

# Corporate governance statement

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We appreciate that the leader's role is to set the highest standards for the entire industry. We discharge this function not only by observing a number of codes but also by working continuously on their improvement. We believe that this is how we can make sagacious changes to contribute to the world that surrounds us.



## 8. Corporate governance statement

### 8.1. Application of corporate governance rules

PZU's corporate governance is a set of fundamental principles, practices and processes on the management of and control over the Company's operations. It lays out the rules for the operation of and co-operation between statutory bodies, and shapes their relationship with shareholders, clients and other stakeholders.

High standards in this respect are important for the efficient functioning of all business processes, to ensure long-term and predictable financial stability. From the PZU Group's perspective, corporate governance also involves shared market responsibility to establish and raise applicable standards of conduct and management.

Corporate governance rules applied at PZU arise from the provisions of the law (in particular the Code of Commercial Companies and Partnerships, the Insurance and Reinsurance Activity Act, and the regulations governing the capital market), as well as the rules set forth especially in the documents specified below:

#### Best Practices of WSE-Listed Companies 2021

PZU complies with the rules laid out in "Best Practices of WSE-Listed Companies" since its shares were listed for trading on the regulated market. The document entitled "Best Practices of WSE-Listed Companies 2021" adopted by the Supervisory Board of the Warsaw Stock Exchange (WSE) on 29 March 2021 has been in effect since 1 July 2021. It is a collection of corporate governance rules and rules of conduct that affect how public companies interact with their market environment. The text is available on the website of:

- the Warsaw Stock Exchange: <https://www.gpw.pl/best-practice2021>;
- PZU: <https://www.pzu.pl/en/investor-relations/about-the-group/corporate-governance>.

#### Corporate Governance Rules for Regulated Institutions

Corporate Governance Rules for Regulated Institutions, issued on 22 July 2014 by the Polish Financial Supervision Authority (KNF), define the internal and external relations of regulated institutions, including their relations with shareholders and customers, their organization, the functioning of internal oversight and key internal systems and functions as well as

the governing bodies and the rules for their cooperation. The document is available on the website of:

- the Polish Financial Supervision Authority: [https://www.knf.gov.pl/en/MARKET/Regulations\\_and\\_practice/Practice](https://www.knf.gov.pl/en/MARKET/Regulations_and_practice/Practice);
- PZU: [www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego](http://www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego).

#### Best Insurance Practices

The set of principles expressed in the Best Insurance Practices adopted on 8 June 2009 by the General Assembly of the Polish Chamber of Insurance (PIU) also informs how PZU conducts its business operations and shapes relations with its stakeholders. This document defines the rules of corporate social responsibility in respect to relations between insurance and customers, insurance intermediaries, the regulatory authority and the Financial Ombudsman, the media and in public securities trading. By applying the Best Insurance Practices, PZU conducts regular efforts to develop insurance awareness in the public at large. The document is available on the website of:

- the Polish Chamber of Insurance: <https://piu.org.pl/en/good-practices-of-the-piu-on-the-polish-insurance-market-in-equipment-insurance/>;
- PZU: [https://www.pzu.pl/\\_files/1504268](https://www.pzu.pl/_files/1504268).

#### Best Practices of the PZU Group

PZU has also developed its own code defining the principal ethical standards governing the Company's behavior in relations with its stakeholders. The Best Practices of the PZU Group are a set of standards followed by all members of the PZU Group. The values and principles described therein relate to such issues as conflict of interest, handling sensitive information, corruption and gift policy, reporting ethical problems, rules of cooperation with business partners, and disclosures. The obligation of abiding by the enacted standards pertains to all PZU Group employees, regardless of seniority or position. The Best Practices of the PZU Group are available at PZU's website: [https://www.pzu.pl/\\_files/1515806](https://www.pzu.pl/_files/1515806)

**In the view of Commission Recommendation of 9 April 2014 on the quality of corporate governance reporting (2014/208/EU), here are details concerning the application of corporate governance relating to topics of most importance for shareholders.**

#### Application of corporate governance rules contained in Best Practices of WSE-Listed Companies

Since 1 July 2021, PZU has been applying the rules found in "Best Practices of WSE-Listed Companies 2021" ("WSE BP 2021"). Declarations of compliance with WSE BP are enshrined in the Rules and Regulations of the Management Board and Supervisory Board of PZU. Furthermore, on 29 June 2022, PZU's Ordinary Shareholder Meeting adopted a resolution on the adoption of the Best Practice of WSE-Listed Companies 2021. In said resolution, PZU's Shareholder Meeting declared that it would be guided by WSE BP 2021 in the scope addressed to the Shareholder Meeting and shareholders, taking into account the generally applicable provisions of the law and PZU's Articles of Association.

On 30 June 2022, PZU published its Statement on PZU's compliance with WSE BP 2021 (available on the Company's website: [https://www.pzu.pl/\\_files/1531696](https://www.pzu.pl/_files/1531696)).

PZU applies all rules laid down in the Best Practices of WSE-Listed Companies 2021, apart from Practice 2.1, 2.2 & 4.1. The year 2022 saw an incidental violation of Practice 4.9.1. PZU monitors the degree and manner of compliance with the rules laid down in WSE BP 2021 and, if necessary, takes steps on an as-needed basis to ensure compliance therewith to the fullest extent and in an unquestionable manner. In particular, PZU pays attention to the following matters and activities.

Chapter	Material aspects of application of Best Practices of WSE-Listed Companies 2021 at PZU
<p><b>Chapter 1.</b></p> <p>Information policy and communications with investors</p>	<ul style="list-style-type: none"> <li>PZU sees to it that there is due communications with stakeholders by having a clear and reliable information policy. Investors' expectations as to the preferred access to information, communication channels and investor relations tools used are analyzed and satisfied on an ongoing basis. The Rules of PZU's Information Policy towards Capital Market Players are available on the Company's website <a href="https://www.pzu.pl/_files/1543244">https://www.pzu.pl/_files/1543244</a>.</li> <li>PZU maintains a corporate website at <a href="http://www.pzu.pl">www.pzu.pl</a>, which features all disclosures required by the law and indicated in WSE BP 2021. The "Investor Relations" tab at <a href="https://www.pzu.pl/en/investor-relations">https://www.pzu.pl/en/investor-relations</a>, dedicated to investors, features not only disclosures and reports required by law, but also presentations on results drawn up and published on a quarterly basis as well as recordings and transcripts of result conferences and other important corporate events. Every year, PZU publishes PZU Group's Annual Report online. The Investor Relations page and online Annual Reports are available in both Polish and English.</li> <li>PZU strives to make available its interim reports much before the deadlines arising from the law.</li> <li>Questions of ESG, including the environment, climate change risks and indicators, sustainable development, as well as social and labor issues, constitute an integral part of the PZU Group's business strategy (the applicable strategy is available at <a href="#">Presentation - PZU Group Strategy for 2021-2024</a>).</li> <li>On its website, PZU publishes information concerning strategy assumptions, targets - in particular long-term targets - efforts planned and progress made defined through financial and non-financial indicators, as well as information concerning the ESG Strategy. Detailed information in this regard, such as efforts (including the way in which climate is accounted for in the decision-making processes), targets, indicators (including equal pay), and initiatives, are presented in online annual reports and in non-financial statements published on the PZU's website.</li> <li>The statement of expenses incurred by the PZU Group to support culture, sport, physical activity, social organizations and foundations, charities, media, and trade unions is presented by PZU since 2022 in online annual reports and in non-financial statements published on the PZU's website.</li> <li>Every quarter, PZU organizes result conferences for investors and analysts involving representatives of the Management Board and chat sessions for retail investors held by the CFO. The meetings are to discuss financial results, the degree to which the strategy is implemented, and the most important events affecting the PZU Group's operations.</li> <li>PZU representatives regularly contact investors (both institutional and retail) and analysts, allowing them to ask questions and obtain clarifications pertaining to matters of their interest (subject to prohibitions under law). Contact occurs both within modern electronic communication channels and through in-person meetings during investor conferences organized by Polish and foreign brokerage houses as well as on-site meetings.</li> <li>PZU endeavors to respond to investors' questions immediately, and with respect to e-mail questions - within three working days.</li> </ul>

