

Amendments introduced to the Statutes of KGHM Polska Miedź S.A.

- 1) **In § 2 of the Statutes, sec. 2 is added after sec. 1 with the following wording:**
"2. The duration of the Company shall be indefinite."
- 2) **In § 3 sec. 2 of the Statutes after the word "enterprises" the following is removed:**
"(Journal of Laws No. 51, item 298, with later amendments)"
- 3) **§ 4 sec. 1 of the Statutes receives the following wording:**
"1. The Company shall operate on the basis of the Commercial Partnerships and Companies Code, the Act of 30 August 1996 on commercialisation and certain employee entitlements, and the Act dated 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies, and on other applicable laws."
- 4) **§ 5 sec. 2 of the Statutes receives the following wording:**
"2. The Company may establish branches, plants, representative offices and other organizational entities, both in Poland and abroad."
- 5) **In § 5 of the Statutes sec. 3 and 4 are added after sec. 2 with the following wording:**
"3. The Company may be a shareholder in commercial law companies both in Poland and abroad.
4. The Company may form companies, as well as create and participate in other organisations provided for under the law."
- 6) **§ 12 sec. 1 of the Statutes receives the following wording:**
"1. The Management Board of the Company shall be composed of 1 to 7 persons, appointed to a mutual term of office. The term of office of the Management Board shall be three consecutive financial years."
- 7) **§ 12 sec. 3 of the Statutes receives the following wording:**
"3. The Supervisory Board appoints and recalls the members of the Management Board, including the President of the Management Board and the Vice Presidents of the Management Board. The Supervisory Board appoints the members of the Management Board following the conduct of qualification proceedings, the goal of which is to review and evaluate the qualifications of candidates and to select the best candidate for member of the Management Board, with due regard being

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given to sec. 5 and sec. 7 to 15 concerning the appointment or recall of an employee-elected member of the Management Board as understood by art. 16 sec. 1 of the Act dated 30 August 1996 on commercialisation and certain employee entitlements:

- 1) The Supervisory Board shall conduct qualification proceedings if circumstances arise which justify the appointment of a member of the Management Board.
 - 2) The Supervisory Board, in commencing qualification proceedings for the position of member of the Management Board, shall determine, by the adoption of a resolution, the detailed principles and manner of these proceedings, including in particular: the position being the subject of the proceedings, the time and place for accepting offers, the time and place for conducting qualification interviews, the scope of subjects to be covered during the qualification interviews and the requirements and manner of evaluation of the candidate.
 - 3) The candidate for the position of member of the Management Board should meet the requirements referred to in sections 4 and 4¹."
- 8) **In § 12 sec. 4 of the Statutes after the words "Management Board" the words:**
"of the Company" are removed.
- 9) **In § 12 sec. 4¹ of the Statutes after the words "Management Board" the words:**
"of the Company" are removed.
- 10) **§ 12 sec. 5 the first sentence of the Statutes receives the following wording:**
"5. The members of the Management Board, including any such chosen by the employees, may be recalled by the Supervisory Board prior to the expiration of their term, which in no way shall interfere with their rights arising from the legal relationship relating to their functioning as a member of the Management Board."
- 11) **In § 13 sec. 1 of the Statutes after the words "Management Board" the words:**
"of the Company" are removed.
- 12) **§ 16 of the Statutes receives the following wording:**
"1. The Supervisory Board shall be composed of 7 to 10 members. The term of office of the Supervisory Board is mutual and shall last three full financial years. In the case of elections to the Supervisory Board by group voting, the number of members of the Supervisory Board within the aforesaid limit will be set by the General Meeting.

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2. The General Meeting shall appoint and recall members of the Supervisory Board.
 3. The recalling, resignation or death of a member of the Supervisory Board elected by the employees of the Company or by employees of its subsidiaries as understood by art. 12 sec. 8 of the Act dated 30 August 1996 on commercialisation and certain employee entitlements, shall result in a supplementary election. Such election shall be ordered by the Supervisory Board within 3 weeks.
 4. The particular procedure in which members of the Supervisory Board elected by the employees of the Company or by employees of its subsidiaries as understood by art. 12 sec. 8 of the Act dated 30 August 1996 on commercialisation and certain employee entitlements are to be elected or recalled, shall be determined in an electoral bylaw adopted by the Supervisory Board.
 5. At least two members of the Supervisory Board shall meet the criteria for independence described in art. 129 sec. 3 of the Act dated 11 May 2017 on Auditors, Audit Firms and Public Supervision and in Best Practice for GPW Listed Companies, approved by the Supervisory Board of the Warsaw Stock Exchange.
 6. An independent member of the Supervisory Board should meet the criteria for independence defined in sec. 5, throughout his/her entire tenure. Should the Supervisory Board or Management Board be informed that an independent member of the Supervisory Board has ceased during his/her tenure to meet the criteria for independence, and should this cause the Company to fail to meet the criteria of having at least two independent members, action should be taken to ensure that the said member of the Supervisory Board submit his/her early resignation or that said member is recalled.
 7. Prior to being appointed to the Supervisory Board, a candidate for the position of independent member of the Supervisory Board is required to submit a declaration in writing that he/she meets the criteria for independence defined in sec. 5.
 8. A Member of the Supervisory Board should present to the Management Board information respecting his/her connections, of an economic, family or other nature which could have an impact on his/her position, with a shareholder in the possession of shares representing at least 5% of the number of votes at the General Meeting. This information shall be presented following appointment of the member of the Supervisory Board, as well as during his/her tenure, should any change to these circumstances occur."
- 13) **§ 17 of the Statutes receives the following wording:**
- "1. The first meeting of a newly-appointed Supervisory Board shall be convened no later than within fourteen days following the appointment of the new-term Supervisory Board, by:

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- 1) the Management Board, or
 - 2) the Chairperson of the General Meeting during which the Supervisory Board was appointed, or
 - 3) the senior member of the newly-appointed Supervisory Board.
2. The subject of the agenda of the first meeting of the Supervisory Board is the constitution of the Supervisory Board, including in particular election of the Chairperson and the Deputy Chairperson of the Supervisory Board.
3. The Supervisory Board may dismiss the Chairperson, his/her Deputy and the Secretary at any time.”.
- 14) **§ 18 sec. 1 of the Statutes receives the following wording:**
“1. The Supervisory Board should meet when the situation warrants, but in any case no less than once every two months.”
- 15) **§ 18 sec. 2 of the Statutes receives the following wording:**
“2. The Chairperson of the Supervisory Board or his/her Deputy shall also be obliged to convene a meeting of the Supervisory Board on the written request of either the Management Board or of a member of the Supervisory Board. The meeting should be held within two weeks of the request containing the proposed agenda being received by the Chairperson.”
- 16) **In § 18 of the Statutes, sec. 3 is added after sec. 2 with the following wording:**
“3. The Supervisory Board may hold a meeting without being formally convened, if all of the members of the Supervisory Board express their consent to this and there are no objections voiced as regards placing individual matters on the agenda.”
- 17) **§ 19 sec. 1 of the Statutes receives the following wording:**
“1. All members of the Supervisory Board must be invited to participate in the meetings of the Supervisory Board in order for its resolutions to be valid.”
- 18) **§ 19 sec. 4 of the Statutes receives the following wording:**
“4. The Supervisory Board may also adopt resolutions in written form or through the use of long-distance means of direct communication. A resolution adopted in this manner shall be valid if all members of the Supervisory Board were informed of the wording of the proposed resolution and at least half of the members of the Supervisory Board took part in the voting.”

- 19) **In § 19 of the Statutes, after sec. 4 sec. 5 is added, which receives the following wording:**
“5. A member of the Supervisory Board may participate in a meeting of the Supervisory Board through the use of long-distance means of direct communication.”
- 20) **In § 19 of the Statutes, the current sections 5 and 6 are re-numbered respectively as 6 and 7 and receive the following wording:**
“6. The adoption of a resolution in the manner prescribed in sec. 3 and 4 does not apply to the election of the Chairperson of the Supervisory Board and his/her Deputy, the appointment, recall and suspension of members of the Management Board from their duties and the lifting of such suspension.
7. The Supervisory Board shall adopt bylaws specifying its organisation and the manner in which it is to act.”
- 21) **§ 20 sec. 2 of the Statutes receives the following wording:**
“2. In addition to matters provided for by these Statutes, the following in particular shall be the responsibility of the Supervisory Board:
- 1) preparing annual reports on the remuneration of members of the Management Board and the Supervisory Board,
 - 2) preparing and submitting to the Ordinary General Meeting for its approval an annual written report for the previous financial year (report of the Supervisory Board),
 - 3) reviewing the evaluation submitted to the Supervisory Board on the effectiveness of the internal control, risk management and compliance systems and of the internal audit function, and the report of the Management Board in this regard.
 - 4) evaluating the separate and consolidated financial statements and the report of the Management Board on the activity of the Company and the Group for the given financial year,
 - 5) evaluating the proposals of the Management Board with respect to the allocation of profits or coverage of losses,
 - 6) submitting to the General Meeting an annual written report on the results of the evaluations indicated in points 4 and 5,
 - 7) submitting to the General Meeting annual requests for approval the performance of duties of the Management Board’s members,
 - 8) auditing and controlling the activity and financial condition of the Company,
 - 9) choosing an auditing firm to conduct audits of the reports mentioned in point 1 as well as attestation of the sustainability reporting,

