

Report of the Supervisory Board of KGHM Polska Miedź S.A. on the results of its evaluation of the proposal of the Management Board of KGHM Polska Miedź S.A. regarding the appropriation of profit for the year ended 31 December 2019

(Adopted by Resolution No. 39/X/20 of the Supervisory Board of KGHM Polska Miedź S.A. dated 20 May 2020)

Lubin, May 2020

Evaluation of the proposal of the Management Board of KGHM Polska Miedź S.A. regarding the appropriation of profit for the year ended 31 December 2019.

The Supervisory Board of KGHM Polska Miedź S.A. hereby issues a positive opinion of the proposal of the Management Board regarding the appropriation of profit for the year ended 31 December 2019 by transferring the entirety of the profit in the amount of PLN 1 263 938 931.55 to the reserve capital of the Company, including PLN 6 666 666,67 to reserve capital created on the basis of art. 396 § 1 of the Commercial Partnerships and Companies Code.

The proposal of the Management Board of KGHM Polska Miedź S.A. results from an assessment of the current financial possibilities of the Company, and takes into consideration the program of investments being implemented as well as the current and anticipated situation on the metals market.

The proposal of the Management Board of KGHM Polska Miedź S.A. is compliant with the existing Dividend Policy of KGHM Polska Miedź S.A., which provides for a balance to be maintained between the level of dividends paid out and opportunities to effectively invest the Company's funds given the current level of debt of the KGHM Polska Miedź S.A. Group, as well as given the uncertainty associated with the further development of the situation on the metals market connected with the SARS-CoV-2 coronavirus pandemic.