

**Bylaws**  
**of the Management Board of KGHM Polska Miedź S.A. in Lubin**

**I. GENERAL PROVISIONS**

§ 1

1. These bylaws of the Management Board of KGHM Polska Miedź S.A. in Lubin ("the Bylaws") regulate the manner of operations of the Management Board of KGHM Polska Miedź S.A. ("the Management Board").
2. The Management Board acts on the basis of applicable provisions of law, including the Commercial Companies Code of 15 September 2000, the Statutes of KGHM Polska Miedź S.A. ("the Statutes"), these Bylaws and in accordance with other internal regulations in force in KGHM Polska Miedź S.A. in Lubin ("the Company").

**II. COMPOSITION AND METHOD OF APPOINTING AND DISMISSAL OF THE MANAGEMENT BOARD**

§ 2

1. Management Board members are appointed and dismissed by the Supervisory Board in accordance with the provisions of the Statutes.
2. The rules of appointing and dismissing an employee-elected member of the Management Board and the manner of conducting elections are set out in the Statutes and "The Regulations for the election by employees of a Member of the Management Board of KGHM Polska Miedź S.A.".
3. A member of the Management Board whose mandate has expired shall hand over all his/her open matters and the related documentation held, against a written report, to the President of the Management Board or another person named by the President of the Management Board.

**III. SCOPE OF OPERATION AND REPRESENTATION OF THE MANAGEMENT BOARD**

§ 3

1. The scope of operation of the Management Board includes carrying out of all Company matters, except those restricted to the remit of the General Meeting and the Supervisory Board under the Commercial Companies Code and the Statutes of the Company.
2. Members of the Management Board represent the Company and conduct its matters in accordance with their functions and positions established by the Supervisory Board in a resolution on appointing the Management Board.
3. A detailed distribution of responsibilities among respective members of the Management Board is set out in "The Organisational Regulations of KGHM Polska Miedź S.A. in Lubin". The Supervisory Board entrusts individual members of the Management Board with responsibilities corresponding to their positions in accordance with the provisions of "The Organisational Regulations of KGHM Polska Miedź S.A. in Lubin".

§ 4

- 1st The Management Board shall make decisions in the form of resolutions.
- 2nd In particular, the following matters require a resolution of the Management Board:
- 1) determination of the Company's strategy, annual and long-term operating plans for the Company,
  - 2) passing of internal normative acts of importance to the Company's operations, including the Company's Organisational Regulations and Purchasing Policy,
  - 3) convening the General Meeting,
  - 4) establishing, merging, dividing, transforming and liquidating the Company's organisational units,
  - 5) merging, dividing, transforming and liquidating direct subsidiaries of the Company,
  - 6) establishing powers of proxy,
  - 7) granting and incurring loans,
  - 8) granting sureties and issuing, on the Company's orders, bank guarantees and letters of credit securing liabilities of entities in which the Company holds less than 50% share-related votes at their general meetings/partner meetings,
  - 9) disposing by the Company of a fixed asset worth more than PLN 20,000.00 (say: twenty thousand) or 0.1% of the total assets as determined on the basis of the most recently approved financial statements,
  - 10) granting donations by the Company or entering into agreements with similar implications, with a value exceeding PLN 20,000.00 (say: twenty thousand) or the amount provided for in the Company's budget,
  - 11) incurring liabilities by the Company, disposing of its property rights and any form of burdening the Company's assets other than said in this Article 7 with a value exceeding PLN 500,000,000.00 (say: five hundred million), except for incurring liabilities within the agreed powers or pursuant to internal acts setting out the rules of operations of the Company,
  - 12) establishing the Company's risk management policy,
  - 13) submitting requests to the Supervisory Board and/or General Meeting, in particular requests to approve specific actions, issue opinions or assess or approve actions required under generally applicable provisions of law and/or the Statutes,
  - 14) exercising voting rights at general meetings/partner meetings of direct subsidiaries of the Company regarding:
    - a) appointing or dismissing members of their authorities,
    - b) granting or refusing to grant discharge to members of their authorities for their obligations,
  - 15) appointing representatives of the Company to the authorities of entities which the Company intends to establish or to which it intends to join,
  - 16) appointing or dismissing members of the authorities of an entity if such remit is granted to the Management Board of KGHM Polska Miedź S.A. in the statutes/articles of association of that entity,
  - 17) changing directors in Branches and establishing rules of granting bonuses to directors in Branches and executive directors in the Head Office,
  - 18) approving rules of remuneration of members of the authorities of direct subsidiaries of the Company or entities which the Company intends to establish or to which it intends to join,
  - 19) approving draft articles of association and statutes and amendments thereto in direct subsidiaries of the Company and entities which the Company intends to establish or to which it intends to join,