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- 10) suspending from their duties for important reasons some or all of the members of the Management Board,
- 11) delegating a member or members of the Supervisory Board to temporarily perform the duties of members of the Management Board who are unable to carry out their duties,
- 12) setting the remuneration of members of the Management Board and other conditions of management services contracts, based on principles for setting the remuneration of members of the Management Board adopted by the General Meeting, with due regard to the Act of 9 June 2016 on the principles of setting the remuneration of individuals managing certain companies,
- 13) approving the Bylaws of the Management Board,
- 14) approving the Company's annual and long-term plans of activity,
- 15) stating its opinion on any request of the Management Board addressed to the General Meeting,
- 16) expressing its consent to:
 - a) the purchase and sale of real estate, of perpetual usufruct or of a stake in real estate (this does not require a resolution of the General Meeting);
 - b) the granting of guarantees and loans to commercial entities in which the Company owns less than 1/3 of the voting rights at the General Meeting/Shareholder Meeting of such entities;
 - c) establishing and acceding to commercial partnerships and companies;
 - d) disposing of shares in subsidiaries of the Company;
 - e) establishing branches, companies, representative offices and other organizational or economic entities abroad;
 - f) obtaining or acquiring shares of another Company;
 - g) the establishment and liquidation of foundations;
- 17) appointing and recalling members of the Management Board, with due regard being given to § 12 of the Statutes of the Company,
- 18) expressing an opinion on investments by the Company in fixed assets, which meet one of the following conditions:
 - a) investments having a value of more than 10% of the budget for expenditures on investments in fixed assets of the Company for a given financial year;
 - b) investments of more than 5% of the budget for expenditures on investments in fixed assets of the Company for a given financial year, if the investment does not meet the criteria for planned effectiveness in comparison to the accepted rate of return on equity in the Company.

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- 19) expressing consent as regards determining the manner of voting by a representative of KGHM Polska Miedź S.A. at the Ordinary/Extraordinary General Meetings/Shareholder Meetings of companies in respect of which the Company is a parent entity pursuant to art. 4 point 3 of the Act dated 16 February 2007 on competition and consumer protection, regarding:
 - a) the founding by a company of another company;
 - b) amendments in the statutes or articles of association and in the subject of a company's activities;
 - c) the merger, transformation, splitting, dissolution and liquidation of a company;
 - d) increasing or decreasing a company's share capital;
 - e) the disposal and lease of a company or of an organised part thereof, as well as the attachment of limited property rights to same;
 - f) the redemption of shares;
 - g) setting the remuneration of members of Management Boards and supervisory boards;
 - h) decisions relating to claims for redress of damage suffered during the founding of a company, or from management or supervisory activities;
 - i) regarding issues referred to in art. 17 of the Act dated 16 December 2016 on the principles of state assets management, with due regard to § 34 sec. 4.
 - 20) providing an opinion on the report prepared by the Management Board on representation expenses, expenses incurred on legal services, marketing services, public relations services and social communication services, and advisory services associated with management,
 - 21) providing an opinion on the principles regulating sponsoring activities and evaluating the effectiveness of the Company's sponsoring activities,
 - 22) providing an opinion on changes in the principles of disposing of non-current assets, referred to in § 33¹,
 - 23) approving a group's remuneration policy, and
 - 24) acceptance of a uniform text of the Company Statutes, prepared by the Management Board."
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- 22) **In § 22 of the Statutes, sections 3 to 5 are removed, and the current sections 6 to 8 are re-numbered respectively as 3 to 5**
 - 23) **The title of Chapter V. of the Statutes receives the following wording:**
"V. ORGANISATION OF THE ENTERPRISE AND MANAGEMENT OF THE COMPANY"
 - 24) **In § 31 of the Statutes, after the words "Management Board" the words:**

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“of the Company” are removed.

25) **§ 33 sec. 2 of the Statutes receives the following wording:**

“2. The Company may create and dissolve other special-purpose funds and reserves, at the beginning of, and during, the financial year on the basis of a resolution of the General Meeting.”

26) **In § 34 sec. 1 of the Statutes, after the words “Management Board” the words:**

“of the Company” are removed.

27) **In § 34 of the Statutes, sec. 2 is removed, and the current sections 3 to 4 are re-numbered respectively as 2 to 3.**

28) **§ 35 sec. 1 of the Statutes receives the following wording:**

“1. The means of determining how the Company’s profit is to be allocated shall be through a resolution of the General Meeting.”

29) **In § 35 sec. 5 of the Statutes, after the words “Management Board” the words:**

“of the Company” are removed.