

Company profile

Report on the application of corporate governance principles

In July 2007, the Supervisory Board of the Warsaw Stock Exchange resolved the principles of corporate governance for joint-stock companies that are issuers of shares, convertible bonds or bonds with priority rights admitted to exchange trading. These corporate governance principles as described in the document "Code of Best Practice for WSE Listed Companies" represent an annex to resolution no. 12/1170/2007 of the Supervisory Board of the WSE dated 4 July 2007 which came into force on 1 January 2008, and remained in force until 30 June 2010. Since 1 July 2010 a changed group of principles had been in force representing an annex to resolution no. 17/1249/2010 of the Supervisory Board of the WSE dated 19 May 2010. Subsequent changes to the document "Code of Best Practice for WSE Listed Companies" were introduced by resolutions of the Supervisory Board of the WSE nos. 15/1282/2011 dated 31 August 2011 and 20/1287/2011 dated 19 October 2011. The amended principles came into force on 1 January 2012. The contents of the document "Code of Best Practice for WSE Listed Companies" are available on the official website of the Warsaw Stock Exchange under the section on corporate governance (www.corp-gov.gpw.pl), as well as on the website of the Company (www.kghm.pl) under the section on corporate governance.

KGHM Polska Miedź S.A., whose shares are listed on the Warsaw Stock Exchange, has made every effort to apply the corporate governance principles described in document "Code of Best Practice for WSE Listed Companies". The Company has endeavoured at every stage of its operations to carry out all of the recommendations respecting best practice for listed companies as well as suggestions directed to management boards, supervisory boards and shareholders.

In order to realise a transparent and effective information policy, one ensuring rapid and secure access to information for shareholders, analysts and investors, the Company made the broadest possible use of both traditional as well as modern technology for the distribution of information about the Company (recommendation I.1 of the "Code of Best Practice for WSE Listed Companies"). In 2011 the Company decided not to comply only with the recommended on-line transmission of General Meetings, but has registered these meetings and immediately made them available on the Company website in both Polish and English, accessible under the section Investor Zone/Transmissions. The Company has undertaken actions aimed at preparing to provide access to General Meeting on-line transmissions.

In accordance with recommendation I.9, the Company offers equal participation to men and women to fulfil management and supervisory functions. At present however, there are no women on the Management Board of the Company. Although in 2008 a competition was held for the position of President of the Management Board, there were no women applicants for the position, with the same situation applying to competitions held in 2010 involving the positions of President of the Management Board and Vice President of the Management Board (Production).