- 20) approving key provisions of shareholder and investment agreements and other documents setting out mutual rights and obligations of the parties thereto in entities which the Company intends to establish or to which it intends to join,
- 21) acquiring or disposing of shareholdings in other entities, except for participation units in open investment funds and holdings whose acquisition or disposal requires the Supervisory Board's approval under the Statutes,
- 22) approving a decrease or increase of the share capital in entities in which the Company holds shares or stakes or other participation titles,
- 23) issuing approvals on matters related to payments to the share capital in entities in which the Company holds shares,
- 24) approving acquisitions or disposals of participation titles in other entities by direct subsidiaries,
- 25) approving acquisition of participation titles by third parties in entities in which the Company holds shares, stakes or other participation titles if it arises from the statutes/articles of association of those entities,
- 26) other matters whose settlement in the form of a resolution is demanded by at least one member of the Management Board.

#### **IV. CONVENING AND CARRYING OUT MANAGEMENT BOARD MEETINGS**

##### § 5

The President of the Management Board shall organise the work of the Management Board and shall chair the meetings of the Management Board. The President of the Board may appoint another member of the Management Board to chair a specific meeting of the Board.

##### § 6

1. Meetings of the Management Board should be convened as required, but not less frequently than once a month.
2. Meetings of the Management Board are convened by the President of the Management Board, or, in his/her absence, by a member of the Management Board appointed by the President of the Management Board.
3. A meeting of the Management Board may also be convened by a justified request of a member of the Management Board, and should be held within 7 days from the date of the request or at a later date if the request permits so.
4. Meetings of the Management Board are held at the Company's registered office and at the date set by the person convening the meeting. When justified, meetings of the Management Board may be held outside the Company's registered office at a location named in the meeting notice.
5. Members of the Management Board must attend meetings of the Management Board. If a member of the Management Board is unable to attend a meeting, he/she must promptly notify this fact to the President of the Management Board.
6. When approved by all members of the Management Board, meetings may be held by means of direct communication at a distance, particularly by means of telephone or audio-video communications enabling identification of individual participants, provided that members of the Management Board are first furnished with materials submitted to the Management Board for discussion.

7. If telephone or audio-video communication is lost during a meeting of the Management Board, the decision to continue or adjourn the meeting is made by the chair of the meeting.

#### § 7

1. Announcements of planned meetings of the Management Board (place, date and time) together with the proposed agenda, materials to be presented to the Management Board and draft resolutions should be delivered to each member of the Management Board at least three days prior to the planned date of the meeting. In justified instances the President of the Management Board may shorten this period.
2. Materials to be presented to the Management Board must be accepted by the Management Board member in charge of the organisational unit which drew up those materials. The three business days' period referred to in Paragraph 1 shall be deemed to be met when the documents are submitted to the Secretariat of the Management Board member.
3. In the event documents to be presented to the Management Board are submitted after the date referred to in Paragraph 1, the Management Board may agree to discuss the documents at the approaching meeting by expanding the agenda or rejects the documents and schedules them for a discussion at the next meeting.
4. A meeting of the Management Board may be held also without formal convening if it is attended by all members of the Management Board and none of them object to holding the meeting or raises reservations regarding the agenda.
5. Members of the Management Board refer specific matters to be discussed at a meeting of the Management Board in accordance with the division of responsibilities arising from "The Organisational Regulations of KGHM Polska Miedź S.A. in Lubin" or based on requests submitted by competent organisational units of the Company.
6. The agenda of a meeting of the Management Board, as set out in the announcement on the convening of the meeting, may be altered or expanded during the meeting only with the consent of all members of the Management Board present at the meeting.
7. Should there arise the necessity for the Management Board to immediately decide on a matter of vital importance for the Company, the President of the Management Board may convene a meeting of the Management Board without observing the procedure described in Paragraph 1. A meeting is effectively convened in the aforementioned manner only if all members of the Management Board have been notified of the meeting.
8. Detailed rules of organisational support of meetings of the Management Board and the procedure for preparing materials to be presented at a meeting of the Management Board are set forth in a separate normative act of the Company.

#### § 8

Subject to an approval from the chair, a meeting of the Management Board may be attended by persons invited by members of the management Board, including employees of the Company whose attendance is pertinent to the matter being discussed, external advisors or other persons.

### **V. ADOPTION OF RESOLUTIONS**

#### § 9

1. Resolutions of the Management Board shall be adopted in an open vote.
2. At least two-thirds of the composition of the Management Board must be in attendance in order for a resolution passed at a Management Board meeting to be valid.
3. Resolutions of the Management Board shall be passed by a simple majority of votes cast. If equal numbers of votes have been cast "in favour" and "against" a specific resolution, the vote held by the President of the Management Board shall be decisive.
4. Resolutions shall be signed by all members of the Management Board present at the Management Board meeting at which they were put to the vote. A member of the Management Board who voted against a specific resolution in an open vote shall sign the resolution with the annotation "against". A refusal or inability to sign a specific resolution on the part of one or more members of the Management Board shall be recorded in the minutes of the meeting.
5. A Member of the Management Board who voted "against" a specific resolution may submit a dissenting opinion. Submitting a dissenting opinion requires a statement of reasons.

