

**Report on the remuneration  
of the Management Board and Supervisory Board  
of KGHM Polska Miedź S.A.  
for 2023**

*/Adopted by Resolution No. 84/XI/24 of the Supervisory Board of KGHM Polska Miedź S.A.  
dated 8 May 2024/*



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## I. Introduction

### 1. 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 on public offerings;
- 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.

### 2. General information

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 represents 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 2023, pursuant to the Remuneration Policy.

All monetary amounts in the Report are presented in full Polish zlotys (PLN) in gross terms.

#### 2.1 Events having an impact on the shaping of the remuneration of Members of the Management Board and Supervisory Board in 2023

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.

### 3. Information on KGHM Polska Miedź S.A.

Know-how and cooperation – these are the business pillars upon which KGHM has for years been building its position as a leader in the production of copper and silver. As a modern, global organisation, it affects the world's sustainable development.

KGHM is engaged in the extracting and processing of valuable natural resources. At its heart are the largest European deposits of copper ore located in the south-western part of Poland. Owing to its vast experience, openness and constant improvement of skills, the Company has built a unique culture of teamwork ranking high in the international arena.

Knowledge-based experience in technologies and processes combined with employee know-how constitute the most precious resource of KGHM and provide the foundation of the company's value. This enables development while respecting the environment and local communities, as well as the discovery of new sustainable methods of extracting and processing natural resources.

Copper, silver and other metals with the KGHM brand have for years been synonymous with the highest quality, and have been appreciated and recognised around the world.

Implementation of the development strategy systematically strengthens KGHM's international position. Currently, the company boasts a geographically diversified portfolio of mining projects. KGHM is present on four continents – Europe, North America, South America and Asia.

KGHM has a reputation as a reliable producer, a trusted business partner and a company with a sustainable development policy. KGHM is also a responsible employer acknowledging and recognising the commitment and cultural identity of its employees around the world. The Group employs a total of more than 34 thousand people.

## II. Information on the composition of the Management Board and Supervisory Board

### 1. Composition of the Management Board of KGHM Polska Miedź S.A.

Pursuant to the Statutes of KGHM Polska Miedź S.A., the members of the Management Board are appointed and dismissed by the Supervisory Board of the Company. The composition of the 11th-term Management Board of KGHM Polska Miedź S.A. **from 1 January 2023 to 31 December 2023** was as follows:

**Table 1: Composition of the Management Board of KGHM Polska Miedź S.A.**

First name, surname	Function	Period when function served
Tomasz Zdzikot	President of the Management Board	01.01.2023 -
	Acting Vice President of the Management Board (Development)	01.01.2023 - 01.01.2023
Mirosław Kidoń	Vice President of the Management Board (International Assets)	01.01.2023 -
	Acting Vice President of the Management Board (Development)	02.01.2023 - 31.12.2023
Marek Pietrzak	Vice President of the Management Board (Corporate Affairs)	01.01.2023 - 31.12.2023
Marek Świder	Vice President of the Management Board (Production)	01.01.2023 - 31.12.2023
Mateusz Wodejko	Vice President of the Management Board (Finance)	01.01.2023 -

In 2023 there were no changes to the composition of the Management Board of the Company.

### 2. Composition of the Supervisory Board of KGHM Polska Miedź S.A.

Pursuant to the Statutes of the Company, the members of the Supervisory Board are appointed and dismissed by the General Meeting. The composition of the 11th-term Supervisory Board KGHM Polska Miedź S.A. **from 1 January 2023 to 31 December 2023** was as follows:

**Table 2: Composition of the Supervisory Board of KGHM Polska Miedź S.A.**

First name, surname	Function	Period when function served
Agnieszka Winnik-Kalemba	Chairperson	01.01.2023 - 31.12.2023
Katarzyna Krupa	Deputy Chairperson	01.01.2023 - 31.12.2023
Wojciech Zarzycki	Secretary	01.01.2023 - 31.12.2023
Andrzej Kisielewicz		01.01.2023 - 31.12.2023
Marek Wojtków		01.01.2023 - 31.12.2023
Radosław Zimroz		01.01.2023 - 31.12.2023
Piotr Ziubroniewicz		01.01.2023 - 31.12.2023
Józef Czyczerski – elected by employees of the KGHM Polska Miedź S.A. Group		01.01.2023 - 31.12.2023
Przemysław Darowski – elected by employees of the KGHM Polska Miedź S.A. Group		01.01.2023 - 31.12.2023
Bogusław Szarek – elected by employees of the KGHM Polska Miedź S.A. Group		01.01.2023 - 31.12.2023

In 2023 there were no changes to the composition of the Supervisory Board of the Company.

### III. Description of individual components of the remuneration of Members of the Management Board

The total remuneration of Members of the Management Board is comprised of fixed remuneration, variable remuneration and additional, non-monetary elements resulting from the Remuneration Policy.

#### 1. Fixed remuneration of Members of the Management Board

Monthly fixed remuneration for individual Members of the Management Board of the Company ranges from 7-times to 15-times the base rate referred to in art. 1 sec. 3 point 11 of the Act on the principles of remuneration.

The Supervisory Board sets the level of fixed remuneration.

In 2023, monthly fixed remuneration for individual Members of the Management Board of the Company was as follows:

- for the President of the Management Board: 15 times the base rate,
- for the Vice Presidents of the Management Board: 14 times the base rate.

The base rate was the average monthly salary in the corporate sector, excluding payments from profit in the fourth quarter of 2022, announced by the President of the Central Statistical Office, i.e. PLN 6 965.84.

#### 2. Variable remuneration of Members of the Management Board

Variable remuneration depends on the level of achievement of the management goals set for each reporting year of the Company and may not exceed 100% of the annual fixed remuneration. In the case of a Manager functioning in the position for a period of less than one reporting year, with the provision that the contract was performed for a period of at least three months, variable remuneration is calculated proportionally.

The management goals, as well as assessment of their execution, are set by the Supervisory Board no later than by the end of the first quarter of the given reporting year.

#### 3. Other benefits accruing to members of the Management Board

Members of the Management Board, pursuant to the Remuneration Policy, were also entitled to additional components of remuneration and other monetary and non-monetary benefits. The Company incurred or refinanced costs related to a Management Board Member's serving in the function and execution of the management services contract to the extent required to properly fulfil this function and execute the contract.

A Management Board Member may join the Employee Pension Program under the principles of the group agreement in this regard, under the proviso that the amount of the basic monthly premium under this Program is contained in the amount of the fixed remuneration for this period.

In accordance with the Remuneration Policy and the management services contracts (Contract) a Management Board member is entitled to the following benefits funded by the Company:

- Coverage of a life insurance agreement under the group life insurance policies already in place in the Company, including in the event of death, accident or illness. The coverage corresponds to that provided to the management staff, with the only difference being that if the Manager chooses a unit-linked life insurance policy, the portion of the premium relating to this option will not be funded by the Company;
- local housing appropriate to the Function served (in respect of which the Company covers the cost of such housing to the net amount of PLN 2 500);
- incurring or refinancing costs of individual training for the Manager related to the Contract in question and contractual obligations, in each case with the prior consent of the Chairman of the Supervisory Board of the Company.