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<b>Chapter 2.</b> Management Board and Supervisory Board	<ul style="list-style-type: none"> <li>Members of the PZU Management Board and Supervisory Board strive to apply the rules applicable to them to the fullest possible extent, which include:                             <ul style="list-style-type: none"> <li>in 2022, functions on the PZU Management Board were the main area of the professional activity of PZU Management Board Members,</li> <li>a consent from the PZU Supervisory Board is required for PZU Management Board Members to hold positions in corporate bodies outside of the PZU Group,</li> <li>PZU Supervisory Board Members devoted the time necessary to perform their duties,</li> <li>The PZU Supervisory Board Chairman does not combine this function with that of chairperson of the Audit Committee operating within the PZU Supervisory Board,</li> <li>the required number of PZU Supervisory Board Members meet the independence criteria laid down in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and have no actual and material relations with any shareholder holding at least 5% of the total vote in the Company.</li> </ul> </li> <li>PZU sets aside administrative and financial resources required to ensure the efficient operation of the Company's Supervisory Board.</li> <li>PZU Supervisory Board reports contain all elements specified under Principle 2.11 WSE BP 2021.</li> <li>As regards Principle 2.1 &amp; 2.2, PZU employs a diversity policy towards members of PZU governing bodies, adopted by the PZU Supervisory Board and Shareholder Meeting, which specifies the diversity targets and criteria in such areas as gender, education, specialist knowledge, age, and professional experience, and lays out the timeline and method for monitoring the achievement of those targets. In line with the policy, the Shareholder Meeting and Supervisory Board, in selecting the members of the Supervisory Board and the Management Board, respectively, strive for gender parity in PZU governing bodies, with the minimum gender minority participation at 30%. The gender diversity condition for the minority share of no less than 30% is not satisfied in the PZU Supervisory Board. The condition is met in the PZU Management Board. The foregoing notwithstanding, PZU points to the following issues:                             <ul style="list-style-type: none"> <li>as regards qualifications and requirements for those occupying positions in management and supervisory bodies, PZU in particular takes into account the statutory criteria for education and professional experience adequate to the functions discharged on such positions in the entity conducting insurance activity,</li> <li>in shaping the membership of the Company's corporate bodies, PZU applies the diversity policy while also maintaining an objective approach and being guided by substantive criteria,</li> <li>the diversity targets and criteria in such areas as education, specialist knowledge and professional experience, as well as the timeline and method for monitoring the achievement of those targets are laid out in the Suitability Assessment Rules of the Supervisory Board and Audit Committee as well as of the PZU Management Board, adopted by the virtue of resolutions of the PZU Shareholder Meeting and Supervisory Board, respectively.</li> </ul> </li> </ul>
<b>Chapter 3.</b> Internal systems and functions	<ul style="list-style-type: none"> <li>PZU maintains effective internal control, risk management and compliance systems as well as an effective internal audit function, corresponding to its size as well as the nature and scale of operations.</li> <li>The PZU Group's internal control system has been developed at the level of the leading entity (i.e., PZU) and is applicable to all members of the PZU Group, in consideration of their distinct nature, proportionality and adequacy.</li> <li>PZU exercises supervision over the entire PZU Group's risk management system. This supervision is based on mutual cooperation agreements entered into with the subsidiaries and the information provided thereunder. PZU manages risk at the Group level on an aggregate basis, especially with respect to capital requirements. In addition, PZU, as a leading entity, manages risk concentration on the level of the whole financial conglomerate. PZU makes efforts aimed at ensuring adequate and uniform standards of compliance solutions in all subsidiaries and monitors compliance risk throughout the entire Group.</li> </ul>

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<b>Chapter 3.</b> Systemy i funkcje wewnętrzne	<ul style="list-style-type: none"> <li>PZU's structure features separate units responsible for individual systems and functions.</li> <li>The Managing Director on Audit, who heads the Internal Audit Department, reports functionally to the Audit Committee and organizationally directly to the CEO. The appointment and dismissal of the person managing the internal audit unit must be consulted with the Audit Committee. The person managing internal audit may directly contact the Supervisory Board and Audit Committee Chairperson, and in particular immediately provide the Audit Committee with material information with respect to material irregularities found.</li> <li>The Managing Director on Regulations, within whose remit falls supervision over the Compliance Department, organizationally reports directly to the CEO of PZU. The selection, appointment and dismissal of the person managing the compliance unit must be consulted with the Audit Committee. The Managing Director on Regulations, as well as the Director of the Compliance Department, have direct access to the Management Board and Supervisory Board Members to whom the compliance function reports.</li> <li>The Director of the Risk Department organizationally directly reports to a PZU Management Board Member.</li> <li>The annual activity report concerning the Internal Audit Department, featuring among others an assessment of the internal control system, including compliance and risk management system, is adopted by the virtue of the resolution of the PZU Management Board. The report is presented to the Supervisory Board's Audit Committee. The assessment presented in the report is discussed by the Audit Committee Chairman at the meeting of the Supervisory Board.</li> <li>The PZU Supervisory Board monitors the efficiency of internal control, risk management, and compliance, along with the efficiency of the internal audit function based on, among others, the interim reports it receives; it also carries out an annual assessment concerning the efficiency of those systems and functions and includes relevant disclosures in its annual report.</li> <li>At PZU, an assessment of the internal audit function is carried out internally (annually) and by third parties (no less than once every five years). A third-party assessment of the internal audit function at PZU conducted by PwC Advisory in 2020 and an analysis of coordination of the Group's internal audit together with the annual assessment run by the Internal Audit Department demonstrated general compliance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics developed by the Institute of Internal Auditors (IIA).</li> </ul>
<b>Chapter 4.</b> Shareholder Meeting and relations with shareholders	<ul style="list-style-type: none"> <li>On 29 June 2022, the PZU Shareholder Meeting adopted a resolution on the adoption of WSE BP 2021 in which it declared that, acting within its powers, it will be guided by WSE BP 2021 to the extent that it is addressed towards the Shareholder Meeting and shareholders, taking into account the generally applicable provisions of the law and PZU's Articles of Association.</li> <li>In determining the time and place for the Shareholder Meeting, PZU ensures that as many shareholders as possible may take part (Shareholder Meetings take place in Warsaw).</li> <li>With respect to Principle 4.1, PZU does not allow shareholders to participate in the shareholder meeting using means of electronic communication. However, PZU shareholders have not raised expectations regarding the need or rationale to organize e-Shareholder Meetings. Moreover, PZU believes that there are many technical and legal factors that may affect the proper course of the shareholder meeting if an e-Shareholder Meeting is introduced. The legal doubts pertain to the ability to identify shareholders and check the legitimacy of participants in the shareholder meeting. The risk of the occurrence of technical difficulties, e.g. with the internet connection or possible external interference in the IT systems may disrupt the work of the shareholder meeting and evince doubts concerning the efficacy of the resolutions adopted during its course. The appearance of these risks may affect the proper application of this rule to a full extent.</li> <li>PZU ensures that livestreams of Shareholder Meetings are widely available, and that information concerning the planned broadcast is published in advance on the Company's website. After the Shareholder Meeting concludes its session, the recording is published on the PZU's website under the Investor Relations section (<a href="https://www.pzu.pl/en/investor-relations/shares-and-bonds/shareholders-meetings">https://www.pzu.pl/en/investor-relations/shares-and-bonds/shareholders-meetings</a>).</li> <li>Media representatives may be present at a PZU Shareholder Meeting;</li> </ul>

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<p><b>Chapter 4.</b> Shareholder Meeting and relations with shareholders</p>	<ul style="list-style-type: none"> <li>PZU Management Board and Supervisory Board Members take part in the PZU Shareholder Meetings. The Management Board presents the participants of the Ordinary Shareholder Meeting with the Company's financial results and other material information, including non-financial information, found in the financial statements to be approved by the Shareholder Meeting.</li> <li>PZU endeavors to ensure that draft resolutions be submitted no later than three days before the shareholder meeting. The PZU Management Board appends justifications to its draft resolutions on matters and decisions which do not pertain to the business of the meeting, unless such justifications arise from the documentation presented to the Shareholder Meeting. Draft resolutions submitted by shareholders should also be submitted with justifications. PZU publishes draft resolutions with justifications on the PZU website under the Investor Relations section (<a href="https://www.pzu.pl/en/investor-relations/shares-and-bonds/shareholders-meetings">https://www.pzu.pl/en/investor-relations/shares-and-bonds/shareholders-meetings</a>).</li> <li>In 2022, Principle 4.9.1 was incidentally violated. The principle states that where the shareholder meeting deliberates on the appointment of a person to the supervisory board or the appointment of a supervisory board for a new term, candidates for the board shall be put forward within a timeframe allowing the shareholders present at the shareholder meeting to make a decision with due consideration, but no later than three days prior to the shareholder meeting; candidate submissions, together with the complete documents concerning them, shall be immediately published at the Company's website. Seeing that a candidate for the PZU Supervisory Board was put forward by a PZU shareholder on 31 August 2022, i.e., one day before the PZU Extraordinary Shareholder Meeting, there has been an incidental violation of Principle 4.9.1. PZU published the complete documents concerning the candidate at its website immediately upon their receipt. The report concerning the incidental violation of Best Practices was published by PZU on 1 September 2022.</li> <li>PZU strives to pay out the dividend to its shareholders in line with PZU's dividend policy and KNF's position. Since its first listing at WSE, PZU has been paying out the dividend every year, except for 2020, when KNF and EIOPA recommended that insurers temporarily suspend the payment of dividend.</li> </ul>
<p><b>Chapter 5.</b> Conflict of interest and transactions with related parties</p>	<ul style="list-style-type: none"> <li>PZU has internal regulations on the management of a conflict of interest and conclusion of transactions with related parties in the event that a conflict of interest may arise, which guarantee compliance with the principles found in Chapter 5 WSE BP 2021.</li> <li>No PZU shareholder is treated preferentially in relation to other shareholders with respect to transactions with related parties.</li> <li>PZU has regulations concerning transfer pricing. The general rule is that transactions between related parties should be concluded on an arm's length basis. As a rule, an analysis confirming that the transaction is concluded on an arm's length basis is drawn up for each such transaction.</li> <li>In mitigating the conflict of interest risk, members of PZU's corporate bodies are obliged to: <ul style="list-style-type: none"> <li>avoid actions which may give rise to a conflict of interest;</li> <li>undertake actions necessary to identify a conflict of interest;</li> <li>obtain consent (of the Management Board, Supervisory Board or Shareholder Meeting) for their membership in management boards and supervisory boards of listed companies other than PZU Group companies and of entities whose business may be considered in competition;</li> <li>seek to eliminate or mitigate the adverse impact of a conflict of interest on the operations of a PZU Group company and its relationship with other PZU Group companies, clients, and third parties;</li> <li>inform the Management Board, Supervisory Board or Shareholder Meeting about a conflict of interest that has arisen or may arise, and refrain from speaking out or voting on matters which involve the conflict of interest;</li> <li>inform the compliance unit about a potential conflict of interest and actions taken.</li> </ul> </li> <li>Potential conflicts of interest involving Management Board or Supervisory Board Members are analyzed within the framework of suitability assessment before these persons are appointed to those bodies, and within cyclical suitability reassessments. An annual analysis of additional actions taken by members of corporate bodies is also carried out.</li> </ul>

