

**Report on the Activities of the Supervisory Board of
KGHM Polska Miedź S.A. for financial year 2011,
including the work of the Committees of the Supervisory Board of
KGHM Polska Miedź S.A.**

(approved by resolution No. 32/VIII/12 of the Supervisory Board of KGHM Polska Miedź S.A. dated
17 April 2012)

I. Principles and procedures of operations of the Supervisory Board of KGHM Polska Miedź S.A.

The Supervisory Board of KGHM Polska Miedź S.A. is the permanent supervisory body of KGHM Polska Miedź S.A. in Lubin in all of the Company's functional areas. The Supervisory Board is comprised of 7 to 10 members, appointed by the General Meeting, of which 3 (three) members are elected by the Company's employees.

The members of the Supervisory Board are appointed for a mutual term of office, which lasts three years. The Supervisory Board acts on the basis of prevailing law, the Statutes of KGHM Polska Miedź Spółka Akcyjna with its registered head office in Lubin and the Regulations of the Supervisory Board of KGHM Polska Miedź S.A. with its registered head office in Lubin as well as the Code of Best Practice for WSE Listed Companies.

In financial year 2011, the Supervisory Board continuously supervised the activities of the Company and realised its tasks based on the special privileges 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.

II. Composition of the Supervisory Board of KGHM Polska Miedź S.A. and on Supervisory Board functions served.

The composition of the **7th-term** Supervisory Board in 2011 was as follows:

<i>First name, surname</i>	<i>function</i>	<i>period when function served in 2011</i>
Jacek Kuciński	Chairman	01.01.2011 – 15.06.2011
Marcin Dyl	Deputy Chairman	01.01.2011 – 15.06.2011
Marek Panfil	Secretary	01.01.2011 – 15.06.2011
Arkadiusz Kawecki	Member	01.01.2011 – 15.06.2011
Jan Rymarczyk	Member	01.01.2011 – 15.06.2011
Marzenna Weresa	Member	01.01.2011 – 15.06.2011
<i>Members of the Supervisory Board elected by employees of the Company</i>		
Józef Czyczerski	Member	01.01.2011 – 15.06.2011
Leszek Hajdacki	Member	01.01.2011 – 15.06.2011
Ryszard Kurek	Member	01.01.2011 – 15.06.2011

On 15 June 2011 the Ordinary General Meeting made the following decisions:

- all members of the 7th-term Supervisory Board were dismissed,
- the number of members of the Supervisory Board was set at 10 persons,
- 7 members of the 8th-term Supervisory Board were appointed. The 3 employee-elected members were not appointed.

Due to a decision of the Ordinary General Meeting to not appoint employee-elected members of the Supervisory Board, the Supervisory Board resolved to hold supplementary elections, as a result of which the following employee-elected persons were appointed to the Supervisory Board: Lech Jaroń, Maciej Łaganowski and Paweł Markowski.

As a result of the above, the Extraordinary General Meeting on 20 October 2011 appointed the following three employee-elected members to the 8th-term Supervisory Board in repeated elections.

The composition of the **8th-term** Supervisory Board in 2011 was as follows:

<i>First name, surname</i>	<i>function</i>	<i>period when function served in 2011</i>
Jacek Kuciński	Member	15.06.2011 – 22.06.2011
	Chairman	22.06.2011 – 31.12.2011
Marcin Dyl	Member	15.06.2011 – 22.06.2011
	Deputy Chairman	22.06.2011 – 31.12.2011
Marek Panfil	Member	15.06.2011 – 22.06.2011
	Secretary	22.06.2011 – 31.12.2011
Franciszek Adamczyk	Member	15.06.2011 – 31.12.2011
Arkadiusz Kawecki	Member	15.06.2011 – 31.12.2011
Jan Rymarczyk	Member	15.06.2011 – 31.12.2011
Marzenna Weresa	Member	15.06.2011 – 31.12.2011
<i>Members of the Supervisory Board elected by employees of the Company</i>		
Lech Jaroń	Member	20.10.2011 – 31.12.2011
Maciej Łaganowski	Member	20.10.2011 – 31.12.2011
Paweł Markowski	Member	20.10.2011 – 31.12.2011

III. Activities of the Supervisory Board

The Supervisory Board carried out its duties at meetings convened by the Chairman of the Supervisory Board, during which the quorum necessary for taking decisions was present.

