

**Report on the remuneration
of the Management Board and Supervisory Board
of KGHM Polska Miedź S.A.
for 2022**

*/Adopted by Resolution No. 70/XI/23 of the Supervisory Board of KGHM Polska Miedź S.A.
dated 11 May 2023/*



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I. Definitions

The terms used in this Report, written in capital letters, have the following meanings:

- 1) **Report** – the report on the remuneration of the Management Board and Supervisory Board of KGHM Polska Miedź S.A. prepared in compliance with art. 90g of the Act;
- 2) **Remuneration Policy/Policy** – remuneration policy adopted by the Company by resolution no. 23/2020 of the General Meeting dated 19 June 2020;
- 3) **KGHM or Company** – KGHM Polska Miedź S.A. with its registered head office in Lubin;
- 4) **KGHM Group** – Capital Group of KGHM Polska Miedź S.A.;
- 5) **Act** – the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies;
- 6) **Act on the principles of setting remuneration** – act dated 9 June 2016 on the principles of setting the remuneration of individuals managing certain companies;
- 7) **Member of the Management Board** – member of the management board of KGHM Polska Miedź S.A. with its registered head office in Lubin;
- 8) **Management Board** – management board of KGHM Polska Miedź S.A. with its registered head office in Lubin;
- 9) **Member of the Supervisory Board** – member of the supervisory board of KGHM Polska Miedź S.A. with its registered head office in Lubin;
- 10) **Supervisory Board** – supervisory board of KGHM Polska Miedź S.A. with its registered head office in Lubin;
- 11) **Statutes** – statutes of KGHM Polska Miedź S.A. with its registered head office in Lubin;
- 12) **General Meeting** – ordinary or extraordinary General Meeting of KGHM Polska Miedź S.A. with its registered head office in Lubin.

II. Introduction

The obligation to prepare the following report arises from art. 90g of the Act introduced on 30 November 2019 based on the act dated 16 October 2019 *on amending the act on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies as well as certain other acts* (Journal of laws, item 2217).

The following document is a report on the remuneration of Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A. presenting a comprehensive review of remuneration, including all of the benefits, regardless of their form, received by individual Members of the Management Board and Members of the Supervisory Board, or to which individual Members of the Management Board and Supervisory Board are entitled for the financial year ended 31 December 2022, pursuant to the Remuneration Policy.

All monetary amounts in the Report are presented in full Polish zlotys.

Events having an impact on the shaping of the remuneration of Members of the Management Board and Supervisory Board in 2022

Acting on the basis of art. 90d of the Act, on 19 June 2020, the General Meeting adopted a Remuneration Policy which defines the remuneration of Members of the Management Board and Supervisory Board.

The means of remunerating the Members of the Supervisory Board and of the Management Board set forth in the Remuneration Policy reflect the principles set forth in the Act on the principles of setting remuneration.

In accordance with § 20 sec. 2 point 9) of the Statutes of KGHM, setting the remuneration of members of the Management Board as well as other terms of contracts for the providing of management services remains within the mandate of the Supervisory Board, which enters into management services contracts with the Members of the Management Board based on the principles set forth in the Remuneration Policy. The template for the management services contract is set by a resolution of the Supervisory Board separately for the President of the Management Board and for the Vice Presidents of the Management Board.

Members of the Management Board serving the function as at 31 December 2022

	Position	Period of serving the function	The basis of change to the composition of the Management Board
Tomasz Zdzikot	Vice President of the Management Board (Development)	01.09-03.11	As of 1 September 2022 appointment by the Supervisory Board in connection with the qualification procedure for the 11th-term Vice President of the Management Board (Development)
	President of the Management Board	04.11-31.12	As of 4 November 2022 appointment by the Supervisory Board in connection with the qualification procedure for the 11th-term President of the Management Board
Marek Świder	Vice President of the Management Board (Production)	15.03-31.12	As of 15 March 2022 appointment by the Supervisory Board in connection with the qualification procedure for the 11th-term Vice President of the Management Board (Production)
Mirosław Kidoń	Vice President of the Management Board (International Assets)	10.12-31.12	As of 10 December 2022 appointment by the Supervisory Board in connection with the qualification procedure for the 11th-term Vice President of the Management Board (International Assets)
Mateusz Wodejko	Vice President of the Management Board (Finance)	21.12-31.12	As of 21 December 2022 appointment by the Supervisory Board in connection with the qualification procedure for the 11th-term Vice President of the Management Board (Finance)
Marek Pietrzak	Vice President of the Management Board (Corporate Affairs)	01.01-31.12	-

Members of the Management Board serving the function during 2022 and not serving the function as at 31 December 2022

Adam Bugajczuk	Vice President of the Management Board (Development)	01.01-31.08	Resignation
Marcin Chludziński	President of the Management Board	01.01-11.10	Dismissal
Paweł Gruza	Vice President of the Management Board (International Assets)	01.01-09.08	Resignation
Andrzej Kensbok	Vice President of the Management Board (Finance)	01.01-06.12	Dismissal
Jerzy Paluchniak	Vice President of the Management Board (International Assets)	01.09-11.10	Dismissal
Dariusz Świderski	Vice President of the Management Board (Production)	01.01-21.02	Dismissal

Members of the Supervisory Board serving the function as at 31 December 2022

Period of serving the function

The basis of change to the composition of the Supervisory Board

Agnieszka Winnik-Kalemba - Chairwoman	01.01-31.12	-
Andrzej Kisielewicz	01.01-31.12	-
Bogusław Szarek - elected by the employees	01.01-31.12	-
Przemysław Darowski - elected by the employees	01.01-31.12	-
Józef Czyczerski - elected by the employees	01.01-31.12	-
Katarzyna Krupa	01.01-31.12	-
Wojciech Zarzycki	22.06-31.12	Appointment to the Supervisory Board
Marek Wojtków	07.10-31.12	Appointment to the Supervisory Board
Radosław Zimroz	07.10-31.12	Appointment to the Supervisory Board
Piotr Ziubroniewicz	24.11-31.12	Appointment to the Supervisory Board
<i>Members of the Supervisory Board serving the function during 2022 and not serving the function as at 31 December 2022</i>		
Jarosław Janas	01.01-21.06	Expiry of mandate with the ending of the 10th-term
Bartosz Piechota	01.01-21.06	Expiry of mandate with the ending of the 10th-term
Robert Kaleta	01.01-07.10	Dismissal
Piotr Dytko	22.06-07.10	Dismissal

III. Remuneration of the Members of the Management Board

Detailed data on the total amount of remuneration of Members of the Management Board for 2022, broken down into the components referred to in art. 90d sec. 3 point 1 of the Act.