The contracts signed with the members of the Management Board regulate the question of compensation in the case of termination, with or without notice, of the management services contract for reasons other than breach of the contract's basic obligations. They stipulate that the Company will provide severance pay of three

times the amount of the fixed monthly part of remuneration (if the contract was in force for at least 12 months).

The contracts with the members of the Management Board – both during the period of employment as well as following the period of employment – deal with the question of forbidding competition. In particular, they provide that for a period of six months from the date when employment in the function ceases, they are not allowed to engage in any competing activities. For adherence to the clause on forbidding competitive activities, KGHM pays the Management Board member compensation throughout the period during which competitive activities are banned in the amount of 50% (and in the case of the President of the Management Board 100%) of the monthly fixed remuneration. The condition for payment of the compensation in question is to serve in the function of manager for at least six months and having provided the Company with an appropriate written declaration.

The amounts of the aforementioned benefits assigned to individual Members of the Management Board are presented in Table 3.

Moreover, the Contracts also regulate issues involving the application (utilisation) of all resources (means) of the Company required to execute contractual obligations as well as adherence to security requirements as regards the collection and transfer of data, of which in particular:

- office space together with technical and other equipment, including a personal laptop with wireless Internet access and other required equipment, and means of communication, including a cell phone;
- a company car;
- participation in conferences, seminars or meetings of a business nature related to the business activities of the Company and, in so far as is necessary to carry out these obligations, both domestic and international travel;
- incurring costs of civil liability insurance for the Members of the Management Board due to the function served;
- other benefits, in particular such as ensuring that the Company provide the Company's senior management with the appropriate internal regulations or resolutions of the Company's bodies – under condition that the Supervisory Board issues resolutions regarding the principles of granting or utilising such benefits by a member of the Management Board.

#### IV. Remuneration of Members of the Management Board in 2023

**Table 3: 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 on public offerings**

First name, surname / position / period of serving the function	Remuneration			Employment termination compensation and other compensation – non- competition clause disbursed to former Members of the Management Board	Non- monetary benefits **	Total remuneration and non-monetary benefits
	Fixed	Variable*	Total remuneration			
<b>Tomasz Zdzikot</b> President of the Management Board 01.01.2023 - 31.12.2023	1 253 851	360 184	1 614 035	-	33 890	<b>1 647 925</b>
<b>Mirosław Kidoń</b> Vice President of the Management Board (International Assets) 01.01.2023 - 31.12.2023 Acting Vice President of the Management Board (Development) 02.01.2023 - 31.12.2023	1 170 261	-	1 170 261	-	11 161	<b>1 181 422</b>
<b>Marek Pietrzak</b> Vice President of the Management Board (Corporate Affairs) 01.01.2023 - 31.12.2023	1 170 261	1 045 094	2 215 355	-	28 712	<b>2 244 067</b>
<b>Marek Świder</b> Vice President of the Management Board (Production) 01.01.2023 - 31.12.2023	1 170 261	833 172	2 003 433	-	534	<b>2 003 967</b>
<b>Mateusz Wodejko</b> Vice President of the Management Board (Finance) 01.01.2023 - 31.12.2023	1 170 261	-	1 170 261	-	36 397	<b>1 206 658</b>
<b>Marcin Chludziński</b> President of the Management Board did not serve in function in 2023	-	874 022	874 022	-	-	<b>874 022</b>
<b>Adam Bugajczuk</b> Vice President of the Management Board (Development) did not serve in function in 2023	-	696 730	696 730	-	-	<b>696 730</b>
<b>Paweł Gruza</b> Vice President of the Management Board (International Assets) did not serve in function in 2023	-	631 315	631 315	-	-	<b>631 315</b>
<b>Andrzej Kensbok</b> Vice President of the Management Board (Finance) did not serve in function in 2023	-	975 421	975 421	-	-	<b>975 421</b>
<b>TOTAL</b>	<b>5 934 895</b>	<b>5 415 938</b>	<b>11 350 833</b>	<b>-</b>	<b>110 694</b>	<b>11 461 527</b>

\* Variable remuneration paid in 2023, related to the achievement of management goals for 2022 described in Section V point 2.1.

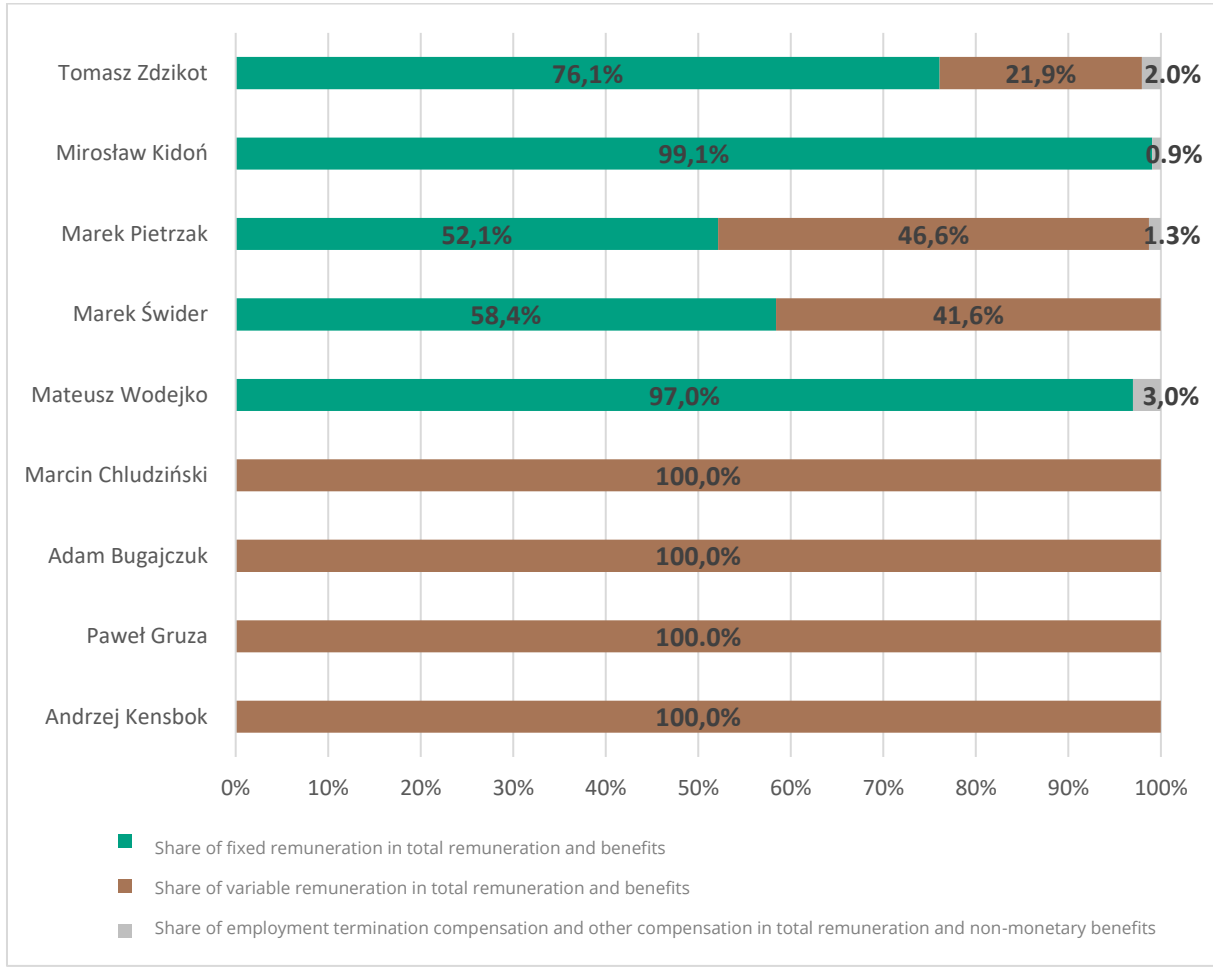
\*\* Data include subsidized training, coverage of room and board cost, coverage of cost of miner's uniform, life insurance.