The activities of the Supervisory Board were documented in the minutes of the meetings and in resolutions passed in 2011.

The Supervisory Board monitored the current work of the Management Board and Company based on resolutions of the Management Board of the Company and on information regarding the financial results of KGHM Polska Miedź S.A. for individual months of 2011.

Based on quarterly evaluations of the Management Board's work, the Supervisory Board considered the proposal 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 donations, 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 external entities on behalf of the Company and the KGHM Polska Miedź S.A. Group.

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, after each meeting, on all of the decisions taken by the Supervisory Board during the meeting.

IV. Meetings of the Supervisory Board of KGHM Polska Miedź S.A. held in financial year 2011, with information on the major issues discussed and decisions undertaken

On 11 January 2011, voting in written form, the Supervisory Board resolved to express its consent for the purchase of shares of Tauron Polska Energia S.A. in Katowice.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 31 January 2011 in Lubin

The Supervisory Board, following the submission of a proposal by the Management Board of the Company, resolved to approve the „Budget for 2011.” The Supervisory Board reviewed and positively

evaluated the information presented by the Management Board with respect to mining in KGHM Polska Miedź S.A. Discussed were the current situation, the major problems to be resolved and growth perspectives.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 11 March 2011 in Lubin

The Supervisory Board expressed its consent for the purchase of shares of KGHM HMS Bergbau AG with its registered head office in Berlin and for the acquisition of shares in the increased share capital of this company, as well as the acquisition of property by the "Polkowice-Sieroszowice" Mine Division of KGHM Polska Miedź S.A. in Kaźmierzów.

The Supervisory Board also reviewed information regarding:

- the planned equity investments of KGHM Polska Miedź S.A. in 2011,
- the sponsoring strategy in KGHM Polska Miedź S.A.,
- the current state of realisation of construction of the gas-steam blocks.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 28 March 2011 in Warsaw

The Members of the Supervisory Board heard information from the Audit Committee on work related to the auditing of the Reports of the Management Board on the activities of KGHM Polska Miedź S.A. and of the financial statements (separate and consolidated) of the Company for 2010. The Audit Committee recommended that the Supervisory Board issue a positive opinion on these statements.

After reviewing the documents submitted by the Management Board and following the meeting with the Auditor of the Company, PwC, the Supervisory Board accepted the following documents for presentation to the Ordinary General Meeting of the Company:

- 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.

Taking into consideration the recommendations of the Remuneration Committee, the Supervisory Board granted an advance on the variable remuneration of the Management Board for the fourth quarter of 2010 for President of the Management Board Herbert Wirth and I Vice President of the Management Board Maciej Tybura.

The Supervisory Board appointed a Strategy Committee (composed of Jacek Kuciński, Ryszard Kurek and Jan Rymarczyk), and towards this end the Supervisory Board resolved to introduce changes in the Supervisory Board Regulations and to establish Regulations for the Strategy Committee.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 18 May 2011 in Lubin

The Supervisory Board reviewed and approved documents of the Ordinary General Meeting of the Company:

- the Report on the Activities of the Supervisory Board of KGHM Polska Miedź S.A. for financial year 2010, including an evaluation of the work of the Supervisory Board and the report on the work of the Audit Committee and Remuneration Committee of the Supervisory Board KGHM Polska Miedź S.A.
- the Report on the evaluation of the report of the Management Board on the activities of KGHM Polska Miedź S.A. in financial year 2010 and the results of the evaluation of the Financial Statements of KGHM Polska Miedź S.A. for financial year 2010.
- the Report on the results of the evaluation of the Report of the Management Board on the Activities of the KGHM Polska Miedź S.A. Group in financial year 2010 and the results of the evaluation of the Consolidated Financial Statements of the KGHM Polska Miedź SA Group for financial year 2010.
- A brief assessment of the standing of KGHM Polska Miedź S.A. for financial year 2010.