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<p><b>Chapter 5.</b> Conflict of interest and transactions with related parties</p>	<ul style="list-style-type: none"> <li>The PZU Supervisory Board and its committees may use the services of experts and consulting firms.</li> <li>PZU has not engaged in share buybacks.</li> <li>PZU Group companies have regulations governing the management of a conflict of interest, adjusted to standards set out by PZU and adequate to its profile and scope of operations.</li> </ul>
<p><b>Chapter 6.</b> Remunerations</p>	<ul style="list-style-type: none"> <li>PZU has a remuneration policy for PZU Management Board Members and PZU Supervisory Board Members, adopted by the PZU Shareholder Meeting. It satisfies the requirements of Chapter 6 of WSE BP 2021.</li> <li>The compensation policy implemented supports the achievement of targets laid out in the PZU Group's business strategy, both as regards financial results as well as the Company's contribution into sustainable development; it also helps motivate and retain members of the supervisory and management bodies, senior management, and key employees.</li> <li>Supervisory Board Members receive monthly remuneration which is not dependent on the Company's short-term results or the number of sessions held. The chairpersons of committees operating within the Supervisory Board receive higher remuneration.</li> <li>Under the remuneration principles applicable to Management Board Members, the value of variable compensation for the given financial year depends on the achievement of management targets selected by the Supervisory Board from a list, including the improvement of economic and financial indicators, and actions of social interest, including those which makes the Company contribute to environmental protection.</li> <li>Remuneration rules do not provide for long-term incentive plans.</li> </ul>

The statement on compliance with WSE BP 2021 is available on the PZU's website under the Investor Relations section: <https://www.pzu.pl/en/investor-relations/about-the-group/corporate-governance>

### Application of Corporate Governance Rules for Regulated Institutions

The PZU Management Board and Supervisory Board adopted resolutions (respectively, UZ/375/2014 of 17 December 2014 and URN/49/2014 of 19 December 2014), whereby they adopted standards arising from the Corporate Governance Rules for Regulated Institutions (CGR) to the broadest possible extent while giving consideration to the rule of proportionality and the rule "comply or explain."

In its resolution no. 36/2015 of 30 June 2015, the PZU Ordinary Shareholder Meeting declared that, acting within its powers, it will be guided by CGR in the wording adopted by KNF on 22 July 2014, subject to rules from which it derogated, i.e., rules under § 10(2), § 12(1), and § 28(4).

The detailed statement on PZU's compliance with CGR, taking into account the rules partially complied with and those which do not apply to PZU due to the nature of its operations has been published on the PZU's website.

PZU monitors the degree and manner of compliance with CGR and, if necessary, takes steps on an as-needed basis to ensure compliance therewith to the fullest extent. In particular, PZU pays attention to the following matters and activities.

Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
<p><b>Chapter 1.</b> Organization and organizational structure</p>	<ul style="list-style-type: none"> <li>PZU has relevant rules and regulations concerning its organization and organizational structure. PZU's organization is adapted to the strategic objectives and methods of their implementation, as well as to the need to independently monitor operational and strategic risks concerning its business. The strategic objectives, taking into account the nature and scale of operations, are laid down in the PZU Group Strategy adopted by the Management Board and approved by the Supervisory Board.</li> </ul>

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Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
<b>Chapter 1.</b> Organization and organizational structure	<ul style="list-style-type: none"> <li>PZU's organization is reflected in PZU's organizational structure. For the organizational structure, please consult Investor Relations in PZU's website: (<a href="https://www.pzu.pl/en/investor-relations/about-the-group/group-structure">https://www.pzu.pl/en/investor-relations/about-the-group/group-structure</a>). The organizational structure features distinct functions divided by duties and responsibilities between Management Board Members, as well as the division of duties and responsibilities between the headquarters' organizational units, local structures, and individual position groups.</li> <li>PZU has a Business Continuity Plan. PZU also has a Crisis Management Team, the purpose of which is to exercise oversight over the business continuity management system and to manage crises.</li> <li>Irregularities at PZU may be reported anonymously. The Whistleblowing Procedure ensures confidentiality, discretion and personal data protection for whistleblowers. An employee who reports a potential irregularity in good faith is not at risk of any sanctions; nor does he or she incur any consequences pertaining to his or her employment relationship due to that report.</li> </ul>
<b>Chapter 2.</b> Relations with shareholders of a regulated institution	<ul style="list-style-type: none"> <li>PZU operates with the interests of all stakeholders in mind, unless they are contrary to the interests of PZU. To this end, PZU has developed Best Practices of the PZU Group, Rules of PZU's Information Policy towards Capital Market Players, and Rules for the Management of a Conflict of Interest.</li> <li>PZU ensures that shareholders have equal access to information, including such featured on shareholder meetings. All disclosures are published under Investor Relations in PZU's website.</li> <li>PZU does not allow active electronic participation in Shareholder Meetings due to reasons presented with respect to the application of Principle 4.1 WSE BP 2021. PZU shareholders may watch online livestreams of the Shareholder Meeting.</li> <li>In the view of certain capital and personal links, PZU pays particular attention to the relationships and transactions within the PZU Tax Group and with related parties. For this purpose, it applies relevant policies and procedures. All transactions are carried out in line with tax and legal requirements, transparently, and in line with market standards. Transactions with related parties are described in PZU's financial statements.</li> <li>Decisions concerning the payout of dividend are taken in line with the Capital and Dividend Policy of the PZU Group and the recommendations of KNF. In line with the policy, PZU endeavors to maximize the rate of return on equity for the parent company's shareholders, in particular by maintaining the level of security and retaining capital resources for strategic growth objectives through organic growth and acquisitions.</li> </ul>
<b>Chapter 3.</b> Management	<ul style="list-style-type: none"> <li>The PZU Management Board is a collegiate body.</li> <li>Management Board Members meet legal criteria (including those in the Insurance and Reinsurance Activity Act and Act on the Management of State Property), regulatory requirements, WSE BP 2021, and CGR. Management Board Members share between them the adequate knowledge, experience and skills to manage PZU's operations. The Supervisory Board assesses and reassesses the suitability of candidates for and members of PZU Management Board - individually and jointly. Verification is based on the criteria of competence, guarantee (of reputation and reliability), independent judgment (including no conflict of interest) and sufficient time dedication to the position of the Management Board Member.</li> <li>The Management Board is the sole body authorized to manage PZU's operations and the sole to be responsible for it. The Management Board acts in the interest of PZU, guided by law, recommendations of supervisory authorities, and internal regulations, having the safety of the Company in its mind.</li> <li>The Management Board Members are jointly responsible for the decisions which are reserved for their remit, regardless of the internal division of responsibility for the respective areas of operations. PZU Management Board Members exercise oversight with respect to processes within their area, the scope of which is set out by the CEO in an order. The document clearly and unambiguously regulates the responsibility of the respective Management Board Members for oversight with respect to individual PZU organizational structures.</li> <li>Management Board Members are not involved in social or profit-making activity which could lead to a conflict of interest with respect to PZU's operations, or adversely affect their reputation as a Management Board Member. The rules for mitigating conflicts of interest are laid out in the Management Board's Rules and Regulations and the Code of Ethics for Members of Management Boards of PZU Group Companies.</li> </ul>

Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
<b>Chapter 4.</b> Supervisory body	<ul style="list-style-type: none"> <li>Members of the Supervisory Board meet legal criteria (including those in the Insurance and Reinsurance Activity Act and Act on the Management of State Property), regulatory requirements, WSE BP 2021, and CGR. Supervisory Board Members share between them the adequate knowledge, experience and skills to supervise PZU's operations. The Shareholder Meeting assesses and reassesses the suitability of candidates for and members of the Supervisory Board - individually and jointly. Verification is based on the criteria of competence, guarantee (of reputation and reliability), independent judgment (including no conflict of interest) and sufficient time dedication to the position of the Supervisory Board Member.</li> <li>The Supervisory Board continually supervises PZU's operations in all areas and may undertake necessary supervisory action in an ongoing manner.</li> <li>The Supervisory Board and respective Members thereof are guided by objective assessment and judgment, and among others may avail themselves of the services of experts and advisory companies.</li> <li>Over half of the Members sitting in the Supervisory Board meet the independence criteria laid out in the Statutory Auditor Act (including all members of the Audit Committee).</li> <li>The scope of the Audit Committee's duties includes monitoring the performance of financial audit activities at PZU, in particular, the conduct of the audit by the audit firm, taking into account the findings and conclusions of the Polish Audit Supervision Agency following from an inspection carried out in the audit firm. A statutory auditor provides the Supervisory Board with their opinion on the conduct of the audit of the statements.</li> <li>Supervisory Board Members exercise their functions actively, as testified to by the number of and high attendance rate at sessions of the Supervisory Board and separately held sessions of the Supervisory Board Committees. The competences, qualifications, and professional experience of the Management Board Members and their guarantee of due oversight ensure the due performance of the Supervisory Board's duties.</li> <li>Supervisory Board Members are not involved in social or profit-making activity which could lead to a conflict of interest with respect to PZU's operations, or adversely affect their reputation as a Supervisory Board Member. The rules for identifying, managing and preventing conflicts of interest concerning PZU Supervisory Board Members have been set out in the Code of Ethics for PZU Supervisory Board Members.</li> <li>The PZU Supervisory Board assesses compliance with CGR, and the statement in this regard is included in the PZU Supervisory Board's annual report, made available at (<a href="https://www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego">https://www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego</a>).</li> </ul>
<b>Chapter 5.</b> Remuneration policy	<ul style="list-style-type: none"> <li>The rules governing the compensation for Management Board and Supervisory Board Members are laid out in the Remuneration Policy for PZU Management Board and Supervisory Board Members, adopted by the Shareholder Meeting.</li> <li>The Supervisory Board prepares and presents to the Shareholder Meeting a Report on Remuneration Policy at PZU, which constitutes a part of the Supervisory Board's Report.</li> <li>The compensation for Management Board Members is set by the Supervisory Board in a resolution, whereas the compensation for the Supervisory Board Members is determined directly by the Shareholder Meeting.</li> <li>PZU Management Board determines the rules for remunerating PZU Group Directors who are, at the same time, Members of the Management Board at PZU Życie, as well as the remuneration policy for senior management and Entitled Persons.</li> <li>The remuneration policy established is not an incentive to take excessive risk within PZU's operations. The rules governing variable compensation aim to support proper and efficient risk management, discourage excessive risk-taking, and assist in the implementation of the PZU Group's Strategy.</li> <li>The award of the variable compensation to the Management Board Members depends on the achievement of management targets selected by the Supervisory Board from a list, including the improvement of economic and financial indicators, and actions of social interest, including those which makes the Company contribute to environmental protection.</li> <li>The remuneration of the Management Board Members and persons exercising key positions is financed and paid out from PZU funds.</li> </ul>

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Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
<b>Chapter 6.</b> Information policy	<ul style="list-style-type: none"> <li>PZU has a transparent information policy that takes into account the needs of shareholders and customers. The PZU website publishes: The rules of PZU's information policy towards capital market players (in the Investor Relations section) and information to support clients in their contact with PZU, including: GTCI of insurance products, rules for handling complaints, PZU Best Practices.</li> <li>Since 2014, PZU has published interactive annual reports.</li> <li>In terms of the financial information made available, in addition to the periodic reports required by law, PZU prepares quarterly result presentations, which are posted on the company's website along with recordings of result conferences and other important corporate events.</li> <li>PZU provides investors with equal access to information, among other things: it ensures proper execution of information obligations obligatory for listed companies, all materials after being sent to the WSE via the ESPI system are published immediately in Polish and English on the PZU website in the Investor Relations section.</li> <li>PZU's information policy with respect to capital market players specifies deadlines for responding to questions submitted by e-mail and telephone – PZU makes efforts to respond promptly, in the case of questions submitted by e-mail within a maximum of 3 working days.</li> </ul>
<b>Chapter 7.</b> Promotional activities and client relations	<ul style="list-style-type: none"> <li>PZU has internal regulations, including The PZU Code of Ethics in Advertising and the PZU Group Marketing Policy, adopted by a resolution of the PZU Management Board, which cover, among other things, issues related to ensuring compliance of marketing activities with the law, in particular with the laws on competition and consumer protection and on combating unfair competition.</li> <li>The process of offering products is conducted in a way that ensures the reliability of the information provided to clients and the provision of understandable explanations.</li> <li>The process and rules for handling complaints, including issues of timeliness and quality of processing of client requests, are defined in PZU's internal regulations. The rules for handling complaints are available on the PZU website (<a href="https://www.pzu.pl/kontakt-i-pomoc/skargi-reklamacje/jak-rozpatrujemy-skargi-reklamacje">https://www.pzu.pl/kontakt-i-pomoc/skargi-reklamacje/jak-rozpatrujemy-skargi-reklamacje</a>).</li> <li>In 2017, a Client Ombudsman position was established at PZU which, among other things, participates in mediations before the Financial Ombudsman and the KNF, and conducts individual meetings and negotiations with customers on disputes. In addition, a Health Ombudsman position was established at PZU in 2020, which, among other things, conducts individual meetings and negotiations with clients on health insurance disputes.</li> </ul>

Chapter	Material aspects concerning the application of Corporate Governance Rules for Regulated Institutions
<b>Chapter 8.</b> Key internal systems and functions	<ul style="list-style-type: none"> <li>PZU has an adequate, effective and efficient internal control system covering all levels in PZU's organizational structure.</li> <li>A Compliance Department has been separated at PZU in terms of organization and competence, which performs tasks in ensuring compliance of the insurance company's activities with the law and internal regulations.</li> <li>An effective internal audit function operates at PZU, which involves a regular and orderly assessment of the adequacy and effectiveness of the internal control system and other components of the management system.</li> <li>PZU ensures the objectivity and independence of the internal audit and compliance functions.</li> <li>The Managing Director on Audit reports functionally to the Audit Committee and organizationally directly to the President of the PZU Management Board. The appointment and dismissal of the head of the internal audit function must be consulted with the Audit Committee. The Managing Director on Regulations, whose responsibilities include overseeing the activities of the Compliance Department, reports organizationally directly to the President of the PZU Management Board. The appointment and dismissal of the head of the compliance function requires the opinion of the Audit Committee. The head of the internal audit function and the supervisor of the compliance function attend all meetings of the Audit Committee and the Management Board, and have the opportunity to report and communicate directly with members of the Management Board and the Supervisory Board of PZU.</li> <li>PZU's risk management system is organized adequately to the nature, scale and complexity of PZU's business, taking into account the company's strategic objectives, risk management strategy taking into account risk tolerance.</li> <li>The member of the Management Board responsible for the risk management area in PZU is not responsible for other areas.</li> <li>The Supervisory Board supervises the risk management process and evaluates its adequacy and effectiveness – it performs its tasks within the framework of the decisions set forth in the Articles of Association, the Rules and Regulations of the Supervisory Board and through the Audit Committee.</li> <li>The Audit Committee monitors the effectiveness of PZU's internal control, internal audit and risk management systems.</li> </ul>
<b>Chapter 9.</b> Exercise of rights from assets acquired at the client's risk	<ul style="list-style-type: none"> <li>PZU does not offer products that involve asset management at the client's risk.</li> </ul>