Remuneration of the Management Board's Members in 2022			Remuneration			Employment termination compensation and other compensations - non-competition clause disbursed to the former Members of the Management Board	Non-monetary benefits **	Total remuneration and non-monetary benefits	Share of fixed remuneration in total value of remuneration and benefits	Share of variable remuneration in total value of remuneration and benefits	Share of the employment termination compensation and other compensation in total value of remuneration and benefits
First, last name	Position	Period of serving the function	Fixed remuneration	Variable remuneration*	Total remuneration						
Tomasz Zdzikot	Vice President of the Management Board (Development)	01.09 - 03.11	182 892	-	182 892	-	4 600	187 492	97.5%	-	2.5%
	President of the Management Board	04.11 - 31.12	177 293	-	177 293	-	7 850	185 143	95.8%	-	4.2%
Mirosław Kidoń	Vice President of the Management Board (International Assets)	10.12 - 31.12	63 867	-	63 867	-	45	63 912	99.9%	-	0.1%
Marek Pietrzak	Vice President of the Management Board (Corporate Affairs)	01.01 - 31.12	1 045 094	-	1 045 094	-	33 556	1 078 650	96.9%	-	3.1%
Mateusz Wodejko	Vice President of the Management Board (Finance)	21.12 - 31.12	31 933	-	31 933	-	400	32 333	98.8%	-	1.2%
Marek Świder	Vice President of the Management Board (Production)	15.03 - 31.12	833 172	-	833 172	-	3 048	836 220	99.6%	-	0.4%
Adam Bugajczuk	Vice President of the Management Board (Development)	01.01 - 31.08	696 730	950 112	1 646 842	-	19 885	1 666 727	41.8%	57.0%	1.2%
Marcin Chludziński	President of the Management Board	01.01 - 11.10	874 022	1 017 977	1 891 999	435 456	47 048	2 374 503	36.8%	42.9%	20.3%
Paweł Gruza	Vice President of the Management Board (International Assets)	01.01 - 09.08	635 766	950 112	1 585 878	-	18 400	1 604 278	39.6%	59.2%	1.1%
Andrzej Kensbok	Vice President of the Management Board (Finance)	01.01 - 06.12	975 421	672 996	1 648 417	297 562	30 561	1 976 540	49.3%	34.0%	16.6%
Jerzy Paluchniak	Vice President of the Management Board (International Assets)	01.09 - 11.10	119 025	-	119 025	-	1 280	120 305	98.9%	-	1.1%
Dariusz Świderski	Vice President of the Management Board (Production)	01.01 - 21.02	148 055	599 099	747 154	14 515	850	762 519	19.4%	78.6%	2.0%
Katarzyna Kreczmańska-Gigol	Vice President of the Management Board (Finance)	did not serve in the function	-	277 116	277 116	-	-	277 116	-	100.0%	0.0%
Radosław Stach	Vice President of the Management Board (Production)	did not serve in the function	-	277 116	277 116	-	-	277 116	-	100.0%	0.0%
TOTAL			5 783 270	4 744 528	10 527 798	747 533	167 523	11 442 854	50.5%	41.5%	8.0%

* Variable remuneration disbursed in 2022, related to the achievement of management goals for 2021

** Data include subsidized training, coverage of room and board cost, coverage of cost of miner's uniform, life insurance

IV. Variable remuneration of the Members of the Management Board

1. Remuneration of the Members of the Management Board and achievement of the Company's long-term goals

Variable remuneration of the members of the Management Board depends on the level of achievement of the management goals defined separately for each financial year by the Supervisory Board. The management goals and the criteria to achieve these goals in terms of the financial and non-financial results representing the basis for setting the variable remuneration are defined by the Supervisory Board in such a way as to ensure their consistency with the short- and long-term strategic goals of KGHM and of the KGHM Group, under the strategic directions of development:

- the Strategy of KGHM and of the KGHM Group consists of five strategic directions of development:
 - Flexibility,
 - Efficiency,
 - Ecology, safety and sustainable development,
 - E-industry,
 - Energy,
- the indicated strategic directions of development are reflected in individual strategic areas which comprise individualised main goals: core business, new activities, supporting activities, health, pro-sociality,
- each of these main goals is composed of operational goals aimed at achieving the main goal. Each of the five strategic pillars is correlated with the five mentioned development directions, creating thereby an initiatives matrix.

Moreover, the adopted criteria:

- have a positive effect on the commitment of the Members of the Management Board in fulfilling their functions in the Company,
- motivate the Members of the Management Board to advance the Company's business strategy and interests,
- lead to an appropriate assessment of risk by the Members of the Management Board.

2. Information on how the criteria for assessing the achievement of results in terms of variable remuneration of the Members of the Management Board were applied

In the execution of contracts for the provision of management services by Members of the Management Board of KGHM Polska Miedź S.A. for the benefit of KGHM Polska Miedź S.A., the Supervisory Board set management goals for the Members of the Management Board for 2022, their weight and their manner of settlement in scorecards, on which gaining the right to receive variable remuneration is dependent.

In 2021 the Supervisory Board assigned the Members of the Management Board joint management goals, i.e. adjusted EBITDA of KGHM and KGHMI, the volume of production of electrolytic copper from own concentrate and C1 cost of KGHM S.A. Additional management goals were assigned to the Vice President of the Management Board (Finance) and the Vice President of the Management Board (Production). These were respectively: Net debt / EBITDA indicator for the Group, LTIFR – Number of accidents per 1 million worked hours in KGHM Polska Miedź S.A. Moreover, each Member of the Management Board was assigned individual goals resulting from the Company's strategy. In the opinion of the Supervisory Board, all of the tasks and goals, both joint and individual, were achieved.