**Table 4: Proportions of the remuneration of Members of the Management Board in 2023**

First name, surname / position / period of serving the function	Share of fixed remuneration in total remuneration and non- monetary benefits	Share of variable remuneration in total remuneration and non-monetary benefits	Share of employment termination compensation and other compensation in total remuneration and non-monetary benefits
<b>Tomasz Zdzikot</b> President of the Management Board 01.01.2023 - 31.12.2023	76.1%	21.9%	2.0%
<b>Mirosław Kidoń</b> Vice President of the Management Board (International Assets) 01.01.2023 - 31.12.2023 Acting Vice President of the Management Board (Development) 02.01.2023 - 31.12.2023	99.1%	0.0%	0.9%
<b>Marek Pietrzak</b> Vice President of the Management Board (Corporate Affairs) 01.01.2023 - 31.12.2023	52.1%	46.6%	1.3%
<b>Marek Świder</b> Vice President of the Management Board (Production) 01.01.2023 - 31.12.2023	58.4%	41.6%	0.0%
<b>Mateusz Wodejko</b> Vice President of the Management Board (Finance) 01.01.2023 - 31.12.2023	97.0%	0.0%	3.0%
<b>Marcin Chludziński</b> President of the Management Board did not serve in function in 2023	0.0%	100.0%	0.0%
<b>Adam Bugajczuk</b> Vice President of the Management Board (Development) did not serve in function in 2023	0.0%	100.0%	0.0%
<b>Paweł Gruza</b> Vice President of the Management Board (International Assets) did not serve in function in 2023	0.0%	100.0%	0.0%
<b>Andrzej Kensbok</b> Vice President of the Management Board (Finance) did not serve in function in 2023	0.0%	100.0%	0.0%

**Chart 1: Proportions of the remuneration and benefits of Members of the Management Board in 2023**



## V. Variable remuneration of Members of the Management Board

### 1. Remuneration of Members of the Management Board and achievement of the long-term results of the Company

The management goals and the criteria to meet these goals as regards financial and non-financial results, being the basis to set variable remuneration, are defined by the Supervisory Board in such a way as to support the achievement of the strategy of the KGHM Group. The financial and production goals are set in a way that reflects the long-term outlook of the Company. In particular, they refer to the strategic goals, assigned to individual pillars/areas of the strategy, and reflect the key performance indicators assigned to them.

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, and
- lead to an appropriate assessment of risk by the Members of the Management Board, including an assessment of the risks, opportunities and impact of the Company related with ESG.

### 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

#### 2.1. Assessment of management goals for 2022

The variable remuneration of Members of the Management Board paid in 2023 was the result of realisation of the management goals for 2022.

The Supervisory Board of KGHM Polska Miedź S.A. by Resolution no. 32/X/22 dated 22 March 2022 set management goals for the Members of the Management Board for 2022. These goals, their weight and their manner of settlement, were set forth in scorecards for individual Members of the Management Board.

Resolutions of the Supervisory Board regarding settlement of the management goals and the setting of variable remuneration for 2022 for Members of the Management Board were adopted on 7 July 2023.

The Supervisory Board determined that the management goals upon whose achievement the receipt of variable remuneration for 2022 are contingent, identically for all of the Members of the Management Board:

- application of remuneration principles of members of management and supervisory bodies in line with the Act of 9 June 2016 on the shaping of remuneration in all Group 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 (Journal of Laws.2023.973),

**were 100% achieved.**

The definitions of the management goals setting forth the economic-production parameters are presented in Section IX point 4. [Rate of change of the results of the Company in the years 2019-2023.](#)

Assessment of the remaining management goals and key strategic goals of individual Members of the Management Board were as follows:

- **President of the Management Board – Tomasz Zdzikot**

Other management goals:

Description	Achievement %
1. Adjusted EBITDA of the KGHM Group	157%
2. Volume of payable copper production by the KGHM Group	100%
3. C1 cost of the KGHM Group	122%

Achievement of key strategic goals, including:

Description	Achievement %
4. Energy Transformation	100%
5. Creation and approval of an operational continuity plan for KGHM in the context of the risks related to the geopolitical situation	100%
6. Development and adoption of the Human Rights Policy in KGHM Polska Miedź S.A.	100%

Taking into consideration the degree of fulfillment of the management goals and their settlement pursuant to the scorecards, the Supervisory Board set variable remuneration for 2022, payable to the President of the Management Board, at the level of 100% of fixed remuneration for the aforementioned year.

- **Vice President of the Management Board (Production) – Marek Świder**

Other management goals:

Description	Achievement %
1. Adjusted EBITDA of the KGHM Group	157%
2. Volume of payable copper production by the KGHM Group	100%
3. C1 cost of the KGHM Group	122%
4. LTIFR	163%

Achievement of key strategic goals, including:

Description	Achievement %
5. Mined production at the level of 442.5 thousand tonnes of copper in ore per year	100%
6. Maintain metallurgical production at the level of 585 thousand tonnes	100%
7. Implementation of the production planning process, with forecasting of production results achieved 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)	100%
8. Hybrid Smelter – development of a proposal to the Management Board of a detailed project, together with an economic feasibility assessment	100%

Taking into consideration the degree of fulfillment of the management goals and their settlement pursuant to the scorecards, the Supervisory Board set variable remuneration for 2022, payable to the Vice President of the Management Board (Production), at the level of 100% of fixed remuneration for the aforementioned year.

- **Vice President of the Management Board (Corporate Affairs) – Marek Pietrzak**

Other management goals:

Description	Achievement %
1. Adjusted EBITDA of the KGHM Group	157%
2. Volume of payable copper production by the KGHM Group	100%
3. C1 cost of the KGHM Group	122%

Achievement of key strategic goals, including:

Description	Achievement %
4. Undertake actions aimed at adapting the 5-year strategic plans of selected Group companies to the Strategy of KGHM	100%
5. Development of pro-health and spa activities	100%
6. 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	100%
7. Development of a concept to alter the operating model of the Energetyka Group	100%
8. Development of a concept to reorganise the legal services in the Company	100%

Taking into consideration the degree of fulfilment of the management goals and their settlement pursuant to the scorecards, the Supervisory Board set variable remuneration for 2022, payable to the Vice President of the Management Board (Corporate Affairs), at the level of 100% of fixed remuneration for the aforementioned year.