In addition the Supervisory Board reviewed positively:

- the proposal of the Management Board of KGHM Polska Miedź S.A. on the appropriation of profit for financial year 2010,
- the proposal of the Management Board of KGHM Polska Miedź S.A. to the Ordinary General Meeting of KGHM Polska Miedź S.A. on setting the right to dividend date and dividend payment date for financial year 2010.

At the meeting resolutions were taken regarding the proposals to the General Meeting on granting approval to the performance of duties of members of the Management Board who served on the Management Board of KGHM in financial year 2010: Herbert Wirth, Maciej Tybura, Wojciech Kędzia and Ryszard Janeczek.

The Supervisory Board reviewed a proposal submitted by members of the Supervisory Board representing the employees of the Company regarding the dismissal of the President of the Management Board. As a result of voting the President of the Management Board was not dismissed.

Following the submitted recommendation of the Remuneration Committee, the Supervisory Board passed a resolution on commencing the process of paying advances on variable remuneration to members of the Management Board for the first quarter of 2011.

In respect of the events which took place on 5 May 2011 at the Head Office of the Company, and the participation in them of employee-elected members of the Supervisory Board of the Company, the Supervisory Board passed a resolution evaluating their participation in these events, in which disapproval was expressed for the actions of the employee-elected members of the Supervisory Board.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 22 June 2011 and 30 June 2011 in Warsaw

Due to the expiry of the 7th term, the Supervisory Board established itself. Jacek Kuciński was chosen as the Chairman of the 8th-term Supervisory Board of KGHM Polska Miedź S.A., Marcin Dyl as Deputy Chairman of the Supervisory Board of KGHM Polska Miedź S.A. and Marek Panfil as Secretary of the Supervisory Board of KGHM Polska Miedź S.A.

The Management Board presented information on a decision taken by the Management Board to sell shares of Polkomtel S.A. The Supervisory Board requested further explanations, suspended the meeting and decided to return to a review of this proposal on 30 June 2011.

Following reconvening of the meeting and the review of applicable documents submitted by the Management Board of the Company, the Supervisory Board passed a resolution on sale of the shares of Polkomtel S.A.

The Supervisory Board appointed an Audit Committee for the new term, composed of Marcin Dyl, Marek Panfil and Marzenna Weresa.

On 6 July 2011, voting in written form, the Supervisory Board passed a resolution on ordering supplementary elections for members of the Supervisory Board of KGHM Polska Miedź S.A. elected by the employees of KGHM Polska Miedź S.A.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 5 September 2011 in Lubin

The Supervisory Board took the following actions:

- it appointed a Committee for Remuneration (composed of Franciszek Adamczyk, Arkadiusz Kawecki and Jacek Kuciński) and for Strategy (composed of Franciszek Adamczyk, Jacek Kuciński and Jan Rymarczyk). Towards this end the Supervisory Board resolved to consider and approve changes in the Regulations of the Supervisory Board required for the functioning of the Strategy Committee.
- it also reviewed a report of the Audit Committee on its work with the Auditor, related to the review of the half-year financial statements. Next, with the participation of the Auditor of the Company, PwC, the Supervisory Board summarised its review of the financial statements of the Company for the first half of 2011.
- it reviewed information of the Management Board regarding planned investments related to the Company's core business,
- after reviewing a proposal submitted by the Management Board, it passed a resolution approving the Adjusted Budget for 2011.
- it reviewed information of the Management Board regarding the current situation in subsidiaries of KGHM: KGHM Ecoren S.A. and KGHM in Shanghai.
- it reviewed information on the strategy of the company KGHM Zagłębie Lubin S.A.

The Supervisory Board also reviewed a presentation on new Management Board remuneration principles presented by consultants of the company PwC. The Supervisory Board determined that it expects the Remuneration Committee to submit a final proposal on the new Management Board remuneration principles.