Scorecard of the President of the Management Board for 2022

The Management Goals prerequisite to gaining the right to receive variable remuneration for the Company's financial year:

- the shaping and application of remuneration principles of members of management and supervisory bodies in line with the Act of 9 June 2016 on the remuneration of individuals managing certain companies,
- fulfilment of the obligations set forth in art. 17 – 20, art. 22 and art. 23 of the Act of 16 December 2016 on the principles of state assets management.

Other management goals:

Indicator	Weight	Goal	Payout Range	Calculation formula of values to the bonus system
Adjusted EBITDA of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 pt for 1% - maximum points 105
Payable copper production volume of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 pt for 1% - maximum points 105
C1 cost of the KGHM Group	15%	compliant with the adopted budget	105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs up to 5% = 100 - 1 pt for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 points
Strategic targets				
Energy transformation	20%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Creation and approval of the operational continuity plan for KGHM in the context of risks related to the geopolitical situation	15%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	Points for target execution: - execution below 90% = 0 points - execution from 91% to 99% = 50 points - execution 100% and higher = 100 points
Development and adoption of the Human Rights Policy of KGHM Polska Miedź S.A.	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	

Nominal variable remuneration indicator (Vr)=100%

Achieved indicator Vr = total points for certain KPI x weight of certain KPI /100 × nominal indicator Vr where the achieved bonus indicator ≤Vr

Scorecard of the Vice President of the Management Board (Finance) for 2022

The Management Goals prerequisite to gaining the right to receive variable remuneration for the Company's financial year:

- the shaping and application of remuneration principles of members of management and supervisory bodies in line with the Act of 9 June 2016 on the remuneration of individuals managing certain companies,
- fulfilment of the obligations set forth in art. 17 – 20, art. 22 and art. 23 of the Act of 16 December 2016 on the principles of state assets management.

Other management goals:

Indicator	Weight	Goal	Payout Range	Calculation formula of values to the bonus system
Adjusted EBITDA of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 pt for 1% - maximum points 105
Payable copper production volume of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 pt for 1% - maximum points 105
C1 cost of the KGHM Group	15%	compliant with the adopted budget	105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs up to 5% = 100 - 1 pt for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 points
Net debt / EBITDA ratio for the Group	15%	compliant with the adopted budget	105% - 95%	Points for target execution: - above target value = 0 points - from 1.8 to 1.99 = 100 points - below 1.8 = 105 points
Strategic targets				
Development of a long-term concept for managing Market Risk in the KGHM Group	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Implementation of a concept for an integrated financial controlling model in the KGHM Group	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	Points for target execution: - execution below 90% = 0 points - execution from 91% to 99% = 50 points - execution 100% and higher = 100 points
Microsoft 365	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	

Nominal variable remuneration indicator (Vr)=100%

Achieved indicator Vr = total points for certain KPI x weight of certain KPI /100 × nominal indicator Vr where the achieved bonus indicator ≤Vr

Scorecard of the Vice President of the Management Board (Development) for 2022
The Management Goals prerequisite to gaining the right to receive variable remuneration for the Company's financial year:

- a) the shaping and application of remuneration principles of members of management and supervisory bodies in line with the Act of 9 June 2016 on the remuneration of individuals managing certain companies,
- b) fulfilment of the obligations set forth in art. 17 – 20, art. 22 and art. 23 of the Act of 16 December 2016 on the principles of state assets management.

Other management goals:

Indicator	Weight	Goal	Payout Range	Calculation formula of values to the bonus system
Adjusted EBITDA of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100%= 100 + 1 pt for 1% - maximum points 105
Payable copper production volume of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100%= 100 + 1 pt for 1% - maximum points 105
C1 cost of the KGHM Group	15%	compliant with the adopted budget	105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs up to 5% = 100 - 1 pt for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 points
Strategic targets				
CAPEX – execution on time and within budget	15%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
CAPEX and OPEX – mine development work	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Hybrid Smelter – development of a proposal to the Management Board of a detailed project, together with an economic feasibility assessment	5%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	Points for target execution: - execution below 90% = 0 points - execution from 91% to 99% = 50 points - execution 100% and higher = 100 points
Internal contracting	5%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Long-term contracting	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	

Nominal variable remuneration indicator (Vr)=100%

Achieved indicator Vr = total points for certain KPI x weight of certain KPI /100 × nominal indicator Vr where the achieved bonus indicator ≤Vr

Scorecard of the Vice President of the Management Board (Production) for 2022
The Management Goals prerequisite to gaining the right to receive variable remuneration for the Company's financial year:

- a) the shaping and application of remuneration principles of members of management and supervisory bodies in line with the Act of 9 June 2016 on the remuneration of individuals managing certain companies,
- b) fulfilment of the obligations set forth in art. 17 – 20, art. 22 and art. 23 of the Act of 16 December 2016 on the principles of state assets management.

Other management goals:

Indicator	Weight	Goal	Payout Range	Calculation formula of values to the bonus system
Adjusted EBITDA of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100%= 100 + 1 pt for 1% - maximum points 105
Payable copper production volume of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100%= 100 + 1 pt for 1% - maximum points 105
C1 cost of the KGHM Group	15%	compliant with the adopted budget	105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs up to 5% = 100 - 1 pt for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 points
LTIFR	10%	compliant with the adopted budget	100% - 90%	Points for target execution: - target amount and lower = 100 points - amount between 99% and 91% = 50 points + 5 pt for each 1% lower - above target value = 0 points
Strategic targets				
Mined production of not less than 442.5 thousand tonnes of copper in ore for the year	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Maintain metallurgical production by KGHM SA of at least 585 thousand tonnes for the year	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	Points for target execution: - execution below 90% = 0 points - execution from 91% to 99% = 50 points - execution 100% and higher = 100 points
Implementation of a production planning process with forecasting of production results at the end of each month on a monthly basis, to year's end (for budget forecasting purposes) and on a long-term basis for annual periods (5-year forecasts)	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Hybrid Smelter – development of a proposal to the Management Board of a detailed project, together with an economic feasibility assessment	5%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	

Nominal variable remuneration indicator (Vr)=100%

Achieved indicator Vr = total points for certain KPI x weight of certain KPI /100 × nominal indicator Vr where the achieved bonus indicator ≤Vr

Scorecard of the Vice President of the Management Board (International Assets) for 2022

The Management Goals prerequisite to gaining the right to receive variable remuneration for the Company's financial year:

- a) the shaping and application of remuneration principles of members of management and supervisory bodies in line with the Act of 9 June 2016 on the remuneration of individuals managing certain companies,
- b) fulfilment of the obligations set forth in art. 17 – 20, art. 22 and art. 23 of the Act of 16 December 2016 on the principles of state assets management.