### The rules that PZU meets in part

Rule	Justification for partial application
<b>Chapter 2.</b> The rule laid down in § 8 section 4 of the Corporate Governance Rules reading as follows: "The supervised institution, when justified by the number of shareholders, should strive to facilitate the participation of all shareholders in the meeting of the constituent body of the supervised institution, including by providing opportunities for electronic active participation in meetings of the constituent body."	<ul style="list-style-type: none"> <li>PZU shareholders can watch (in real time online) the broadcast of the General Meeting. PZU, however, has not decided to introduce a so-called e-Shareholder Meeting. PZU believes that there are many technical and legal factors that may affect the proper course of the Shareholder Meeting. The legal doubts pertain to the ability to identify shareholders and check the legitimacy of participants in the shareholder meeting. The risk of the occurrence of technical difficulties, e.g. with the internet connection or possible external interference in the IT systems may disrupt the work of the Shareholder Meeting and evince doubts concerning the effectiveness of the resolutions adopted during its course. The appearance of these risks may affect the proper application of this rule to a full extent.</li> </ul>

## 8. Corporate governance statement

Rule	Justification for partial application
<p><b>Chapter 4.</b></p> <p>The rule laid down in § 21 section 2 of the Corporate Governance Rules reading as follows: “In the composition of the supervising body, there should be a separate function of a chairperson who directs the work of the supervising body. The election of the chairperson of the supervising body should be based on experience and leadership skills, taking into account the criterion of independence.”</p>	<ul style="list-style-type: none"> <li>In accordance with the Commercial Companies Code and the Articles of Association of PZU, the function of Chairperson was separated in the composition of the PZU Supervisory Board. The composition of the PZU Supervisory Board, including the function of Chairperson, is shaped in accordance with the independence criteria indicated in the Act of 11 May 2017 on auditors, audit firms and public supervision. The election of the Chairperson of the Supervisory Board is made on the basis of the criterion of their knowledge, experience and skills, which confirm the competence necessary for the proper performance of supervisory duties. The application of the independence criterion in the case of the chairperson, according to the KNF Office’s explanation of the rule in question, may raise questions about potential conflicts with the law on shareholder rights.</li> </ul>
<p><b>Chapter 8.</b></p> <p>The rule laid down in § 49 section 3 of the Corporate Governance Rules reading as follows: “In a regulated institution, the appointment and removal of the head of the internal audit function and the head of the compliance function shall be made with the approval of the supervising body or the Audit Committee.”</p>	<ul style="list-style-type: none"> <li>PZU applies the rules set forth in § 14 of the Corporate Governance Rules in full, which means that PZU’s Management Board is the only body authorized and responsible for managing the company’s operations. In addition, according to labor law, labor law activities are performed by the managing body. In view of the above, a solution has been adopted in PZU, which stipulates that the selection and dismissal of the head of the internal audit function is made taking into account the opinion of the Audit Committee of the Supervisory Board. The head of the compliance function is appointed and dismissed in the same way. The Management Board consults with the Audit Committee on these decisions.</li> </ul>

### Rules waived by PZU AGM

Rule	Justification for waiving the rule
<p><b>Chapter 2.</b></p> <p>The rule laid down in § 10 section 2 of the Corporate Governance Rules reading as follows: “The implementation of personal rights or other special rights for shareholders of the regulated institution should be justified and serve the accomplishment of the regulated institution’s material operating goals. The possession of such rights by shareholders should be reflected in the wording of the primary governing document of the regulated institution.”</p>	<ul style="list-style-type: none"> <li>According to the substantiation presented by the shareholder along with the draft resolution of the OSM, the waiving of this rule is due to the unfinished process of the company’s privatization by the State Treasury; In practice, in accordance with the generally applicable law, including the Commercial Companies Code, all shareholder rights are reflected in the Articles of Association and are always justified – an example is § 20 section 7 of the Articles of Association, which grants the State Treasury the right to appoint and remove one member of the Supervisory Board. Leaving such a power to the State Treasury was justified during the period of the company’s privatization, with the Articles of Association stating that this power will expire when the Treasury ceases to be a shareholder of the company.</li> </ul>
<p><b>Chapter 2.</b></p> <p>The rule laid down in § 12 section 1 of the Corporate Governance Rules reading as follows: “Shareholders are responsible for recapitalizing without delay a regulated institution in a situation in which it is necessary to maintain the regulated institution’s equity at the level required by the legal regulations or oversight regulations as well as when the security of the regulated institution so requires.”</p>	<ul style="list-style-type: none"> <li>According to the substantiation presented by the shareholder along with the draft resolution of the OSM, the waiving of this rule is due to the unfinished process of the company’s privatization by the State Treasury; The decision to apply this rule should be made by the company’s shareholders, taking into account the provisions of generally applicable law, in particular Article 301 § 4 and 5 of the Commercial Companies Code, according to which shareholders are only obliged to provide the services specified in the Articles of Association and are not liable for the company’s obligations.</li> </ul>
<p><b>Chapter 5.</b></p> <p>The rule laid down in § 28 section 4 of the Corporate Governance Rules reading as follows: “The decision-making body assesses whether the implemented compensation policy fosters the regulated institution’s development and operating security.”</p>	<ul style="list-style-type: none"> <li>According to the justification provided by a shareholder with the draft resolution, the waiver of the rule is dictated by the overly broad subjective scope of the remuneration policy subject to review by the constituent body. The remuneration policy for persons in key positions who are not members of the supervising and management bodies is subject to the evaluation of their employer or principal, which is the company represented by the Management Board and controlled by the Supervisory Board. Notwithstanding the above, in accordance with Article 90g of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments</li> </ul>

Rule	Justification for waiving the rule
	<p>to Organized Trading and Public Companies, the Supervisory Board is required to prepare an annual report on the remuneration of members of the Management Board and the Supervisory Board, and the General Meeting shall adopt a resolution to give its opinion on the report. The remuneration policy for members of the PZU Management and Supervisory Boards, adopted by the General Meeting Resolution No. 36/2020 of 26 May 2020, is reviewed by the Management Board once a year, and a report determining the status of the Policy’s implementation and recommendations for changes to the Policy, if necessary, is presented to the Supervisory Board. In addition, a commitment to adopt a General Meeting resolution on the Policy at least every four years was introduced.</p>

### Rules whose fulfillment does not apply to PZU

Rule	Uzasadnienie
<p><b>Chapter 2.</b></p> <p>The rule laid down in § 11 section 3 of the Corporate Governance Rules reading as follows: “In the event that the decision-making body makes a decision concerning a transaction with a related party, all shareholders should have access to all information required to assess the conditions on which it is implemented and its impact on a regulated institution’s standing.”</p>	<ul style="list-style-type: none"> <li>At PZU, the Shareholder Meeting does not make decisions on transactions with related parties.</li> </ul>
<p><b>Chapter 8.</b></p> <p>The rule laid down in § 49 section 4 of the Corporate Governance Rules reading as follows: “In a regulated institution in which there is no audit or compliance cell, the rights ensuing from sections 1-3 are vested in the persons responsible for performing these functions.”</p>	<ul style="list-style-type: none"> <li>Audit and compliance functions operate at PZU.</li> </ul>
<p><b>Chapter 8.</b></p> <p>The rule laid down in § 52 section 2 of the Corporate Governance Rules reading as follows: “In a regulated institution in which there is no audit or compliance cell or no cell responsible for this area has been designated, the information referred to in section 1 shall be conveyed by the persons responsible for performing these functions.”</p>	<ul style="list-style-type: none"> <li>Audit and compliance functions operate at PZU.</li> </ul>
<p><b>Chapter 9.</b></p> <p>Exercise of rights from assets acquired at the client’s risk</p>	<ul style="list-style-type: none"> <li>PZU does not offer products that involve asset management at the client’s risk.</li> </ul>

Information on the status of application of the Corporate Governance Rules for Regulated Institutions is available on PZU’s website: <https://www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego>.

## 8. Corporate governance statement

### 8.2. Financial statements control system

The PZU Group has an internal control system, which, together with the risk management system (CH. 6. Risk management), is an important component of the Group's management system.

#### Purpose and organization of the internal control system

PZU has an internal control system (ICS) in place, adjusted to the scale of its operations and its organizational structure. Its purpose is to ensure the effectiveness and efficiency of operations within the organization, reliability of financial reporting and compliance of the Company's operations with the applicable laws and internal regulations.

The ICS comprises supervision, overall administrative and accounting procedures, organizational structures, reporting systems, solutions implemented in IT systems, the compliance function and other control mechanisms contributing to the security and stability of the company's operations by ensuring:

- efficiency and effectiveness of the operating activity;
- reliability of information communicated inside and outside the company and assurance of availability and reliability of such information, in particular pertaining to financial statements;
- adequacy and effectiveness of risk controls (control operations should be commensurate with the level of risk involved in the operations and processes under control);
- responsible and transparent management of the company;
- compliance of the Company's activity with internal regulations and the standards of conduct adopted by the Company.

The following elements are distinguished within the ICS:

- control function aiming at ensuring compliance with control mechanisms concerning, in particular, risk management in the company;
- independent compliance cell (Compliance Department – BCM) whose purpose is to execute the compliance function and to ensure systemic solutions with regard to efficiency and effectiveness of the ICS;
- independent internal audit cell (Internal Audit Department – BAW) whose purpose is to carry out independent and objective assessment and evaluation of adequacy and effectiveness of the internal control system and other elements of the system of governance.