At the request of the Management Board, decisions were taken to grant approval to the following:

- the acquisition of shares in the increased share capital of KGHM Metraco S.A.,
- the acquisition of shares in the increased share capital of MCZ S.A.,
- the seating of Members of the Management Board of KGHM Polska Miedź S.A. on Supervisory Boards of companies in which KGHM Polska Miedź S.A. holds shares,
- the sale of property by the Lubin Mine Division of KGHM Polska Miedź S.A.,
- the purchase of property by the Tailings Division of KGHM Polska Miedź S.A. in Rudna,
- the purchase of property by the Głogów Smelter Division of KGHM Polska Miedź S.A.

Following the submission of positive recommendations by the Remuneration Committee, the amount of remuneration was set and variable remuneration as well as additional remuneration for 2010 for Herbert Wirth, Maciej Tybura, Wojciech Kędzia and Ryszard Janeczek was granted. Decisions were taken to grant the maximum level of advances on variable remuneration for the second quarter of 2011 for the members of the Company's Management Board.

The Supervisory Board issued a positive opinion to the proposal of the Management Board of KGHM Polska Miedź SA to the Ordinary General Meeting of the Company, regarding changes in the „Statutes of KGHM Polska Miedź Spółka Akcyjna with its registered head office in Lubin”.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 10 October 2011 in Warsaw

The Supervisory Board reviewed information presented by the Management Board regarding:

- sale of the shares of Dialog S.A.,
- planned investments related to the core business.

Following presentation of the Management Board's proposals, the Supervisory Board passed resolutions in the following matters:

- confirmation of the updated „Strategy of KGHM Polska Miedź S.A. for the years 2009 - 2018”
- an increase in the limit of expenditures on representation and advertising in the adjusted Budget for 2011 of KGHM Polska Miedź S.A.

The Supervisory Board established and approved the Regulations of the Strategy Committee of the Supervisory Board of KGHM Polska Miedź S.A.

On 29 September 2011, voting in written form, the Supervisory Board expressed its consent to the sale of the shares of Dialog S.A.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 14 November 2011 in Warsaw

At the request of the Management Board, after reviewing presented documents and after hearing the opinion of the consulting firms Ernst&Young, Mckinsey, BNP Paribas, Rothschild and Gide Loyrette Nouel, the Supervisory Board granted its approval to the purchase of 100% of the shares of a company operating under Canadian law, Quadra FNX Mining Ltd., with its registered head office in Vancouver, listed on the Toronto Stock Exchange.

Due to the appointment to the Supervisory Board of the Company of three members elected by the employees of the Company, the Supervisory Board renewed voting on resolutions which it had passed since 15 June 2011, i.e. since the date of the convening of the Ordinary General Meeting of the Company.

The Supervisory Board issued a positive opinion on the proposal of the Management Board of KGHM Polska Miedź S.A. to the Extraordinary General Meeting of KGHM Polska Miedź S.A. on expressing approval to the purchase of the Company's own shares for their redemption and to the creation of reserve capital for the purchase of own shares.

On 25 November 2011, voting in written form, the Supervisory Board passed a resolution on changes to 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 2 December 2011 in Lubin

The Supervisory Board, after hearing the opinion of the Management Board, expressed its consent to the acquisition of a minority interest in an exploration company listed on the Toronto Stock Exchange (TSX) in Canada.

The Supervisory Board reviewed information presented by the Management Board regarding:

- planned investments related to the core business;
- the participation of KGHM Polska Miedź S.A. in negotiating procedures for purchase of the company ZGH Bolesław S.A. with its registered head office in Bukowno, announced by the Minister of the State Treasury;
- plans of the Management Board regarding regulation of remuneration issues in the Company;
- the question of the minerals extraction tax in Poland;
- implementation of the „Effectiveness” project.

The Management Board presented preliminary assumptions to the Company Budget for 2012. After reviewing the requests of the Management Board, resolutions were passed on the purchase of property by KGHM Polska Miedź S.A.

Taking into consideration the recommendations of the Remuneration Committee, the Supervisory Board passed decisions on the payment of advances on variable remuneration to the Management Board of KGHM Polska S.A. for the third quarter of 2011.

Meeting of the Supervisory Board of KGHM Polska Miedź S.A. on 14 December 2010 in Warsaw

The Supervisory Board appointed an independent advisor to the Strategy Committee, which in its behalf will perform an evaluation of the investment involving purchase of the shares of Quadra FNX Mining Ltd.