Other management goals:

Indicator	Weight	Goal	Payout Range	Calculation formula of values to the bonus system
Adjusted EBITDA of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 pt for 1% - maximum points 105
Payable copper production volume of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 pt for 1% - maximum points 105
C1 cost of the KGHM Group	15%	compliant with the adopted budget	105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs up to 5% = 100 - 1 pt for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 points
Strategic targets				
Optimisation of the international assets structure, submission of conclusions from the analysis to the Management Board	5%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Preparation of an investment decision recommendation regarding advancement of the Victoria project	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Development of an international exploration Strategy	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	Points for target execution: - execution below 90% = 0 points - execution from 91% to 99% = 50 points - execution 100% and higher = 100 points
Preparation of a Long-term Plan to Achieve an Optimum Portfolio of Purchased Metal-bearing Materials ensuring the level of production set forth in the Strategy of KGHM SA.	5%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Achievement in 2022 of copper production plans by the international assets	15%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	

Nominal variable remuneration indicator (Vr)=100%

Achieved indicator Vr = total points for certain KPI x weight of certain KPI /100 × nominal indicator Vr where the achieved bonus indicator ≤Vr

Scorecard of the Vice President of the Management Board (Corporate Affairs) for 2022
The Management Goals prerequisite to gaining the right to receive variable remuneration for the Company's financial year:

- a) the shaping and application of remuneration principles of members of management and supervisory bodies in line with the Act of 9 June 2016 on the remuneration of individuals managing certain companies,
- b) fulfilment of the obligations set forth in art. 17 – 20, art. 22 and art. 23 of the Act of 16 December 2016 on the principles of state assets management.

Other management goals:

Indicator	Weight	Goal	Payout Range	Calculation formula of values to the bonus system
Adjusted EBITDA of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100%= 100 + 1 pt for 1% - maximum points 105
Payable copper production volume of the KGHM Group	20%	compliant with the adopted budget	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 pt for 1% - execution 100% = 100 points - execution above 100%= 100 + 1 pt for 1% - maximum points 105
C1 cost of the KGHM Group	15%	compliant with the adopted budget	105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs up to 5% = 100 - 1 pt for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 points
Strategic targets				
Undertake actions aimed at adapting the 5-year strategic plans of selected Group companies to the Strategy of KGHM	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Development of pro-health and spa activities	5%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Development of a concept to increase the available capacity of infrastructure in terms of deliveries of copper scrap to the metallurgical plants to meet the needs of the „Urban Mining” project	5%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	Points for target execution: - execution below 90% = 0 points - execution from 91% to 99% = 50 points - execution 100% and higher = 100 points
Development of a concept to alter the operating model of the Energetyka Group	15%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	
Development of a concept to reorganise the legal services in the Company	10%	settlement based on the substantive scope and schedule adopted in the Company's Strategy	90% - 100%	

Nominal variable remuneration indicator (Vr)=100%

Achieved indicator Vr = total points for certain KPI x weight of certain KPI /100 x nominal indicator Vr where the achieved bonus indicator ≤Vr

3. Information on potentially due remuneration to which Members of the Management Board are entitled for 2022

If 100% of the aforementioned management goals are achieved, potentially due remuneration for the Members of the Management Board for 2022 is as follows:

Members of the Management Board	Position	Potentially due variable remuneration for 2022 based on management services contracts
Tomasz Zdzikot	Vice President of the Management Board (Development) - from 1 September 2022 to 3 November 2022	182 891
	President of the Management Board - from 4 November 2022	177 293
Marek Świder	Vice President of the Management Board (Production) - from 15 March 2022	833 172
Marek Pietrzak	Vice President of the Management Board (Corporate Affairs)	1 045 094
Marcin Chludziński	President of the Management Board - to 11 October 2022	874 022
Andrzej Kensbok	Vice President of the Management Board (Finance) - to 6 December 2022	975 421
Adam Bugajczuk	Vice President of the Management Board (Development) - to 31 August 2022	696 730
Paweł Gruza	Vice President of the Management Board (International assets) - to 9 August 2022	635 766
TOTAL		5 420 389

V. Remuneration of Members of the Supervisory Board

Detailed data on the total amount of remuneration of Members of the Supervisory Board broken down into the components referred to in art. 90d sec. 3 point 1 of the Act, as well as the mutual proportions between these components of the remuneration.

First, last name	Period of serving the function	Remuneration and benefits for serving the function in the Supervisory Board			Remuneration and employment benefits			Total remuneration and benefits for serving in the function in the SB and remuneration and employment benefits	Share of remuneration and benefits for serving in the function in the SB in total value of remuneration and benefits
		Remuneration for serving the function in the SB	Benefits related to serving the function*	Total remuneration and benefits for serving in the function in the SB	Remuneration resulting from the employment contract	Employment benefits	Total remuneration and employment benefits		
Agnieszka Winnik-Kalemba	01.01.2022 - 31.12.2022	163 655	236	163 891	-	-	-	163 891	100.0%
Józef Czyczerski	01.01.2022 - 31.12.2022	149 299	430	149 729	188 724	14 455	203 179	352 908	42.4%
Przemysław Darowski	01.01.2022 - 31.12.2022	149 299	118	149 417	-	-	-	149 417	100.0%
Piotr Dytko	22.06.2022 - 07.10.2022	43 867	52	43 919	-	-	-	43 919	100.0%
Jarosław Janas	01.01.2022 - 21.06.2022	70 917	-	70 917	-	-	-	70 917	100.0%
Robert Kaleta	01.01.2022 - 07.10.2022	114 784	130	114 914	-	-	-	114 914	100.0%
Andrzej Kisielewicz	01.01.2022 - 31.12.2022	149 299	185	149 484	-	-	-	149 484	100.0%
Katarzyna Krupa	01.01.2022 - 31.12.2022	149 299	-	149 299	-	-	-	149 299	100.0%
Bartosz Piechota	01.01.2022 - 21.06.2022	70 917	77	70 994	-	-	-	70 994	100.0%
Bogusław Szarek	01.01.2022 - 31.12.2022	149 299	59	149 358	347 968	23 610	371 578	520 936	28.7%
Marek Wojtków	07.10.2022 - 31.12.2022	34 917	34	34 951	-	-	-	34 951	100.0%
Wojciech Zarzycki	22.06.2022 - 31.12.2022	78 382	61	78 443	-	-	-	78 443	100.0%
Radosław Zimroz	07.10.2022 - 31.12.2022	34 917	34	34 951	-	-	-	34 951	100.0%
Piotr Ziubroniewicz	24.11.2022 - 31.12.2022	15 345	-	15 345	-	-	-	15 345	100.0%
TOTAL		1 374 196	1 416	1 375 612	536 692	38 065	574 757	1 950 369	70.5%