The ICS is built on the basis of the said elements and is based on a model of three independent and complementary levels, i.e., three lines of defense, where:

- the first line of defense is comprised of activities of business processes owners, encompassing the operational management of risk associated with the Company's operations and processes carried out as part of those operations;
- the second line of defense is comprised of activities of the Compliance Department and risk management by other specialized business units specified in internal regulations on risk management and dealing with risk identification, measurement, monitoring and reporting and controlling the limits;
- the third line of defense is provided by activities of the Internal Audit Department.

Supervision over the internal control system within the Company is exercised by:

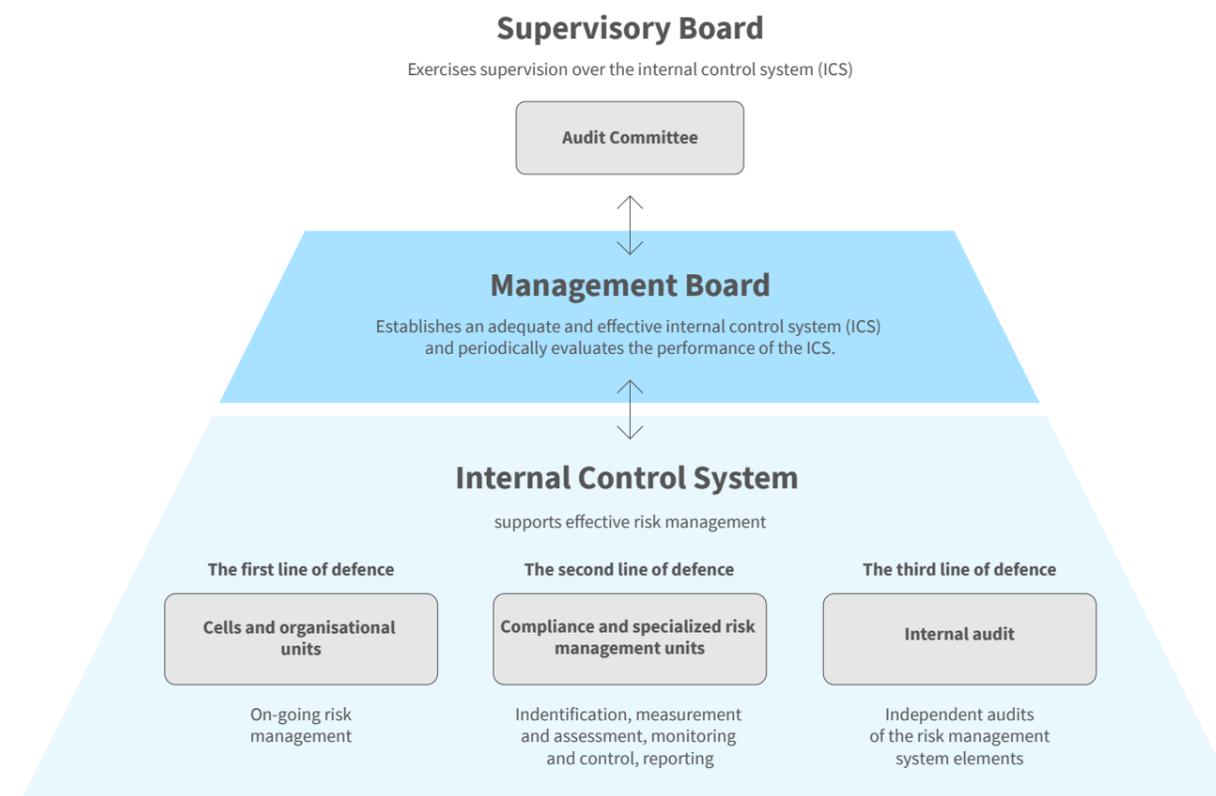
- oversight exercised by the Supervisory Board;
- activities of the Management Board, including the establishment of an adequate and effective internal control system and periodic assessment of the functioning of the ICS;
- oversight exercised by the managers of divisions and functions, and organizational units in their subordinated organizational functions/units;
- oversight exercised by the Compliance Department in the area of system solutions aimed at ensuring adequacy and effectiveness of risk control in the business processes covered by the ICS.

The head of the respective organizational division/function/unit is responsible for the deployment of an effective Internal Control System in the supervised area of the Companies' activity, in particular for designing and ensuring efficient operation of control actions as integral components of operating processes.

The PZU Group's internal control system has been developed at the leading entity (i.e. PZU) level and is applicable to all members of the PZU Group, in consideration of their distinct nature, proportionality and adequacy. With regard to regulated entities existing within banking groups, the internal control system has been designed at the level of each of these groups, taking into account the applicable sectoral regulations.

As part of its cooperation with PZU Group entities, PZU analyzes information that it receives regularly from these entities concerning the organization of the internal control system, internal control conducted and evaluation of the

#### Diagram of the organization of the internal control system



internal control system, in order to improve unified standards for the operation of an effective internal control system.

#### Compliance

One component of PZU's internal control system is the compliance function, which is overseen by the Managing Director on Regulations, to whom the Compliance Department reports. The selection, appointment and dismissal of the person managing the compliance unit must be consulted with the Audit Committee. The Managing Director on Regulations and Director of the Compliance Department have direct access to PZU's Management Board Members and PZU's Supervisory Board Members, and representatives of the Compliance Department participate in meetings of selected committees established within the company's structure.

#### Internal audit

The internal audit function is run in a manner ensuring its unbiased nature and independence from operational functions, and its purpose is to add value and enhance the PZU Group's operational performance. The activity of the audit

function involves a regular and orderly assessment of the adequacy and effectiveness of the internal control system and other components of the management system. The internal audit function supports the PZU Group in the pursuit of its objectives by providing – also through consulting – certainty as to the effectiveness of these processes.

The duties of the internal audit function comprise in particular:

- establishment, implementation and maintenance of an audit plan, which defines the scope of audit work to be undertaken in subsequent years, with regard to all types of activity and the Company's overall system of management;
- making recommendations on the basis of the findings collected in the course of work according to the audit plan;
- checks of execution of the corrective measures following from the recommendations made.

The audit plan is prepared on the basis of an annual risk identification and assessment conducted across all areas of

## 8. Corporate governance statement

PZU's business. A draft plan is presented for evaluation by the Audit Committee and then approval by the Management Board.

The timely implementation of audit recommendations by the business units is overseen by the responsible member of the Management Board or PZU Group Director. The Internal Audit Department monitors the progress of implementing the recommendations based on information obtained from the respective business units. After an analysis, it decides whether to consider them completed.

The following adopted principles guarantee the independence and impartiality of internal audit:

- The Managing Director on Audit, who heads the Internal Audit Department, reports functionally to the Audit Committee and organizationally directly to the Management Board President;
- the election and dismissal of the head of the internal audit function must be consulted with the Audit Committee;
- The Managing Director on Audit participates in meetings of the Audit Committee and meetings of the Management Board, and representatives of the Internal Audit Department take part in meetings of selected committees operating within PZU's structure;
- PZU's internal auditors demonstrate outstanding professional and ethical qualifications and possess the proper knowledge and skills, including the knowledge of issues necessary to conduct audits. They have access to the necessary information, explanations, documents and data, allowing for the timely and correct performance of their tasks;
- the scope of audit activities performed during each audit and the resulting evaluations are autonomous decisions of internal audit. The tasks are allocated in such a manner so as to prevent potential and actual conflicts of interest. Each employee, before starting a task, is obliged to inform the supervisor in case of a potential conflict of interest – assigned tasks are rotated as necessary. In addition, no auditor may, before one year has elapsed, evaluate activities that they themselves previously performed or managed. They also cannot assume responsibility for operational activities that are subject to internal audit review.

PZU has implemented the Internal Auditor's Code of Ethics, based on guidelines issued by the Institute of Internal Auditors (IIA). The purpose of the Code is to promote best practices and models for ethical behavior, and to motivate the need for continuous professional improvement and development of the proper image of internal auditors.

The Internal Audit Department provides the Company's Management Board and Audit Committee with periodic

management information from its subordinate area, including, in particular:

- information on the progress in implementing the audit plan;
- information on the findings of internal audits;
- information on recommendation monitoring results.

In order to ensure the proper quality and continuous improvement of the internal audit function, internal (on an annual basis) and external (not less than once every five years) assessments of the Company's internal audit activities are conducted. A third-party assessment of the internal audit function at PZU conducted by PwC Advisory and an analysis of coordination of the Group's internal audit run by the Internal Audit Department demonstrated general compliance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics developed by the IIA.

### Control mechanisms applied during the preparation of the financial statements

The process of preparing financial statements is carried out by offices within the Finance Division and other offices in accordance with their responsibilities. The Finance Division is supervised by a Management Board Member, and the financial statements require approval by the Management Board.