On 27 December 2011, voting in written form, the Supervisory Board passed a resolution on establishment a company called Fermat 1 S.a r.l. with its registered head office in Luxembourg.

On 30 December 2011, voting in written form, the Supervisory Board passed a resolution on selecting an advisor to the Strategy Committee.

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

Under the auspices of the Supervisory Board are the Audit Committee, the Remuneration Committee and the Strategy Committee.

These committees assist the Supervisory Board with respect to preparing evaluations and opinions and the taking of other actions aimed at decision-making by the Supervisory Board.

The Audit Committee is responsible for supervision in the areas of financial reporting, the internal control system, risk management and internal and external audits.

The Remuneration Committee is responsible for supervising the realisation of contracts signed with the Management Board, the remuneration system and benefits paid out in the Company and Group, training and other benefits provided by the Company, as well as audits performed by the Supervisory Board in this regard.

The Strategy Committee, supervises the realisation of Company strategy, the Company's annual and multi-year operating plans, supervising the coherence of these documents, and also provides its opinion to the Supervisory Board on the strategic projects presented by the Management Board of the Company and any changes thereto, as well as on the Company's annual and multi-year operating plans.

The rights, scope of activities and procedures of operation of these Committees are described by regulations approved by the Supervisory Board.

The reports on the activities of the above-mentioned Committees represent appendices to this report on the activities of the Supervisory Board of KGHM Polska Miedź S.A. for financial year 2011.

VI. Conclusion

This report describes the main directions of the activities of the Supervisory Board in financial year 2011. 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 2011.

Report on the activities of the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A. in 2011

I. Functioning of the Audit Committee.

During the reporting period the Audit Committee acted on the basis of § 7 point 3 of the Regulations of the Supervisory Board, as well as the Regulations of the Audit Committee approved by resolution of the Supervisory Board, in which the duties of the Committee were set forth.

In accordance with the Regulations of the Supervisory Board, the tasks of the Auditing Committee are as follows:

- 1) supervision, on behalf of the Supervisory Board, of the process of financial reporting in the Company, including the process of reporting to the Supervisory Board,
- 2) analysis and/or evaluation of the accounting principles applied in the Company,
- 3) the review of transactions with parties related to the Company, and of unusual transactions,
- 4) the analysis and monitoring of post-control conclusions arising from the risk management process,
- 5) conduct of the process of selecting independent auditors to audit the financial statements of the Company in order to recommend their acceptance by the Supervisory Board, and participation in commercial negotiations prior to the Company signing a contract with an auditor,
- 6) continuous co-operation with the independent auditor of the Company during the audit, analysis and formulation of conclusions from the audit and opinion of the auditor respecting the financial statements, the auditor's letter to the Management Board and/or Supervisory Board, and the preparation of draft statements and evaluations required by the by-laws for Company bodies and other administrative institutions,
- 7) providing an opinion on the internal audit plan and the internal audit regulations of the Company, and of changes of the director of internal audit,
- 8) analysis of the conclusions reached and the recommendations made by an internal audit of the Company, with monitoring of the degree of implementation of these recommendations by the Management Board of the Company,
- 9) the monitoring of decrees and Company's regulations as regards accounting, finances and hedging against trade and financial risks, and exposure of the Company to serious harm.

The Act dated 7 May 2009 on certified auditors and their self-governing body, entities entitled to audit financial statements and on public supervision, required public companies to appoint Supervisory Board Audit Committees and listed tasks which should be in particular the responsibility of such Committees:

- monitoring of the financial reporting process,
- monitoring of the effectiveness of internal control systems, internal auditing and risk management,
- monitoring of the execution of financial review,
- monitoring of the independence of the certified auditor and of the entity entitled to audit financial statements.

The law in addition calls for Audit Committees to include at least 3 members, of which at least one member should meet the criteria for independence and hold qualifications in the areas of accounting or financial review.

The Members of the Audit Committee select from amongst their number a Chairman, who directs their work and supervises its conduct. The Chairman may invite non-Committee Members of the Supervisory Board, Members of the Management Board and employees of the Company and other persons cooperating with the Company, to participate at meetings of the Committee.