*subsiding of telecommunications services, reimbursement of travel expenses above the limit free of the personal income tax

The remuneration policy does not foresee variable remuneration, bonuses or other monetary benefits for the Members of the Supervisory Board from serving in their functions on the Supervisory Board of KGHM Polska Miedź S.A.

VI. Compliance of the total remuneration of Members of the Management Board and Supervisory Board with the adopted Remuneration Policy

Components	Description of components of total remuneration of Members of the Management Board and relevant clauses of the Remuneration Policy in respect of Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A.
Fixed Remuneration	<p>Section V of the Remuneration Policy - point 1 (subpoints 1,2 and 3) and point 2 (subpoints 1 and 2)</p> <p>1. General information</p> <p>1) The detailed principles which shape the remuneration of the Members of the Management Board are defined by the Supervisory Board in compliance with the Remuneration Policy.</p> <p>2) The Supervisory Board defines the detailed principles of remuneration of the Members of the Management Board by creating templates for the contracts entered into by the Company with the Members of the Management Board.</p> <p>3) The total remuneration of a Member of the Management Board is composed of a fixed part, comprised of monthly basic remuneration (Fixed Remuneration) and a variable part, comprised of supplementary remuneration for the Company's financial year (Variable Remuneration).</p> <p>2. Fixed components of the remuneration of Members of the Management Board</p> <p>1) The Fixed Monthly Remuneration for individual members of the Company's Management Board is within a range of seven- to fifteen times the assessment basis, as described in art. 1 sec. 3 point 11 of the Act on the principles of setting remuneration.</p> <p>2) The Supervisory Board sets the amount of the Fixed Remuneration within the range set forth in point 1) above.</p>
	<p>Section V of the Remuneration Policy - point 1 (subpoints 1,2,3 and 4) and point 3 (subpoints 1,2 and 3)</p> <p>1. General information</p> <p>1) The detailed principles which shape the remuneration of the Members of the Management Board are defined by the Supervisory Board in compliance with the Remuneration Policy.</p> <p>2) The Supervisory Board defines the detailed principles of remuneration of the Members of the Management Board by creating templates for the contracts entered into by the Company with the Members of the Management Board.</p> <p>3) The total remuneration of a Member of the Management Board is composed of a fixed part, comprised of monthly basic remuneration (Fixed Remuneration) and a variable part, comprised of supplementary remuneration for the Company's financial year (Variable Remuneration).</p> <p>4) Variable Remuneration may not exceed 100% of the Fixed Remuneration due for the prior financial year.</p> <p>3. Variable components of the remuneration of Members of the Management Board</p> <p>1) Variable Remuneration depends on the level of achievement of the management goals set for each of the Company's financial years.</p> <p>2) In particular, the following may serve as management goals:</p> <p>a) an increase in the Company's value;</p> <p>b) achievement of the tasks and initiatives described in the Company's Strategy;</p> <p>c) optimisation of the Company's operating costs;</p> <p>d) achievement of the EBITDA level set forth in the Budget for a given financial year;</p> <p>e) maintaining the ratios referred to in borrowing agreements (Net debt/EBITDA ratio),</p> <p>f) improvement of economic-financial ratios other than those indicated in letters d-e;</p> <p>g) an increase in profit for the period or EBITDA, or a positive change in the indicator growth rate of one of these results;</p> <p>h) achievement of or change in the volume of production or sales;</p> <p>i) achievement of or change in specified ratios, in particular profitability, financial liquidity, management efficiency or solvency;</p> <p>j) improvement in occupational health and safety;</p> <p>k) reduced environmental impact.</p> <p>3) The management goals prerequisite to gaining the right to receive Variable Remuneration are as follows:</p> <p>a) the shaping and application of the principles of remuneration of members of the management and supervisory bodies of subsidiaries in a manner which is consistent with the principles set forth in the Act on the principles of setting remuneration;</p> <p>b) execution of the obligations referred to in art. 17-20, art. 22 and art. 23 with due regard to art. 18a and art. 23a of the Act of 16 December 2016 on the principles of state assets management.</p>
Other monetary and non-monetary benefits	<p>Section V of the Remuneration Policy - point 7 (subpoints 3 and 6)</p> <p>7. Additional components of remuneration and other monetary and non-monetary benefits to which the Members of the Management Board are entitled; costs incurred by the Company related to serving in the function.</p> <p>3) The Company incurs or refinances costs associated with the fulfilment by a Member of the Management Board of their function and with the performance of the management services contract to the extent required to properly perform this function and fulfil the contract.</p> <p>6) A Member of the Management Board may also utilise other benefits, in particular such as those provided by the Company for Company management staff in relevant Company internal regulations or in resolutions of the Company's bodies – with the proviso that the Supervisory Board sets the principles for the granting or utilisation of such benefits by a Member of the Management Board by way of resolutions.</p>