#### § 10

1. In justified cases, it shall be permitted to vote and adopt resolutions by means of:
  - a) a written vote, which shall consist in casting a vote in writing by each member of the Management Board (upon receipt of a draft resolution and a request to the Management Board) and signing the draft resolution with the annotation "in favour", "against" or "abstained" and specifying the date of the vote,
  - b) direct communication at a distance (e.g. electronic mail, teleconference or videoconference). Such voting shall be held when members of the Management Board are not present at a single location but can discuss and communicate regarding a specific draft resolution by means of direct communication at a distance.
2. Voting and adopting resolutions by means of a written vote or by means of direct communication at a distance shall be ordered by the President of the Board, and if the President of the Management Board is absent, then by a member of the Management Board named by the President of the Management Board, who shall specify the deadline for members of the Management Board to cast their votes.
3. In the event that a resolution is adopted by means of direct communication at a distance, members of the Management Board who took part in the voting shall sign the resolution, specify the date of the voting and clearly represent what vote they cast by annotating "in favour", "against" or "abstained" on the resolution. In the case of votes "against" or "abstained", the respective members of the Management Board shall sign the resolution annotating "against" or "abstained".
4. Resolutions adopted in either of the procedures referred to in Paragraph 1 shall be valid only if:
  - a) all members of the Management Board taking part in the voting have been notified of the contents of the draft resolution and the related statement of reasons;
  - b) at least two thirds of all Management Board members took part in the voting;
  - c) members of the Management Board have promptly provided, by electronic mail, the authorised person handling a given meeting with information about their votes indicating "in favour", "against" or "abstained".
5. A report from a written vote or from a vote by means of direct communication at a distance, including the resolutions adopted in such manner, shall be signed by all members of the Management Board. Members of the Management Board who were absent at the meeting shall confirm in the report that they read the report and the resolutions adopted by the Management Board at the meeting.

## **VI. MINUTES OF THE MEETINGS**

### § 11

1. Meetings and resolutions of the Management Board shall be recorded in the minutes of the meetings by an employee of the organisational unit responsible for handling the Management Board meetings.
2. The minutes of the meeting shall include:
  - a) the consecutive number of the minutes in a given year, the number of the term of the Management Board, and the date and location of the meeting,
  - b) the full names of the members of the Management Board present at the meeting, and in the case of voting in the manner referred to in § 10 paragraph 5, also the full names of the members of the Management Board voting in such manner,
  - c) the full names of persons invited to the meeting of the Management Board, most importantly persons presenting specific matters,
  - d) the agreed agenda,
  - e) the results of the meeting – confirmation of the adoption of resolutions and their contents, or confirmation of an alternative resolution of a matter,
  - f) the contents of respective resolutions adopted by the Management Board,
  - g) the number of votes "in favour", "against" and "abstained" regarding respective resolutions,
  - h) any dissenting opinions.
3. Requests/information to the management Board and other attachments discussed at a meeting of the Management Board shall be attached to the minutes of the meeting.
4. In the event that a resolution is adopted in a manner referred to in § 10 Paragraph 1, the minutes of the meeting with a written vote or vote by means of direct communication at a distance shall include:
  - a) the consecutive number of the minutes in a given year, the number of the term of the Management Board, and the date of the voting,
  - b) the full names of the members of the Management Board taking part in the voting,
  - c) acknowledgement that all members of the Management Board have been notified of the contents of the draft resolution/resolutions,
  - d) information of the method of voting employed and the contents of the resolution adopted,
  - e) the result of the voting with the number of votes "in favour", "against" and "abstained" regarding respective resolutions,
  - f) any dissenting opinions.
5. The organisational unit responsible for support of meetings of the Management Board shall attest conformity and distribute copies of the resolutions adopted by the Management Board to organisational units of the Company.
6. The minutes of meetings and votes of the Management Board held in manners referred to in § 10 Paragraph 1 of these Bylaws and the originals of resolutions adopted by the Management Board shall be kept by the organisational unit responsible for support of meetings of the Management Board .

## **VII. FINAL PROVISIONS**

### § 12

1. The Bylaws of the Management Board shall be unclassified and generally available.
2. Matters not regulated by these Bylaws shall be subject to the Commercial Companies Code, the Statutes and other internal regulations in force in the Company.

§ 13

These Bylaws shall enter into force upon their adoption by the Management Board and approval by the Supervisory Board.