II. Composition of the Audit Committee

The Audit Committee was established by a resolution of the Supervisory Board of KGHM Polska Miedź S.A. During the period from 1 January 2011 to 31 December 2011, the following Members of the Supervisory Board served on the Committee:

- | | |
|-------------------|-----------------------------------|
| - Marcin Dyl | - Member of the Audit Committee |
| - Marek Panfil | - Chairman of the Audit Committee |
| - Marzenna Weresa | - Member of the Audit Committee |

The composition of the Audit Committee meets the requirements of the Act dated 7 May 2009 on certified auditors and their self-governing body, entities entitled to audit financial statements and on public supervision.

III. Activities of the Audit Committee.

In financial year 2011, the Audit Committee held three meetings.

Meeting of 16 February 2011

The Audit Committee met with representatives of PwC, the Company's auditor, to discuss the most important results of its audit of the financial statements of KGHM Polska Miedź SA for 2010. In particular the following questions were dealt with:

- Polkomtel S.A. – the sale process (IFRS 5), review of the deferred tax liability (consolidated),
- Dialog S.A. – the sale process (IFRS 5), review of the deferred tax asset (separate, consolidated),
- KGHM Ecoren S.A. – testing for impairment; business model,
- Zagłębie Lubin S.A. – testing for impairment,
- Health-resorts (ZUK S.A., Połczyn S.A., U Cieplice” sp. z o.o., „Świeradów –Czerniawa” sp. z o.o., WPEC S.A.); Centrozłom S.A. – options to buy State Treasury/employee shares, investment obligations,
- KGHM Ajax Mining INC. – measurement of share purchase options,
- control with respect to IT: continuation of half-year review; accounting performed by COPI employees; access of COPI employees to data in the HR module; entitlements conflicts in the processes of sales, investments, procurement.

Meeting of 4 August 2011

This meeting of the Audit Committee was convened in relation to the review conducted by PwC of the financial statements for the first half of 2011, i.e. the separate financial statements of KGHM Polska Miedź S.A. and the consolidated financial statements of the KGHM Polska Miedź S.A. Group.

Due to a decision of the General Meeting of the Company regarding changes in the Supervisory Board of the Company, i.e. the dismissal of members of the Supervisory Board of the Company elected by employees, potential legal and business consequences related to reporting were discussed.

Also discussed were questions related to the sale of Polkomtel S.A. and Dialog S.A. and the concessions of KGHM Polska Miedź S.A.

Representatives of PwC discussed contracts entered into by the Company with respect to preparation of a report on corporate social responsibility, and the conduct of an audit titled „Corporate governance” in the Head Office and Companies of the KGHM Polska Miedź S.A. Group.

Meeting of 2 December 2011

The Members of the Committee together with the Director of the Audit Department discussed the reports on realisation of the audit plan in the first half of 2011, and audits conducted in the second half of 2011, including the results of an audit on adherence to corporate governance principles.

The concerns of the Auditor, PwC, on the Company's financial reporting process for the third quarter of 2011 were discussed and acknowledged.

The Audit Committee hereby submits this report to the Supervisory Board of KGHM Polska Miedź SA.

Report on the activities of the Remuneration Committee of the Supervisory Board of KGHM Polska Miedź S.A. in 2011

I. Functioning of the Remuneration Committee.

During the reporting period the Remuneration Committee acted on the basis of § 7 point 5 of the Regulations of the Supervisory Board, as well as the Regulations of the Remuneration Committee approved by resolution of the Supervisory Board, in which the duties of the Committee were set forth. In accordance with the Regulations of the Supervisory Board the duties of the Remuneration Committee are as follows:

- 1) to carry out the recruitment and employment of members of the Management Board by developing and organising draft documents and procedures to be submitted to the Supervisory Board for their acceptance,
- 2) to develop draft agreements and samples of other documents related to the hiring of members of the Management Board, and supervision over the realisation of the contractual obligations entered into by the parties,
- 3) to supervise realisation of the system of remuneration of the Management Board, in particular to prepare documents related to variable salary and bonuses, in order to submit a recommendation to the Supervisory Board,
- 4) to monitor and make periodic analyses of the remuneration system of the management staff of the Company and, if necessary, to formulate recommendations to the Supervisory Board,
- 5) to supervise realisation of additional benefits received by the Management Board arising from labour contracts, such as: insurance, automobiles, housing, etc.