The process is conducted in compliance with:

- accounting principles (accounting policy) adopted by the Management Board;
- chart of accounts with a commentary;
- other detailed internal regulations approved by the PZU Management Board specifying key rules for recording business events in PZU, the valuation of assets and liabilities and the calculation of the financial result;
- method of keeping the accounting ledgers;
- dedicated reporting systems.

Data are prepared in the source systems using formal operating and acceptance procedures which specify the powers of specific persons.

The reporting process is carried out by qualified, skilled and experienced staff.

PZU monitors changes in external regulations concerning, without limitation, the accounting policy and reporting requirements applicable to insurers and carries out appropriate adaptation processes in these areas. The accounting records are closed and financial statements are prepared in accordance with schedules, including the key activities and control points with assigned liability for timely and correct completion.

The key controls during preparation of the financial statements include:

- controls and permanent monitoring of the quality of input data, supported by financial systems with defined rules of data correctness, in accordance with PZU's internal regulations governing the control of accuracy of accounting data;
- data mapping from the source systems to financial statements supporting the proper presentation of data;
- analytical review of financial statements by specialists to compare them with the business knowledge and business transactions;
- formal review of the financial statements to confirm compliance with the applicable legal regulations and market practice in terms of required disclosures.

Coordination of activities with regard to consolidated financial reporting processes at PZU and PZU Life is made possible by the Finance Division's organizational structure common to these companies, based on the principle of personal union. PZU controls all its consolidated subsidiaries through these companies' management boards and supervisory boards.

The consolidated financial reporting process is governed by a number of internal acts defining the principles of accounting policy adopted by the PZU Group and accounting standards. Moreover, it is subject to detailed schedules including the key activities and control points with assigned liability for timely and correct completion.

Consolidation packages forwarded by subsidiaries are subjected to:

- verification procedures by a statutory auditor scrutinizing the PZU Group's consolidated financial statements;
- analytical reviews by specialists.

Consolidation packages forwarded by banks are also reconciled with their published stock exchange disclosures.

The organization and the process of preparing the financial statements are regularly reviewed by the internal audit function.

### Audit Committee

The appointment of the Audit Committee has served the purpose of increasing the effectiveness of supervisory activities performed by the Supervisory Board with regard to the monitoring of financial reporting processes.

The Committee's tasks associated with monitoring the financial reporting process and the provision of advisory and evaluation services include, in particular:

- tentative evaluation of the Management Board's report on the activity of PZU and PZU's annual financial statements;
- tentative evaluation of the Management Board's report on the activity of the PZU Group and the annual consolidated financial statements of the PZU Group;
- tentative evaluation of all financial documents submitted to the Supervisory Board, in particular an annual financial plan prepared by the Management Board and a report on its implementation;
- issuing opinions on the core principles of the financial reporting and accounting system in place in the Company (including the criteria for consolidation of results of individual entities from the PZU Group);
- providing the Supervisory Board with conclusions and recommendations concerning the rationale for any modification of the financial reporting system in place at PZU and the PZU Group and informing the Supervisory Board about significant irregularities in such system or risks associated with its organization and operation, known to the Committee.

The Audit Committee presents recommendations regarding the selection of an audit firm to perform the audit and review of the financial statements to the Supervisory Board.

A statutory auditor appointed by the PZU Supervisory Board upon a recommendation of the Audit Committee, reviews interim standalone and consolidated financial statements, audits annual standalone and consolidated financial statements and annual solvency and financial condition reports required by the Solvency II Directive (for PZU and the PZU Group).

### 8.3. Audit firm auditing the financial statements

On 23 May 2019, KNF gave a permit to PZU to extend for another two years the maximum period for the engagement for KPMG Audyt to audit the standalone and consolidated financial statements. In this manner, the Supervisory Board made the decision to continue cooperation with the auditor to audit the 2019-2020 financial statements.

The scope of the concluded agreement encompasses the following in particular:

- auditing PZU's annual standalone financial statements and the PZU Group's annual consolidated financial statements;
- reviewing PZU's interim standalone financial statements and the PZU Group's interim consolidated financial statements.

The Act of 31 March 2020 Amending the Act on Special Solutions Associated with Preventing, Counteracting and Combating

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COVID-19, Other Infectious Diseases and Crises Caused by Them and Certain Other Acts (known as the Special Act) repealed the provision of the Act on Statutory Auditors according to which “the maximum permissible uninterrupted duration of the statutory audit engagements referred to in Article 17(1) second paragraph of Regulation No 537/2014, performed by the same audit firm or an audit firm associated with this audit firm or any member of a network operating in the European Union states of which these firms are members may not exceed 5 years.” The Special Act introduced similar amendments to the Accounting Act.

As a consequence, the maximum permissible uninterrupted duration of the statutory audit engagements for an audit firm will be a period of 10 years, as specified in Article 17(1) second paragraph of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

On this basis, the Supervisory Board decided to renew, for 2021-2022, with an option to extend until 2023, and subsequently to exercise the option and extend until 2023 the orders for KPMG Audyt to review and audit the standalone financial statements of PZU and the consolidated financial statements of the PZU Group. The recommendation on the selection of an audit firm to conduct the audit satisfied the applicable terms.

The existing cooperation with KPMG Audyt in reviewing and auditing PZU's standalone financial statements and the PZU

Group's consolidated financial statements has continued uninterrupted since 2014.

In 2022, the audit firm auditing the financial statements rendered permitted non-audit services to PZU, which was approved, following an assessment of the company's independence, by the Audit Committee.

In recent years, PZU's additional cooperation with KPMG Audyt has covered, without limitation, audits of solvency and financial standing reports required by the Solvency II Directive.

### Main assumptions underlying the policy for selecting the audit firm

The following are among the main assumptions underlying PZU's policy for selecting the audit firm:

- ensuring that the process of selecting the audit firm is done correctly and determining the responsibility and the duties of the participants in this process,
- analyzing when selecting the audit firm the recommendations given by the Audit Committee,
- giving consideration to the rule of rotating the audit firm and the key statutory auditor in the embraced time horizon.

### Fee payable to the audit firm

Fee payable to the audit firm auditing PZU's financial statements (PLN 000s)	1 January – 31 December 2021	1 January – 31 December 2022
mandatory audit of annual financial statements/consolidated financial statements	994	1,476
other assurance services, including review of financial statements/consolidated financial statements	988	1,220
tax consulting services	-	-
other services	-	-
<b>Total</b>	<b>1,982</b>	<b>2,696</b>

Fee payable to the entity authorized to audit the PZU Group's financial statements (PLN 000s)	1 January – 31 December 2021	1 January – 31 December 2022
audit of financial statements	9,345	10,331
other assurance services	5,718	5,992
<b>Total</b>	<b>15,063</b>	<b>16,323</b>

The main objectives of the policy for the provision of permitted non-audit services by the audit firm conducting the statutory audit, its related entities and by a member of the audit firm's network were as follows:

- ensuring correctness in the process of procuring permitted services;
- determining the responsibility and the duties of the participants in this process,
- defining the catalogue of permitted services,
- establishing the procedure for procuring permitted services.

On 24 August 2022, the Supervisory Board passed a resolution on the selection of PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. as the audit firm to conduct audits and reviews of financial statements and audits of reports on the solvency and financial condition of PZU and the PZU Group for the five fiscal years 2024–2028, with an option to extend the contract for two more fiscal years 2029–2030.

The work referred to above will be performed for five consecutive fiscal years ending 31 December 2024, 31 December 2025, 31 December 2026, 31 December 2027, 31 December 2028, respectively, with an option to extend for two consecutive years ending 31 December 2029 and 31 December 2030. The Supervisory Board decided to select PwC as the auditing firm for the audit of the financial

statements in accordance with applicable regulations and professional standards.

## 8.4. Shareholders and issuer's securities

### PZU's shares

PZU's share capital is divided into 863,523,000 ordinary shares with a nominal value of PLN 0.10 each giving the right to 863,523,000 votes at the Shareholder Meeting<sup>1</sup>.

As at 31 December 2022, PZU shareholders holding significant equity stakes (at least 5%) were:

- The State Treasury of the Republic of Poland that holds 295,217,300 shares constituting 34.19% of PZU's share capital and giving it the right to 295,217,300 votes at the Shareholder Meeting;
- Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open-ended Pension Fund) that held 49,223,000 shares at PZU's Extraordinary Shareholder Meeting held on 1 September 2022, constituting 5.70% of PZU's share capital and giving it 49,223,000 votes at the Shareholder Meeting.

