.

The aforementioned changes to the laws place on the Company and Brokerage Firms additional obligations to collect documents which must be obtained from shareholders and verified prior to the dividend payment date.

Under the current obligatory process of setting the net amount of dividend payment set forth in the „Detailed Rules of Operation of the National Depository for Securities”, the Issuer, i.e. KGHM Polska Miedź S.A., receives from Participants (Brokerage Firms) shareholder data, including data on the right to the dividend, tax residency certificates, and also since 2011, declarations arising from the updated law on CIT, as mentioned above. These documents should be collected by Brokerage Firms within four working days from the right to dividend date.

The Supervisory Board of KGHM Polska Miedź S.A. positively evaluated the aforementioned proposal of the Management Board.

### **Information to proposed resolution no. 23 to point 14b of the agenda**

Due to expiration of the term of office of the Supervisory Board of KGHM Polska Miedź S.A., on 11-12 May 2011 elections were held in the Company for employee-elected members of the Supervisory Board.

In accordance with art. 14 sec. 1 point 2 of the Act on commercialisation and privatisation dated 30 August 1996 (unified text, Journal of Laws from 2002 No. 171,

item 1397 with subsequent amendments) three members of the Supervisory Board of KGHM Polska Miedź S.A. are elected by the employees of the Company.

The Company's employees elected the following persons to the Supervisory Board: Józef Czyczerski, Leszek Hajdacki, Ryszard Kurek.

Information on persons elected to the Supervisory Board by the Company's employees is available at the website [www.kghm.pl](http://www.kghm.pl)

In accordance with art. 14 sec. 2 line 2 of the aforementioned Act, the result of the elections is binding for the General Meeting.

**Information to proposed resolutions nos. 25, 26 and 27 to points 15 and 16 of the agenda, included in the agenda at the request of a shareholder – the State Treasury**

The introduction of the following points to the agenda of the General Meeting:

1. Adoption of a resolution on changes to the composition of the Supervisory Board of KGHM Polska Miedź Spółka Akcyjna with its registered head office in Lubin,
2. Adoption of a resolution on changes to the principles of remuneration of Supervisory Board members,

are justified by the need to strengthen supervision of the activities of the Company in all operational areas, and is also related to the need to verify the level of remuneration of Supervisory Board members set by the General Meeting in 2003.

*(Translation from the original Polish version. In the event of differences resulting from the translation, reference should be made to the official Polish version.)*