	<p>Section V of the Remuneration Policy - point 7 (subpoint 4)</p> <p>7. Additional components of remuneration and other monetary and non-monetary benefits to which the Members of the Management Board are entitled; costs incurred by the Company related to serving in the function.</p> <p>4) The Company incurs or refines costs of individual training for a Member of the Management Board associated with the performance of the management services contract between the Member of the Management Board and the Company and the resulting obligations of the Member of the Management Board after prior consent in each instance of the Chairperson of the Supervisory Board.</p>
Subsidized training	
	<p>Section V of the Remuneration Policy - point 7 (subpoint 5)</p> <p>7. Additional components of remuneration and other monetary and non-monetary benefits to which the Members of the Management Board are entitled; costs incurred by the Company related to serving in the function.</p> <p>5) The Company, during the life of the management services contract between the Member of the Management Board and the Company, incurs the costs of civil insurance for those persons serving in management functions in the Company.</p>
Costs of civil insurance	
	<p>Section V of the Remuneration Policy - point 7 (subpoint 6)</p> <p>7. Additional components of remuneration and other monetary and non-monetary benefits to which the Members of the Management Board are entitled; costs incurred by the Company related to serving in the function.</p> <p>6) A Member of the Management Board may also utilise other benefits, in particular such as those provided by the Company for Company management staff in relevant Company internal regulations or in resolutions of the Company's bodies - with the proviso that the Supervisory Board sets the principles for the granting or utilisation of such benefits by a Member of the Management Board by way of resolutions.</p>
Life insurance	
Miner's Uniform subsidizing	
	<p>Section V of the Remuneration Policy - point 7 (subpoint 7)</p> <p>7. Additional components of remuneration and other monetary and non-monetary benefits to which the Members of the Management Board are entitled; costs incurred by the Company related to serving in the function.</p> <p>7) The Members of the Management Board may participate in the Employee Pension Program (EPP) under the terms of the Collective Agreement entered into in Lubin on 27 June 2005 between KGHM Polska Miedź S.A. and Employee Representation involving the Employee Pension Program. The EPP is conducted in the form of employee contributions to an investment fund. The amount of the basic contribution financed by KGHM is 7% of remuneration. If a Member of the Management Board joins the EPP, the amount of Fixed Remuneration of such a Member of the Management Board is set together with the amount of the basic contribution to the EPP. The Member of the Management Board may also request that the Company deduct and transfer the amount of the additional contribution from his/her Fixed Remuneration.</p>
Employee Pension Program	
	<p>Section V of the Remuneration Policy - point 8 (subpoint 8)</p> <p>8. Information on contracts entered into with Members of the Management Board</p> <p>8) In case of the termination with or without notice by the Company of the Contract due to causes other than those specified in point 3) above, the Member of the Management Board may be granted compensation, in an amount not higher than 3 (three)-times the Fixed Remuneration, contingent upon the member having served in the function on the Management Board for a period of at least 12 (twelve) months prior to the termination of the Contract.</p>
Compensation	
	<p>Section V of the Remuneration Policy - point 8 (subpoint 10)</p> <p>8. Information on contracts entered into with Members of the Management Board</p> <p>10) The Supervisory Board may enter into a non-competition contract with a Member of the Management Board which would come into force upon termination of service, with the proviso that it may only be entered into if the Member of the Management Board serves in the function on the Management Board for a period of at least 6 (six) months.</p>
Compensation - non-competition clause	

Components

Description of components and relevant clauses of the Remuneration Policy in respect of Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A.

	<p>Section IV of the Remuneration Policy - point 1 and point 2</p> <p>1. In accordance with § 29 sec. 1 point 14) of the Statutes, the principles of remuneration of the Members of the Supervisory Board are set by the General Meeting.</p> <p>2. The monthly remuneration of members of the Supervisory Board is hereby set as a multiple of the assessment basis as set forth in art. 1 sec. 3 point 11 of Act on the principles of setting remuneration, as well as the following multiples:</p> <p>1) for the Chairperson of the Supervisory Board - 2.2;</p> <p>2) for other Members of the Supervisory Board - 2.0.</p>
Remuneration for serving the function	
	<p>Section IV of the Remuneration Policy - point 8</p> <p>8. In accordance with art. 392 § 3 of the Commercial Partnerships and Companies Code, the Members of the Supervisory Board are refunded the costs related to their work on the Supervisory Board.</p>
Benefits for serving in the function	

VII. Information on changes in the remuneration of Members of the Management Board and Supervisory Board, changes in the Company's results, and the average remuneration of Company employees who were not Members of the Management Board or Supervisory Board in the period 2017-2022

Variable remuneration of Members of the Management Board, based on the achievement of the Management Targets described in part IV, is closely related to the adjusted EBITDA for the Company and the adjusted EBITDA for the Group, due to the fact that the Management Board assesses the results of the Company and the Group using, inter alia, these indicators.

Pursuant to the Guidelines of the European Securities and Markets Authority (ESMA) as regards Alternative Performance Measures, the adjusted EBITDA indicator represents an Alternative Performance Measure. The adjusted EBITDA indicator is not defined under IFRS, and therefore this measure should not be treated as an alternative to measures defined under IFRS. Moreover, adjusted EBITDA does not have a uniform and set definition. The ways in which this indicator is calculated by other companies may differ significantly from those applied by the Company. Consequently, adjusted EBITDA for KGHM and for the KGHM Group may not be comparable with similar indicators calculated by other companies. These indicators should be treated as supplementary information, expanding on the presentation of the results and other data of the Company and the KGHM Group.

Adjusted EBITDA for the Company and for the Group presented in this Report are consistent with adjusted EBITDA for the Company and the Group which are presented in the Financial Statements of the Company and in the Consolidated Financial Statements of the Group.

Changes in the annual remuneration of Members of the Management Board, Supervisory Board, the Company's results and the average remuneration of employees of the Company who were not members of the Management Board or Supervisory Board in the period from 2017 to 2022.