The Members of the Remuneration Committee select from amongst their number a Chairman, who directs their work and supervises its conduct. The Chairman may invite non-Committee Members of the Supervisory Board, Members of the Management Board and employees of the Company and other persons cooperating with the Company, to participate at meetings of the Committee.

II. Composition of the Remuneration Committee

The following Members of the Supervisory Board served on the Remuneration Committee of KGHM Polska Miedź S.A. in 2011:

<i>Name, surname</i>	<i>period when function served in 2011</i>
Franciszek Adamczyk	05.09.2011 – 31.12.2011
Leszek Hajdacki	01.01.2011 – 15.06.2011
Arkadiusz Kawecki	01.01.2011 – 31.12.2011
Jacek Kuciński	01.01.2011 – 31.12.2011

III. Activities of the Remuneration Committee.

The Remuneration Committee met with representatives of PwC to discuss the principles of bonuses of the Management Board of KGHM Polska Miedź S.A. The results of this work were presented to the Supervisory Board at its meeting.

A permanent area of activities of the Remuneration Committee were questions related to supervision of realisation of the system of management staff remuneration, in particular with respect to granting and setting the amount of advances on variable remuneration of KGHM Polska Miedź S.A. Management Board members for quarterly periods. Following analysis of documents submitted by the Company's Management Board, the Remuneration Committee recommended to the Supervisory Board decisions in the aforementioned matters.

The Remuneration Committee hereby submits this report to the Supervisory Board of KGHM Polska Miedź SA.

Report on the activities of the Strategy Committee of the Supervisory Board of KGHM Polska Miedź S.A. in 2011

I. Functioning of the Strategy Committee

In accordance with the Regulations of the Supervisory Board the duties of the Strategy Committee are as follows:

- 1) the performance of tasks on behalf of the Supervisory Board of the Company respecting supervision of matters related to Company strategy and the Company's annual and multi-year operating plans,
- 2) monitoring the realisation by the Management Board of the Company of the Company's strategy, and evaluating to what extent the existing strategy is appropriate in dealing with changes in the actual situation,
- 3) monitoring the realisation by the Management Board of the Company's annual and multi-year operating plans, and evaluating whether they require modification,
- 4) evaluating the consistency of the Company's annual and multi-year operating plans with the realisation by the Management Board of the Company's strategy, and presenting proposed changes to any of these Company documents,
- 5) submitting to the Supervisory Board of the Company its opinions in respect of the strategy projects presented by the Management Board of the Company and any changes thereto, as well as on the Company's annual and multi-year operating plans.

II. Composition of the Strategy Committee

The following Members of the Supervisory Board served on the Strategy Committee of KGHM Polska Miedź S.A. in 2011:

<i>Name, surname</i>	<i>period when function served in 2011</i>
Franciszek Adamczyk	05.09.2011 – 31.12.2011
Jacek Kuciński	28.03.2011 – 31.12.2011
Ryszard Kurek	28.03.2011 – 15.06.2011
Jan Rymarczyk	28.03.2011 – 31.12.2011

III. Activities of the Strategy Committee

During the reporting period the Strategy Committee acted on the basis of § 7 point 7 of the Regulations of the Supervisory Board, as well as the Regulations of the Strategy Committee approved by resolution of the Supervisory Board, in which the duties of the Committee were set forth.

A permanent area of activities of the Strategy Committee were questions related to supervision of matters related to Company strategy and to the annual and multi-year operating plans of the Company.

In December, by a resolution of the Supervisory Board of KGHM Polska Miedź S.A., the company A.T.Kearney was selected as an advisor of the Strategy Committee of KGHM Polska Miedź SA.

The Strategy Committee hereby submits this report to the Supervisory Board of KGHM Polska Miedź SA.