- **President of the Management Board – Marcin Chludziński**

Other management goals:

Description	Achievement %
1. Adjusted EBITDA of the KGHM Group	157%
2. Volume of payable copper production by the KGHM Group	100%
3. C1 cost of the KGHM Group	122%

Achievement of key strategic goals, including:

Description	Achievement %
4. Energy transformation	100%
5. Creation and approval of the operational continuity plan for KGHM in the context of risks related to the geopolitical situation	100%
6. Development and adoption of the Human Rights Policy of KGHM Polska Miedź S.A.	100%

Taking into consideration the degree of fulfilment of the management goals and their settlement pursuant to the scorecards, the Supervisory Board set variable remuneration for 2022, payable to the President of the Management Board, at the level of 100% of fixed remuneration for the aforementioned year.

- **Vice President of the Management Board (Finance) – Andrzej Kensbok**

Other management goals:

Description	Achievement %
1. Adjusted EBITDA of the KGHM Group	157%
2. Volume of payable copper production by the KGHM Group	100%
3. C1 cost of the KGHM Group	122%
4. Net debt / EBITDA ratio for the KGHM Group	162%

Achievement of key strategic goals, including:

Description	Achievement %
5. Development of a long-term concept for managing Market Risk in the KGHM Group	100%
6. Implementation of a concept for an integrated financial controlling model in the KGHM Group	100%
7. Implementation of the Microsoft 365 platform	100%

Taking into consideration the degree of fulfilment of the management goals and their settlement pursuant to the scorecards, the Supervisory Board set variable remuneration for 2022, payable to the Vice President of the Management Board (Finance), at the level of 100% of fixed remuneration for the aforementioned year.

- **Vice President of the Management Board (Development) – Adam Bugajczuk**

Other management goals:

Description	Achievement %
1. Adjusted EBITDA of the KGHM Group	157%
2. Volume of payable copper production by the KGHM Group	100%
3. C1 cost of the KGHM Group	122%

Achievement of key strategic goals, including:

Description	Achievement %
4. CAPEX of KGHM S.A. - execution on time and within budget	100%
5. CAPEX and OPEX KGHM S.A. - mine development work	100%
6. Hybrid Smelter – development of a proposal to the Management Board of a detailed project, together with an economic feasibility assessment	100%
7. Internal contracting	100%
8. Long-term contracting	100%

Taking into consideration the degree of fulfilment of the management goals and their settlement pursuant to the scorecards, the Supervisory Board set variable remuneration for 2022, payable to the Vice President of the Management Board (Development), at the level of 100% of fixed remuneration for the aforementioned year.

- **Vice President of the Management Board (International Assets) – Paweł Gruza**

Other management goals:

Description	Achievement %
1. Adjusted EBITDA of the KGHM Group	157%
2. Volume of payable copper production by the KGHM Group	100%
3. C1 cost of the KGHM Group	122%

Achievement of key strategic goals, including:

Description	Achievement %
4. Optimisation of the international assets structure - submission of conclusions from the analysis to the Management Board	100%
5. Preparation of an investment decision recommendation regarding advancement of the Victoria project	100%
6. Development of an international exploration Strategy	100%
7. 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 S.A.	91%
8. Achievement in 2022 of copper production plans by the international assets	100%

Taking into consideration the degree of fulfilment of the management goals and their settlement pursuant to the scorecards, the Supervisory Board set variable remuneration for 2022, payable to the Vice President of the Management Board (International Assets), at 99.3% of fixed remuneration for the aforementioned year.

The variable remuneration for 2022 was paid on 10 July 2023.

## 2.2. Management goals in respect of which receipt of variable remuneration for reporting year 2023 of the Company are contingent

The Supervisory Board, by Resolution no. 55/XI/23 dated 31 March 2023, set management goals for the Members of the Management Board for reporting year 2023. By Resolution no. 148/XI/23 dated 12 October 2023 the Supervisory Board assessed achievement of the management goals.

The aforementioned goals, their weight and their manner of settlement, were set forth in scorecards for individual of Members of the Management Board.

The definitions of the management goals setting forth the economic-production parameters are presented in Section IX point 4. [Rate of change of the results of the Company in the years 2019-2023.](#)

### Scorecards individual of Members of the Management Board for 2023

#### Scorecard of the President of the Management Board for 2023

#### Management Goals in respect of which receipt of variable remuneration for the reporting year of the Company are contingent:

- 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 selected indicator level	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
Volume of payable copper production by the KGHM Group	20%		95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
C1 cost of the KGHM Group	10%		105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs by up to 5% = 100 - 1 point for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 point

#### Strategic goals:

Review and assumptions for the potential update of the Strategy of 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
Management of risk identified as part of the substantial recommendations of internal audit within the subordinate area	10%			
IT Strategy and Cybersecurity	10%			
Development of activities in terms of social responsibility	10%			
Evaluation of the state of security of the KGHM Group	10%			

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 2023

### Management Goals in respect of which receipt of variable remuneration for the reporting year of the Company are contingent:

- 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 selected indicator level	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
Volume of payable copper production by the KGHM Group	20%		95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
C1 cost of the KGHM Group	10%		105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs by up to 5% = 100 - 1 point for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 point
Net debt / EBITDA ratio for the KGHM Group	10%		105% - 95%	Points for target execution: - above target value = 0 points - value from 1.8 to 1.99 = 100 points - below value 1.8 = 105 point

### Strategic goals:

Review and assumptions for the potential update of the Strategy of the KGHM Group	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
Management of risk identified as part of the substantial recommendations of internal audit within the subordinate area	10%			
Energy transformation	10%			
Automation and digitisation of accounting and wage payment processes, including implementation of IT solutions required by law	10%			
Development of strategic planning tools	5%			

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 2023

### Management Goals in respect of which receipt of variable remuneration for the reporting year of the Company are contingent:

- 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%		95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
Volume of payable copper production by the KGHM Group	20%	compliant with the selected indicator level	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
C1 cost of the KGHM Group	10%		105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs by up to 5% = 100 - 1 point for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 point

### Strategic goals:

Review and assumptions for the potential update of the Strategy of the KGHM Group	5%			
Management of risk identified as part of the substantial recommendations of internal audit within the subordinate area	10%			
CAPEX – achievement of the capex budget	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
CAPEX and OPEX – mine development work	10%			
Development of automation of production processes	10%			
Increase in the effectiveness of intellectual property protection	5%			

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 2023

### Management Goals in respect of which receipt of variable remuneration for the reporting year of the Company are contingent:

- 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%		95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
Volume of payable copper production by the KGHM Group	20%	compliant with the selected indicator level	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
C1 cost of the KGHM Group	10%		105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs by up to 5% = 100 - 1 point for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 point

### Strategic goals:

Review and assumptions for the potential update of the Strategy of the KGHM Group	5%			
Management of risk identified as part of the substantial recommendations of internal audit within the subordinate area	10%			
Increase in workplace safety in KGHM Polska Miedź S.A.	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
Mined production of no less than 440 thousand tonnes of copper in ore per year	10%			
Maintain metallurgical production by KGHM at no less than 582 thousand tonnes per year	10%			
System of services management in KGHM	5%			

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 2023

### Management Goals in respect of which receipt of variable remuneration for the reporting year of the Company are contingent:

- 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%		95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
Volume of payable copper production by the KGHM Group	20%	compliant with the selected indicator level	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
C1 cost of the KGHM Group	10%		105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs by up to 5% = 100 - 1 point for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 point