Parameter	2017*	2018*	Increase/ decrease 2018 to 2017**	2019	Increase/ decrease 2019 to 2018***	2020	Increase/ decrease 2020 to 2019****	2021	Increase/ decrease 2021 to 2020*****	2022	Increase/ decrease 2022 to 2021*****	Increase/ decrease 2022 to 2017
Remuneration and benefits of Members of the Management Board												
Total remuneration and benefits of Management Board Members	10 976 419	5 256 416	-52.1%	5 473 768	4.1%	8 707 659	59.1%	10 363 471	19.0%	11 442 854	10.4%	4.2%
Tomasz Zdzikot	-	-	-	-	-	-	-	-	-	372 635	-	-
Mirosław Kidoń	-	-	-	-	-	-	-	-	-	63 912	-	-
Marek Pietrzak	-	-	-	-	-	-	-	176 687	-	1 078 650	510.5%	-
Mateusz Wodejko	-	-	-	-	-	-	-	-	-	32 333	-	-
Marek Świder	-	-	-	-	-	-	-	-	-	836 220	-	-
Adam Bugajczuk	-	-	-	1 020 089	-	1 680 910	64.8%	1 885 678	12.2%	1 666 727	-11.6%	-
Marcin Chłudziński	-	-	-	1 219 086	-	1 807 621	48.3%	2 220 036	22.8%	2 374 503	7.0%	-
Paweł Gruza	-	-	-	983 642	-	1 845 557	87.6%	1 881 226	1.9%	1 604 278	-14.7%	-
Andrzej Kensbok	-	-	-	-	-	-	-	698 063	-	1 976 540	183.1%	-
Jerzy Paluchniak	-	-	-	-	-	-	-	-	-	120 305	-	-
Dariusz Świderski	-	-	-	-	-	-	-	602 877	-	762 519	26.5%	-
Katarzyna Kreczmańska-Gigol	-	-	-	1 133 131	-	1 692 959	49.4%	1 668 515	-1.4%	277 116	-83.4%	-
Radosław Stach	-	-	-	1 105 971	-	1 680 612	52.0%	1 230 389	-26.8%	277 116	-77.5%	-
Stefan Świątkowski	-	-	-	5 924	-	-	-	-	-	-	-	-
Rafał Pawełczak	-	-	-	5 924	-	-	-	-	-	-	-	-
Remuneration and benefits of Members of the Supervisory Board												
Total remuneration and benefits of Supervisory Board Members *****	1 839 883	1 602 239	-12.9%	1 611 594	0.6%	1 508 804	-6.4%	1 701 790	12.8%	1 950 369	14.6%	6.0%
Agnieszka Winnik - Kalemba	-	-	-	122 190	-	129 264	5.8%	141 693	9.6%	163 891	15.7%	-
Józef Czczerski	-	-	-	295 591	-	272 570	-7.8%	322 438	18.3%	352 908	9.5%	-
Przemysław Darowski	-	-	-	-	-	12 537	-	135 848	983.6%	149 417	10.0%	-
Piotr Dytko	-	-	-	-	-	-	-	-	-	43 919	-	-
Jarosław Janas	-	-	-	121 818	-	128 904	5.8%	135 730	5.3%	70 917	-47.8%	-
Robert Kaleta	-	-	-	-	-	-	-	66 041	-	114 914	74.0%	-
Andrzej Kisielewicz	-	-	-	133 989	-	141 826	5.8%	144 416	1.8%	149 484	3.5%	-
Katarzyna Krupa	-	-	-	-	-	-	-	66 041	-	149 299	126%	-
Bartosz Piechota	-	-	-	122 167	-	129 073	5.7%	135 959	5.3%	70 994	-47.8%	-
Bogusław Szarek	-	-	-	345 354	-	360 064	4.3%	401 092	11.4%	520 936	29.9%	-
Marek Wojtków	-	-	-	-	-	-	-	-	-	34 951	-	-
Wojciech Zarzycki	-	-	-	-	-	-	-	-	-	78 443	-	-
Radosław Zimroz	-	-	-	-	-	-	-	-	-	34 951	-	-
Piotr Ziubroniewicz	-	-	-	-	-	-	-	-	-	15 345	-	-
Marek Pietrzak	-	-	-	121 818	-	128 947	5.9%	111 028	-13.9%	-	-	-
Ireneusz Pasis	-	-	-	121 831	-	76 268	-37.4%	-	-	-	-	-
Leszek Banaszak	-	-	-	121 931	-	60 614	-50.3%	-	-	-	-	-
Janusz Kowalski	-	-	-	104 905	-	-	-	-	-	-	-	-
Katarzyna Lewandowska	-	-	-	-	-	68 737	-	41 504	-39.6%	-	-	-

* remuneration for 2017 and 2018 shown collectively due to lack of the requirement for a more detailed presentation;

** no variable remuneration was paid for the year 2017;

*** variable remuneration was paid to the 10th-term Management Board Members for the period of July - December 2018;

**** in 2020 variable remuneration was paid for the year 2019 in the full amount to all Members of the Management Board;

***** in 2021 the Supervisory Board of the Company appointed Members of the Management Board for the new 11th (eleventh) term. The full amount of variable remuneration for 2020 was disbursed to all Members of the Management Board of the 10th term;

***** in 2022 variable remuneration for 2021 was paid to all Members of the Management Board in the full amount. Detailed information is presented on page 6.

***** remuneration and benefits of Members of the Supervisory Board do not include remuneration from entities within the KGHM Polska Miedź S.A. Group.

Parameter	2017	2018	Increase/ decrease 2018 to 2017	2019	Increase/ decrease 2019 to 2018	2020	Increase/ decrease 2020 to 2019	2021	Increase/ decrease 2021 to 2020	2022	Increase/ decrease 2022 to 2021	Increase/ decrease 2022 to 2017
Company Results												
Revenues from sales (mn PLN)	16 024	15 757	-1.7%	17 683	12.2%	19 326	9.3%	24 618	27.4%	28 429	15.5%	77.4%
Profit/Loss for the period (mn PLN)	1 323	2 025	53.1%	1 264	-37.6%	1 779	40.7%	5 169	190.6%	3 533	-31.7%	167.0%
Adjusted EBITDA for the Company (mn PLN)	4 160	3 416	-17.9%	3 619	5.9%	4 458	23.2%	5 474	22.8%	5 400	-1.4%	29.8%
Adjusted EBITDA for the Group (mn PLN)	5 753	4 972	-13.6%	5 229	5.2%	6 623	26.7%	10 327	55.9%	8 865	-14.2%	54.1%
C1 for KGHM Polska Miedź S.A. (USD/lb)	1.52	1.85	21.7%	1.74	-5.9%	1.62	-6.9%	2.26	39.5%	2.38	5.3%	56.6%
C1 for the Group (USD/lb)	1.59	1.81	13.8%	1.70	-6.1%	1.59	-6.5%	1.96	23.3%	2.20	12.2%	38.4%
Production of electrolytic copper from own concentrate (kt)	358.9	385.3	7.4%	418.3	8.6%	413.3	-1.2%	381.4	-7.7%	381.5	0.0%	6.3%
Production of payable copper by the Group (kt)	656.4	633.9	-3.4%	701.6	10.7%	709.1	1.1%	753.7	6.3%	733.1	-2.7%	11.7%
Average remuneration in total												
Average remuneration in total (PLN/month)	10 122	10 672	5.4%	10 913	2.3%	11 630	6.6%	13 437	15.5%	15 182	13.0%	50.0%
Average remuneration in total excl. the Management Board and Supervisory Board (PLN/month)	10 097	10 672	5.7%	10 912	2.2%	11 630	6.6%	13 437	15.5%	15 181	13.0%	50.4%

