

Principles for the selection of the entity entitled to audit financial statements in KGHM Polska Miedź S.A.

The principles for the selection of the entity entitled to audit financial statements are regulated by:

1. The Statutes of the Company (§ 20 sec.1 and sec.2 point 6)
2. Regulation (UE) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities,
3. Provisions of the act dated 11 May 2017 on statutory auditors, entities entitled to audit financial statements and on public supervision (Journal of Laws 2017, item 1089),
4. Provisions of the act dated 29 September 1994 on accounting (Journal of Laws 2016, item 1047, with later amendments),
5. „Policy and procedure for the selection of the statutory auditor to perform audit activities in KGHM Polska Miedź S.A. in Lubin” adopted by the Supervisory Board of KGHM Polska Miedź S.A. (hereinafter ‘Principles’)

The above-mentioned Principles specify the policy and procedure by which the entity entitled to audit financial statements is selected in a bidding process, thereby ensuring that the entity meets the conditions and principles resulting from the above-mentioned acts.

The bidding process is directed by the Audit Committee of the Supervisory Board, which submits to the Supervisory Board a report based on which the Supervisory Board selects an entity to perform financial review, including the duties of a statutory auditor to audit the separate and consolidated financial statements of KGHM Polska Miedź S.A.

The agreement with the entity entitled to audit financial statements, specifying the scope of its duties and terms of cooperation, is provided by the Management Board of the Company.

The entity entitled to audit the separate and consolidated financial statements for the years 2016-2018 is Deloitte Polska.