### Strategic goals:

Review and assumptions for the potential update of the Strategy of the KGHM Group	5%			
Management of risk identified as part of the substantial recommendations of internal audit within the subordinate area	10%			
Strategy of cooperation with Vale Canada Ltd.	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
Decision regarding the disposal of, or preparation of a development plan for, selected international assets	10%			
Plan to improve the availability of mining machinery at the Robinson mine	5%			
Achievement of the target volume of sales of copper produced by the international assets	10%			

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 2023

### Management Goals in respect of which receipt of variable remuneration for the reporting year of the Company are contingent:

- 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%		95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
Volume of payable copper production by the KGHM Group	20%	compliant with the selected indicator level	95% - 105%	Points for target execution: - execution below 95% = 0 points - execution up to 100% = 95 + 1 point for 1% - execution 100% = 100 points - execution above 100% = 100 + 1 point for 1% - maximum points 105
C1 cost of the KGHM Group	10%		105% - 95%	Points for target execution: - higher costs by over 5% = 0 points - higher costs by up to 5% = 100 - 1 point for each 1% exceeded - cost reduction up to 5% = 100 + 1 for each 1% of reduction - cost reduction above 5% = 105 point

### Strategic goals:

Review and assumptions for the potential update of the Strategy of the KGHM Group	5%			
Management of risk identified as part of the substantial recommendations of internal audit within the subordinate area	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
Matrix of areas of competence of the domestic companies of the KGHM Group	10%			
Concept for the non-judicial resolution of internal conflicts of the KGHM Group	10%			
Recommendations on how to improve logistics processes in KGHM	10%			
Centralisation of legal services to ensure legal security in the Company	5%			

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

### 3. Information on potentially due remuneration in respect of Members of the Management Board for 2023

If 100% of the aforementioned management goals are achieved, potentially due remuneration for the Members of the Management Board for 2023 is as follows:

**Table 5: Potentially due remuneration of Members of the Management Board for 2023**

First name, surname	Function	Potentially due variable remuneration for 2023 based on management services contracts
Tomasz Zdzikot	President of the Management Board	1 253 851
Mirosław Kidoń	Vice President of the Management Board (International Assets)	1 170 261
	Acting Vice President of the Management Board (Development)	
Marek Pietrzak	Vice President of the Management Board (Corporate Affairs)	1 170 261
Marek Świder	Vice President of the Management Board (Production)	1 170 261
Mateusz Wodejko	Vice President of the Management Board (Finance)	1 170 261
<b>TOTAL</b>		<b>5 934 895</b>

## VI. Description of individual components of remuneration of Supervisory Board members

### 1. Remuneration for serving in the function of member of the Supervisory Board

Remuneration of members of the supervisory body was set on 7 June 2019 by the General Meeting based on the Act dated 9 June 2016 on the remuneration of individuals managing certain companies.

Pursuant to the Remuneration Policy, the monthly remuneration of individual members of the Supervisory Board depended on the function served and amounted as follows:

- for the Chairperson of the Supervisory Board: 2.2 times the base rate,
- for other members of the Supervisory Board: 2.0 times the base rate.

The base rate was the average monthly salary in the corporate sector, excluding payments from profit in the fourth quarter of 2022, announced by the President of the Central Statistical Office, i.e. PLN 6 965.84.

Members of the Supervisory Board are not remunerated for any month in which they did not attend any of the formally convened meetings for unjustified reasons. Remuneration may be paid following the adoption by the Supervisory Board of resolutions regarding justification of the absence of a member of the Supervisory Board.

Apart from the above-mentioned remuneration, members of the Supervisory Board are not entitled to receive any additional remuneration components, including bonuses or other cash benefits.

### 2. Declaration on serving in the function of member of the Supervisory Board

According to the Commercial Partnerships and Companies Code, the Company also covers or reimburses costs related to participation in the work of the Supervisory Board.

## VII. Remuneration of members the Supervisory Board in 2023

**Table 6: Detailed data on the total amount of remuneration of Members of the Supervisory Board in 2023 broken down into the components referred to in art. 90d sec. 3 point 1 of the Act on public offerings**

First name, surname / position / period of serving the function	Remuneration and benefits for serving the function in the Supervisory Board			Remuneration and employment and pension benefits in KGHM			Remuneration and benefits for serving in the function in the SB and remuneration and employment and pension benefits
	Remuneration for serving the function in the SB	Benefits related to serving the function in the SB*	Total remuneration and benefits for serving in the function in the SB	Remuneration resulting from the employment contract	Employment and pension benefits	Total remuneration and employment and pension benefits	
<b>Agnieszka Winnik-Kalemba</b> Chairperson 01.01.2023 - 31.12.2023	183 898	1 236	185 134	-	-	-	185 134
<b>Katarzyna Krupa</b> Deputy Chairperson 01.01.2023 - 31.12.2023	167 180	-	167 180	-	-	-	167 180
<b>Wojciech Zarzycki</b> Secretary 01.01.2023 - 31.12.2023	167 180	118	167 298	-	-	-	167 298
<b>Andrzej Kisielewicz</b> 01.01.2023 - 31.12.2023	167 180	186	167 366	-	-	-	167 366
<b>Marek Wojtków</b> 01.01.2023 - 31.12.2023	167 180	148	167 328	-	-	-	167 328
<b>Radosław Zimroz</b> 01.01.2023 - 31.12.2023	167 180	148	167 328	-	-	-	167 328
<b>Piotr Ziubroniewicz</b> 01.01.2023 - 31.12.2023	167 180	102	167 282	-	-	-	167 282
<b>Józef Czaczerski</b> - elected by employees of the KGHM Group 01.01.2023 - 31.12.2023	167 180	449	167 629	314 636	13 826	328 462	496 091
<b>Przemysław Darowski</b> - elected by employees of the KGHM Group 01.01.2023 - 31.12.2023	167 180	118	167 298	-	-	-	167 298
<b>Bogusław Szarek</b> - elected by employees of the KGHM Group 01.01.2023 - 31.12.2023	167 180	59	167 239	302 309	23 245	325 554	492 793
<b>Total</b>	<b>1 688 518</b>	<b>2 564</b>	<b>1 691 082</b>	<b>616 945</b>	<b>37 071</b>	<b>654 016</b>	<b>2 345 098</b>

\* Includes subsidizing of telecommunications services and expenses of an individual nature.



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

KGHM Polska Miedź S.A. pays remuneration to the members of the Management Board and the Supervisory Board in accordance with the principles set forth in the Remuneration Policy, available on the website of the Company <https://kghm.com> in the section Investors – ESG – Policies and codes.

The remuneration paid for the period covered by this Report only included the components foreseen by the Remuneration Policy. All of the remuneration and benefits were paid in compliance with prevailing laws and the principles set forth in the Remuneration Policy, based on previously-set criteria and in the correct amounts.