Data in the above tables presented respectively for the number of Members of the Management Board and Supervisory Board in individual years:

Year	Number of the Management Board's Members
2017	5
2018 (January - March)	5
2018 (March - June)	3
2018 (June - August)	3
2018 (August - September)	4
2018 (September - December)	5
2019	5
2020	5
2021 (January - October)	5
2021 (November - December)	6
2022 (January - 9 August)	6
2022 (10 August - 31 August)	5
2022 (September - 11 October)	6
2022 (12 October - 6 December)	4
2022 (7 December - 9 December)	3
2022 (10 December - 20 December)	4
2022 (21 December - 31 December)	5

Year	Number of the Supervisory Board's Members
2017 (January - June)	9
2017 (June - December)	10
2018 (January - March)	10
2018 (April - June)	9
2018 (July - December)	10
2019 (January - November)	10
2019 (November - December)	9
2020 (January - June)	9
2020 (August - November)	8
2020 (November - December)	9
2021 (January - April)	9
2021 (May - June)	8
2021 (July - October)	10
2021 (November - December)	9
2022 (January - October)	9
2022 (November - December)	10

VIII. Remuneration from entities within the same Group

The contracts entered into with the Members of the Management Board to provide management services to KGHM Polska Miedź S.A. state that if a Member of the Management Board serves in a body of one of the Company's subsidiaries within the KGHM Polska Miedź S.A. Group, the said Member of the Management Board may not receive additional remuneration from serving in this function.

The Members of the Management Board in 2022 did not receive any remuneration from subsidiaries within the KGHM Polska Miedź S.A. Group.

Amongst the Members of the Supervisory Board, additional remuneration from companies of the KGHM Polska Miedź S.A. Group in 2022 was only received by employee-elected Members of the Supervisory Board. This was remuneration due to their employment.

The remuneration received by Bogusław Szarek and Józef Czyczerski due to their employment in the Company was combined with remuneration due to their serving on the Supervisory Board and is presented in part V of this Report.

The amount of remuneration received by Przemysław Darowski from entities of the KGHM Polska Miedź S.A. Group, in respect of whom additional remuneration was not received from the Company but from other entities of the KGHM Polska Miedź S.A. Group (from POL-MIEDŹ TRANS Sp. z o.o.), amounts to PLN 108 530.

IX. Number of financial instruments granted or offered to Members of the Management Board and Supervisory Board

The Remuneration Policy does not foresee the possibility of granting Members of the Management Board or Supervisory Board financial instruments, and therefore in 2022 the Company did not grant any financial instruments to Members of the Management Board or Supervisory Board.

X. Information on utilisation of the possibility to demand a return of variable components of remuneration

Pursuant to Chapter V, sec. 3, point 6 of the Remuneration Policy, the Company has the right to claims for a return of the variable remuneration if, subsequent to its payment, it is determined that it was paid to the Member of the Management Board based on data which turned out to be false.

The Company in 2022 did not utilise the possibility to demand the return of variable components of remuneration due to the lack of any indications of a breach in these rules.

XI. Information on refrainment from the procedure of implementation of the Remuneration Policy and on refrainments applied pursuant to art. 90f of the Act

Chapter XI of the Remuneration Policy states that the Company does not foresee the possibility of temporarily refraining from the application of the Remuneration Policy.

Since the date of adoption of the Remuneration Policy by the General Meeting, the Company has not refrained from application of the Remuneration Policy, nor from the procedure of implementing the Remuneration Policy, nor taken any actions aimed at such refrainment.

XII. Monetary or non-monetary benefits granted to persons closely related to Members of the Management Board and Supervisory Board

The remuneration of Members of the Management Board and Supervisory Board does not include monetary or non-monetary benefits for persons closely related to Members of the Management Board and Supervisory Board as defined in art. 90g sec. 5 of the Act.

XIII. Information on reflecting Resolution of the General Meeting for the prior financial year

The Ordinary General Meeting of KGHM Polska Miedź S.A., acting pursuant to Art. 90g sec. 6 of the Act, by Resolution No. 27/2022 dated 21 June 2022, expressed a positive opinion on the Report on the remuneration of Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A. for 2021.

XIV. Summation

The Supervisory Board has prepared this Report in accordance with art. 90g of the Act. It is subject to auditing by a certified auditor as regards its inclusion of information required by art. 90g sec. 1-5 and 8 of the Act.

The next General Meeting is required, pursuant to art. 90g sec. 6 in connection with art. 90g sec. 7 of the Act, to adopt an opinion-presenting resolution regarding this Report. This General Meeting resolution is of an advisory nature.

The Report is required to be published on the Company's corporate website and shall be available free of charge for a period of 10 years from the completion of the General Meeting at which the opinion-presenting resolution regarding this Report was adopted.

Chairwoman of the Supervisory Board
Agnieszka Winnik-Kalemba

Member of the Supervisory Board
Józef Czyczerski

Deputy Chairwoman of the Supervisory Board
Katarzyna Krupa

Member of the Supervisory Board
Przemysław Darowski

Secretary of the Supervisory Board
Wojciech Zarzycki

Member of the Supervisory Board
Andrzej Kisielewicz

Member of the Supervisory Board
Bogusław Szarek

Member of the Supervisory Board
Marek Wojtków

Member of the Supervisory Board
Radosław Zimroz

Member of the Supervisory Board
Piotr Ziubroniewicz

appropriate signatures on the original

Lubin, 11 May 2023

Translation from the original Polish version