### 1. Remuneration of Members of the Management Board – in reference to the Remuneration Policy

In accordance with **Chapter V** of the Remuneration Policy, i.e. *Remuneration principles and basic information on the principles of entering into contracts with Members of the Management Board*, members of the Management Board are entitled to the following:

- **Fixed remuneration** – described in Section V of the Policy – point 1 (sub-points 1,2 and 3) and point 2 (sub-points 1 and 2).
- **Variable remuneration** – described in Section V of the Policy – point 1 (sub-points 1, 2, 3 and 4) and point 3 (sub-points 1, 2 and 3).
- **Other monetary and non-monetary benefits** – described in Section V of the Policy – point 7 and respective sub-points:
  - housing / hotel services / a personal laptop / telephone / a company car / refund of travel costs (sub-points 3 and 6),
  - subsidised training (sub-point 4),
  - costs of civil insurance (sub-point 5),
  - life insurance / miner's uniform subsidizing (sub-point 6),
  - Employee Pension Program (sub-point 7).
- **Other benefits monetary and non-monetary** – described in Section V of the Policy – point 8 and respective sub-points:
  - compensation (sub-point 8),
  - compensation - non-competition clause (sub-point 10).

### 2. Remuneration of members of the Supervisory Board - in reference to the Remuneration Policy

In accordance with **Chapter IV** of the Remuneration Policy, i.e. *Remuneration principles and basic information on the principles of appointing the members the Supervisory Board*, members of the Supervisory Board are entitled to the following:

- **Remuneration for serving in the function** – described in Chapter IV of the Policy – points 1 and 2,
- **Benefits for serving in the function** – described in Chapter IV of the Policy – point 8.

## IX. Information on changes in the remuneration of Members of the Management Board and Supervisory Board, changes in the average remuneration of Company employees who were not Members of the Management Board or Supervisory Board, and changes in the Company's results, in the period 2019-2023

### 1. Changes in remuneration paid to the members of the Management Board in the years 2019-2023

Changes in total remuneration year-to-year are presented in Table 7.

Changes in total remuneration compared to 2018 are presented in Chart 2.

Changes in the number of Members of the Management Board in the years 2019 – 2023 are presented in Table 8.

Changes in remuneration of Members of the Management Board were due to:

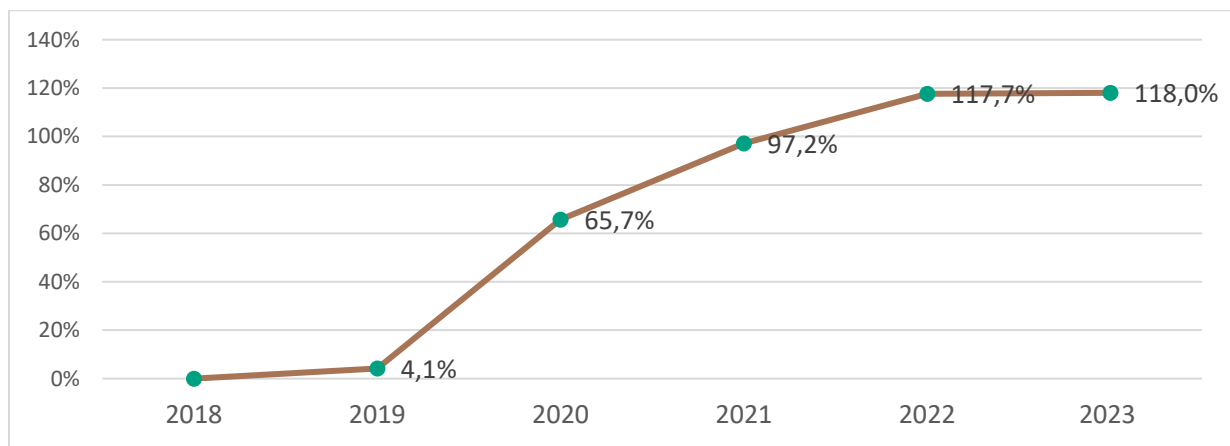
- Increases in the average monthly salary in the corporate sector, excluding payments from profit in the fourth quarter of the previous year, announced by the President of the Central Statistical Office compared to corresponding remuneration in the previous year, which represents the basis of basic remuneration,
- changes in the number of Members of the Management Board,
- payments of variable remuneration:
  - in 2018 variable remuneration was not paid for 2017,
  - in 2019 variable remuneration was only paid to the members of the 10<sup>th</sup>-term Management Board for the period from July to December 2018.

**Table 7: Information on changes in the total remuneration of Members of the Management Board in the period 2019-2023**

First name, surname	2019	2020	2021	2022	2023
<b>Total remuneration and benefits of Members of the Management Board, in the given year</b>	<b>5 473 768</b>	<b>8 707 659</b>	<b>10 363 471</b>	<b>11 442 854</b>	<b>11 461 527</b>
<b>change [%] y/y</b>	<b>4.1%</b>	<b>59.1%</b>	<b>19.0%</b>	<b>10.4%</b>	<b>0.2%</b>
<b>Tomasz Zdzikot</b>	-	-	-	372 635	1 647 925
change [%] y/y	-	-	-	-	342.2%
<b>Mirosław Kidoń</b>	-	-	-	63 912	1 181 422
change [%] y/y	-	-	-	-	1748.5%
<b>Marek Pietrzak</b>	-	-	176 687	1 078 650	2 244 067
change [%] y/y	-	-	-	510.5%	108.0%
<b>Mateusz Wodejko</b>	-	-	-	32 333	1 206 658
change [%] y/y	-	-	-	-	3632.0%
<b>Marek Świder</b>	-	-	-	836 220	2 003 967
change [%] y/y	-	-	-	-	139.6%
<b>Adam Bugajczuk</b>	1 020 089	1 680 910	1 885 678	1 666 727	696 730
change [%] y/y	-	64.8%	12.2%	-11.6%	-58.2%
<b>Marcin Chludziński</b>	1 219 086	1 807 621	2 220 036	2 374 503	874 022
change [%] y/y	-	48.3%	22.8%	7.0%	-63.2%
<b>Paweł Gruza</b>	983 642	1 845 557	1 881 226	1 604 278	631 315
change [%] y/y	-	87.6%	1.9%	-14.7%	-60.7%
<b>Andrzej Kensbok</b>	-	-	698 063	1 976 540	975 421
change [%] y/y	-	-	-	183.1%	-50.7%
<b>Jerzy Paluchniak</b>	-	-	-	120 305	-
change [%] y/y	-	-	-	-	-

<b>Dariusz Świdorski</b>	-	-	602 877	762 519	-
<i>change [%] y/y</i>	-	-	-	26.5%	-
<b>Katarzyna Kreczmańska-Gigol</b>	1 133 131	1 692 959	1 668 515	277 116	-
<i>change [%] y/y</i>	-	49.4%	-1.4%	-83.4%	-
<b>Radosław Stach</b>	1 105 971	1 680 612	1 230 389	277 116	-
<i>change [%] y/y</i>	-	52.0%	-26.8%	-77.5%	-
<b>Stefan Świątkowski</b>	5 924	-	-	-	-
<i>change [%] y/y</i>	-	-	-	-	-
<b>Rafał Pawełczak</b>	5 924	-	-	-	-
<i>change [%] y/y</i>	-	-	-	-	-

**Chart 2: Change in total remuneration of Members of the Management Board compared to 2018**



**Table 8: Information on the number of Members of the Management Board in the years 2019-2023**

Year	Number of Members of the Management Board
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
2023	5

## 2. Rate of change of remuneration paid to the members of the Supervisory Board in the years 2019-2023

Changes in total remuneration y/y are presented in Table 9.

Changes in total remuneration compared to 2018 are presented in Chart 3.

Changes in the number of members the Supervisory Board in the years 2019 – 2023 are presented in Table 10.

Changes in remuneration of members the Supervisory Board were due to:

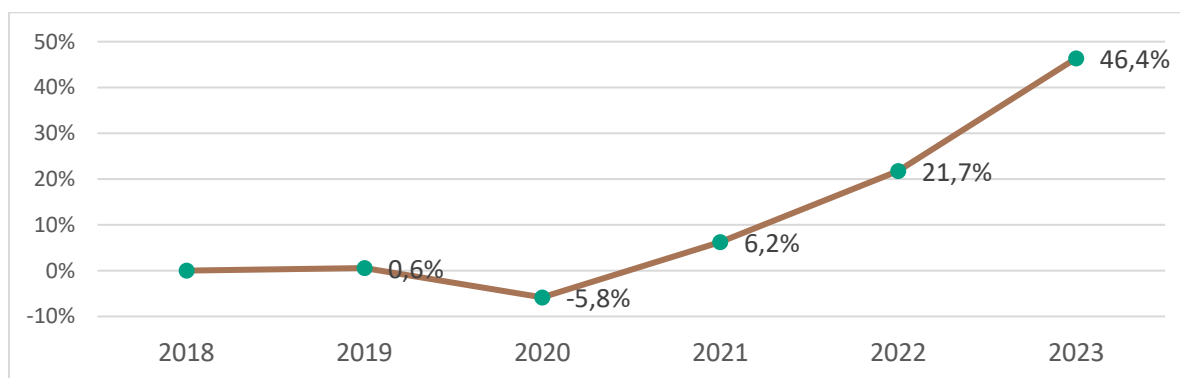
- Increases in the average monthly salary in the corporate sector, excluding payments from profit in the fourth quarter of the previous year, announced by the President of the Central Statistical Office compared to corresponding remuneration in the previous year, which represents the basis of basic remuneration for serving in the function,
- Changes in the number of members of the Supervisory Board.

**Table 9: Information on changes in the total remuneration of Members of the Supervisory Board in the period 2019-2023**

First name, surname	2019	2020	2021	2022	2023
<b>Total remuneration and benefits of members of the Supervisory Board, in the given year</b>	<b>1 611 594</b>	<b>1 508 804</b>	<b>1 701 790</b>	<b>1 950 369</b>	<b>2 345 098</b>
<b>change [%] y/y</b>	<b>0.6%</b>	<b>-6.4%</b>	<b>12.8%</b>	<b>14.6%</b>	<b>20.2%</b>
<b>Agnieszka Winnik - Kalemba</b>	122 190	129 264	141 693	163 891	185 134
change [%] y/y	-	5.8%	9.6%	15.7%	13.0%
<b>Józef Czyczerski</b>	295 591	272 570	322 438	352 908	496 091
change [%] y/y	-	-7.8%	18.3%	9.5%	40.6%
<b>Przemysław Darowski</b>	-	12 537	135 848	149 417	167 298
change [%] y/y	-	-	983.6%	10.0%	12.0%
<b>Piotr Dytko</b>	-	-	-	43 919	-
change [%] y/y	-	-	-	-	-
<b>Jarosław Janas</b>	121 818	128 904	135 730	70 917	-
change [%] y/y	-	5.8%	5.3%	-47.8%	-
<b>Robert Kaleta</b>	-	-	66 041	114 914	-
change [%] y/y	-	-	-	74.0%	-
<b>Andrzej Kisielewicz</b>	133 989	141 826	144 416	149 484	167 366
change [%] y/y	-	5.8%	1.8%	3.5%	12.0%
<b>Katarzyna Krupa</b>	-	-	66 041	149 299	167 180
change [%] y/y	-	-	-	126.1%	12.0%
<b>Bartosz Piechota</b>	122 167	129 073	135 959	70 994	-
change [%] y/y	-	5.7%	5.3%	-47.8%	-
<b>Bogusław Szarek</b>	345 354	360 064	401 092	520 936	492 793
change [%] y/y	-	4.3%	11.4%	29.9%	-5.4%
<b>Marek Wojtków</b>	-	-	-	34 951	167 328
change [%] y/y	-	-	-	-	378.7%
<b>Wojciech Zarzycki</b>	-	-	-	78 443	167 298
change [%] y/y	-	-	-	-	113.3%
<b>Radosław Zimroz</b>	-	-	-	34 951	167 328
change [%] y/y	-	-	-	-	378.8%
<b>Piotr Ziubroniewicz</b>	-	-	-	15 345	167 282
change [%] y/y	-	-	-	-	990.1%

<b>Marek Pietrzak</b>	121 818	128 947	111 028	-	-
change [%] y/y	-	5.9%	-13.9%	-	-
<b>Ireneusz Pasis</b>	121 831	76 268	-	-	-
change [%] y/y	-	-37.4%	-	-	-
<b>Leszek Banaszak</b>	121 931	60 614	-	-	-
change [%] y/y	-	-50.3%	-	-	-
<b>Janusz Kowalski</b>	104 905	-	-	-	-
change [%] y/y	-	-	-	-	-
<b>Katarzyna Lewandowska</b>	-	68 737	41 504	-	-
change [%] y/y	-	-	-39.6%	-	-

**Chart 3: Change in total remuneration of members the Supervisory Board compared to 2018**



**Table 10: Information on the number of members the Supervisory Board in the years 2019-2023**

Year	Number of members the Supervisory Board
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
2023	10

### 3. Rate of change of average remuneration of employees of the Company who were not Members of the Management Board or Supervisory Board in the years 2019-2023

In the years 2019 – 2023 changes in the remuneration of employees of the Company who were not Members of the Management Board or Supervisory Board showed a positive rate of change.

Changes in average remuneration y/y are presented in Table 11.

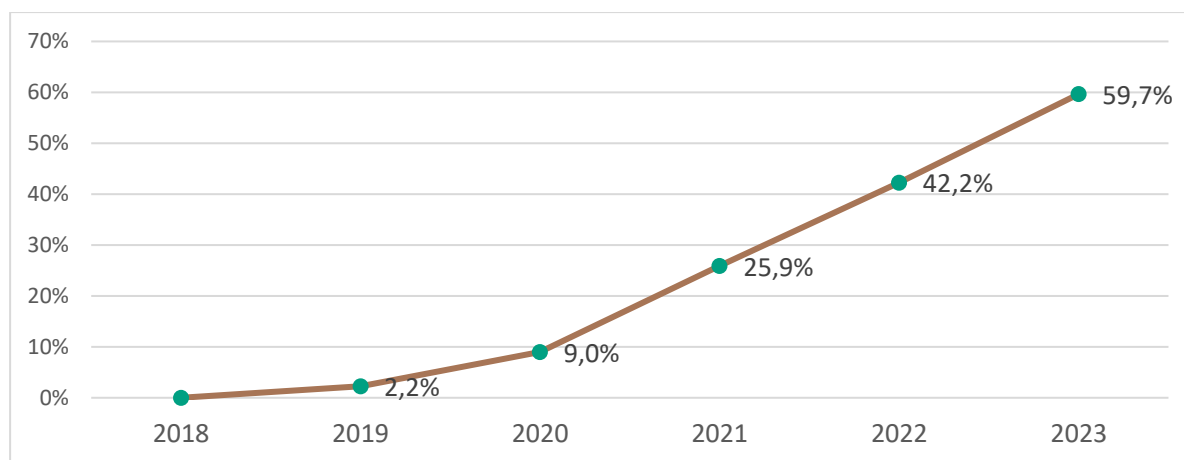
Changes in average remuneration compared to 2018 are presented in Chart 4.

Increases in remuneration are due to the remuneration policies carried out, the principles of the Collective Labour Agreement for the Employees of KGHM Polska Miedź S.A. and collective agreements with the trade unions regarding employee remuneration and benefits.

**Table 11: Information on changes in the average remuneration of employees of the Company who were not Members of the Management Board or Supervisory Board in the period 2019-2023**

Average remuneration	2019	2020	2021	2022	2023
Total average remuneration excluding Members of the Management Board and of the Supervisory Board	10 912	11 630	13 437	15 181	17 039
change [%] y/y	2.2%	6.6%	15.5%	13.0%	12.2%

**Chart 4: Information on changes in the average remuneration of employees of the Company who were not Members of the Management Board or Supervisory Board compared to 2018**



#### 4. Rate of change of the results of the Company in the years 2019-2023

Definitions of parameters:

##### Adjusted EBITDA of the KGHM Group

Variable remuneration of Members of the Management Board, based on achievement of the management Goals described in Section V, is closely tied to adjusted EBITDA of the Company and adjusted EBITDA of the Group, due to the fact that the Management Board evaluates the results of the Company and Group through the use of these indicators, among others.

Pursuant to European Securities and Markets Authority (ESMA) Guidelines as regards Guidelines of ESMA on Alternative Performance Measures, adjusted EBITDA is an Alternative Performance Measure. Adjusted EBITDA is not defined by International Financial Reporting Standards (IFRS), and as such it cannot be treated as an alternative performance measure as defined by IFRS, such as net profit/(loss), operating profit, net cash generated by operating activities, liquidity or other IFRS measure. Moreover, adjusted EBITDA does not have a single, set definition. The means of calculating this measure in other companies may vary significantly from the methods applied by the Company. Consequently, adjusted EBITDA for KGHM and the KGHM Group may not be comparable to similar measures presented by other companies. These measures should be treated as supplementary information, expanding the presentation of the results and other data of the Company and the KGHM Group.

At the stage of setting the degree of achievement of tasks, the following eliminations are made:

Expected value of indicator = planned value, adapted to achieved costs of the accrued annual bonus as well as one-off, unplanned payments resulting from agreements with trade unions.

**Volume of payable copper production by the KGHM Group** – reflects total production by KGHM Polska Miedź S.A. and KGHM INTERNATIONAL LTD. as well as the 55% share of production by Sierra Gorda.

**C1 cost of the KGHM Group (KGHM, KGHM INTERNATIONAL LTD., 55% Sierra Gorda)** - unit cash cost of producing payable copper in concentrate, reflecting costs of ore extraction and processing, transport costs, the minerals extraction tax, administrative costs during the mining stage, and smelter treatment and refining charges (TC/RC), less the value of by-products.

At the stage of setting the degree of achievement of tasks, the following eliminations are made:

Expected value of indicator = planned value, adapted to achieved costs of the accrued annual bonus as well as one-off, unplanned payments resulting from agreements with trade unions.

**LTIFR (Lost Time Injury Frequency Rate)** – frequency of workplace accidents by employees of the Company KGHM Polska Miedź S.A. per million hours worked, calculated in accordance with Polish principles as regards statistics on the frequency of workplace accidents, i.e. the number of accidents at work per million hours worked.

Changes in the results of the Company y/y are presented in Table 12.

**Table 12: Information on changes in the results of the Company in the period 2019-2023**

Parameter	2019	2020	2021	2022	2023
Revenues from sales (PLN mn)	17 683	19 326	24 618	28 429	29 084
<i>change [%] y/y</i>	12.2%	9,3%	27.4%	15.5%	2.3%
Net Profit/Loss (PLN mn)	1 264	1 779	5 169	3 533	-1 153
<i>change [%] y/y</i>	-37.6%	40.7%	190.6%	-31.7%	-132.6%
Adjusted EBITDA of the Company (PLN mn)	3 619	4 458	5 474	5 400	3 563
<i>change [%] y/y</i>	5.9%	23.2%	22.8%	-1.4%	-34.0%

Adjusted EBITDA of the Group (PLN mn)	5 229	6 623	10 327	8 865	5 362
<i>change [%] y/y</i>	5.2%	26.7%	55.9%	-14.2%	-39.5%
C1 for KGHM Polska Miedź S.A. (USD/lb)	1,74	1,62	2,26	2,38	2,98
<i>change [%] y/y</i>	-5.9%	-6.9%	39.5%	5.3%	25.2%
C1 for Group (USD/lb)	1.70	1.59	1.96	2.20	2.87
<i>change [%] y/y</i>	-6.1%	-6.5%	23.3%	12.2%	30.5%
Volume of electrolytic copper production from own concentrate (kt)	418.3	413.3	381.4	381.5	385.5
<i>change [%] y/y</i>	8.6%	-1.2%	-7.7%	0.0%	1.0%
Volume of payable copper production by the Group (kt)	701.6	709.1	753.7	733.1	710.9
<i>change [%] y/y</i>	10.7%	1.1%	6.3%	-2.7%	-3.0%

## X. 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 2023 did not receive any remuneration from subsidiaries within the 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 as well as retirement benefits.

The remuneration received by Bogusław Szarek and remuneration due to employment and retirement benefits received by 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 VII of this Report.

Przemysław Darowski did not receive additional remuneration from the Company, but did receive remuneration from other entities of the Group (from the company POL-MIEDŹ TRANS Sp. z o.o.). Total remuneration and employee benefits in 2023 amounted to PLN 126 199.73.



#### **XI. Number of financial instruments granted or offered to the members of the Management Board and the 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 2023 the Company did not grant any financial instruments to Members of the Management Board or Supervisory Board.

#### **XII. 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 2023 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.

#### **XIII. Information on refrainment from the procedure of implementation of the Remuneration Policy and on refrainment applied pursuant to art. 90f of the Act on public offerings**

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.

#### **XIV. Monetary or non-monetary benefits granted to persons closely related to Members of the Management Board and the 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 on public offerings.

#### **XV. Information on considering Resolutions 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 on public offerings, by Resolution no. 9/2023 dated 21 June 2023, expressed a positive opinion on the Report on the remuneration of Members of the Management Board and the Supervisory Board of KGHM Polska Miedź S.A. for 2022.

## XVI. 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 on public offerings.

The next General Meeting is required, pursuant to art. 90g sec. 6 in connection with art. 90g sec. 7 of the Act on public offerings, 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.

Chairperson of the Supervisory Board  
Tadeusz Kocowski

Member of the Supervisory Board  
Aleksander Cieśliński

Deputy Chairperson of the Supervisory Board  
Marian Noga

Member of the Supervisory Board  
Józef Czyczerski

Secretary of the Supervisory Board  
Bogusław Szarek

Member of the Supervisory Board  
Przemysław Darowski

Member of the Supervisory Board  
Zbysław Dobrowolski

Member of the Supervisory Board  
Dominik Januszewski

Member of the Supervisory Board  
Piotr Prugar

Appropriate signatures on the original

Lubin, 8 May 2024

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