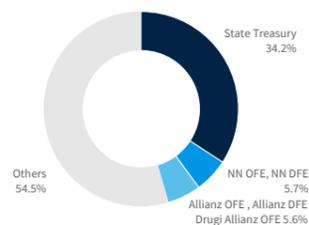
On 5 January 2023, PZU received a notification from Powszechnie Towarzystwo Emerytalne Allianz Polska S.A. regarding an increase in the share of PZU's share capital and

Shareholders holding significant equity stakes	Number of shares and votes at the Shareholder Meeting			Shares in the share capital and in the total number of votes at the Shareholder Meeting		
	31 December 2021	31 December 2022	5 January 2023	31 December 2021	31 December 2022	5 January 2023
State Treasury	295,217,300	295,217,300	295,217,300	34.19%	34.19%	34.19%
Nationale-Nederlanden OFE		49,223,000	49,223,000		5.70%	5.70%
Nationale-Nederlanden OFE, Nationale-Nederlanden DFE	45,167,000			5.23%		
Allianz OFE, Allianz DFE and Drugi Allianz OFE*			48,183,212			5.58%
Others	523,138,700	519,082,700	470,899,488	60.58%	60.11%	54.53%
<b>Total</b>	<b>863,523,000</b>	<b>863,523,000</b>	<b>863,523,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

1) On 30 June 2015, PZU's Ordinary Shareholder Meeting adopted a resolution to split all PZU shares by decreasing the nominal value of each PZU share from PLN 1 to PLN 0.10 and increasing the number of PZU shares making up the share capital from 86,352,300 to 863,523,000 shares. The split was effected by exchanging all the shares at a ratio of 1:10 and did not affect the amount of PZU's share capital. On 3 November 2015, the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register registered the pertinent amendment to PZU's Articles of Association. On 24 November 2015, the Management Board of the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych, "KDPW") adopted Resolution No. 789/15 on setting 30 November 2015 as the date for splitting 86,348,289 PZU shares with a nominal value of PLN 1 each into 863,482,890 PZU shares with a nominal value of PLN 0.10 each.

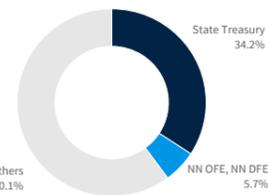
## 8. Corporate governance statement

### PZU's shareholder structure as at 5 January 2023



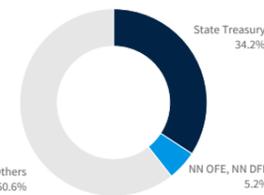
Source: Current reports 1/2023, 25/2022

### PZU's shareholder structure as at 31 December 2022



Source: Current report 25/2022

### PZU's shareholder structure as at 31 December 2021



Source: Current report 25/2021

total number of votes above 5% in total by funds managed by PTE Allianz Polska S.A., i.e. Allianz Polska Otwarty Fundusz Emerytalny (Open-ended Pension Fund), Allianz Polska Dobrowolny Fundusz Emerytalny (Voluntary Pension Fund) and Drugi Allianz Polska Otwarty Fundusz Emerytalny. According to the notification, Allianz OFE, Allianz DFE and Second Allianz OFE, managed by PTE Allianz Polska S.A., hold a total of 48,183,212 PZU's shares, representing 5.58% of the Company's share capital, which gives the right to exercise 48,183,212 votes attached to PZU's shares representing 5.58% of the total number of votes at PZU's Shareholder Meeting.

### PZU's bonds

As at 31 December 2022, PZU held subordinated bonds (ISIN PLPZU0000037) worth PLN 2.25 billion, bearing interest at WIBOR6M + 180 bps, issued on 30 June 2017. The maturity date for these bonds is 29 July 2027, or 10 years after issue with an early redemption option 5 years after the issue date. The bonds are listed on the Catalyst ASO WSE/Bondspot.

In 1H 2022, the PZU Management Board analyzed options of new issued of subordinated bonds of up to PLN 3 billion and early redemption of this bond series of PLN 2.25 billion. Due to unfavorable market conditions, on 31 May 2022, the PZU Management Board announced its decision to quit any such further works (current report no. 11/2022).

### Entitlements and restrictions on PZU shares

All PZU shares are ordinary shares with no preferential rights attached to them, in particular no special control rights. Each share carries the right to one vote at the Shareholder Meeting and the same right to dividends.

However, PZU's Articles of Association limit voting rights on PZU shares in certain cases. The shareholders' voting rights is limited in such a manner that no shareholder may exercise

more than 10% of the total number of votes in existence in PZU at its Shareholder Meeting on the date of holding a Shareholder Meeting subject to the reservation that for the purposes of determining the obligations of the buyers of significant equity stakes contemplated by the Act on Public Offerings and the Insurance and Reinsurance Activity Act, such limitation of voting rights shall be deemed not to exist. The restriction on voting rights does not apply to the following:

- shareholders who on the date of adopting the Shareholder Meeting resolution implementing this limitation were entitled to shares representing more than 10% of the total number of votes (i.e. the State Treasury);
- shareholders acting with the shareholders specified in the item above pursuant to executed agreements pertaining to jointly exercising the voting rights attached to shares.

For the purpose of limiting voting rights, the votes of shareholders among whom there is a parent or subsidiary relationship are totaled in accordance with the rules described in the Articles of Association. The aforementioned restrictions on shareholders' voting rights will expire as soon as the State Treasury's stake in PZU's share capital falls below 5%.

In addition, the Articles of Association grant certain powers to the State Treasury as a shareholder of PZU to appoint Members of the Supervisory Board, which are described in CH. [8.7. Supervisory Board](#).

The PZU Management Board does not have information about executed agreements as a result of which changes may transpire in the future in the equity stakes held by its shareholders and bondholders to date.

PZU did not issue, redeem or repay any debt or equity securities and did not issue any securities that would provide its shareholders with special control rights.

In 2013–2022, PZU did not have any employee stock programs in place.

### Limitations on transferring the title to the issuer's securities

The PZU Articles of Association contain no provisions restricting the transfer of the title to the issuer's securities. Nor are there any other known limitations arising from documents other than the Articles of Association that would be applicable in this context, except for limitations resulting from generally applicable laws in precisely defined situations, in particular:

- limitations resulting from the provisions of the Act of 29 July 2005 on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies (Journal of Laws of 2022, item 2554, as amended), namely:
  - a) from Article 75(4) – shares encumbered with a pledge, until the date of its expiration, may not be traded, except in a situation where the acquisition of such shares takes place in the performance of an agreement on the establishment of financial security within the meaning of the Act of 2 April 2004 on Certain Forms of Financial Security,
  - b) from Article 88a – temporary limitations on the direct or indirect acquisition of or subscription for shares in a public company by an entity required to perform the obligations specified in Article 73(1) of the Act or Article 74(2) and (5) of the Act, which in the company in question exceeded the threshold of the total number of votes specified in these regulations – until the date of fulfillment of such obligations;
- limitations arising from Article 362 of the Commercial Company Code, regarding the prohibition of the acquisition of treasury shares by the issuer, except for the cases specified therein and limitations on the acquisition of the parent company's treasury shares by a subsidiary company or a subsidiary cooperative and persons acting on their behalf;
- limitations pertaining to the closed period referred to in Article 19 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR) and insider dealing within the meaning of the provisions of MAR;
- possible objection by the regulatory authority, in the form of a decision, to the acquisition of or subscription for

shares or rights attaching to shares in a domestic insurance undertaking in a quantity ensuring the achievement or exceeding of, as the case may be, one-tenth, one-fifth, one-third, one-second of the total number of votes at the Shareholder Meeting or of a stake in share capital – in accordance with Article 90(1) of the Act of 11 September 2015 on Insurance and Reinsurance Activity (Journal of Laws of 2022, item 2283, 2640), if:

- a) the entity submitting the notification referred to in Article 82(1) failed to remove the deficiencies in its notification or in the documents or information attached to the notification within the prescribed time limit,
  - b) the entity submitting the notification referred to in Article 82(1) failed to provide additional information or documents required by the regulatory authority within the prescribed time limit,
  - c) it is justified by the need of prudent and stable management of the domestic insurance undertaking due to a possible impact of the entity submitting the notification referred to in Article 82(1) on the domestic insurance undertaking or due to the assessment of the financial standing of the entity submitting the notification;
- possible setting of a time limit for the acquisition of or subscription for shares or rights attaching to shares, by the regulatory authority, in accordance with Article 90(4) and (5) of the Act referred to in item 4, in a decision declaring the absence of grounds for filing an objection;
  - possible issuance by the regulatory authority, in accordance with Article 98(5) of the Act referred to in item 4, of a decision requiring the disposal of shares within the prescribed time limit in the event that the authority issues a decision prohibiting the exercise of voting rights attaching to shares in a domestic insurance company for the reasons specified in Article 98(1) of this Act;
  - prohibition to sell shares or rights attaching to shares held by the State Treasury under Article 13(1)(27) of the Act of 16 December 2016 on Rules for Managing State Property (Journal of Laws of 2021, item 1933); with the exclusion referred to in Article 13(2)(1) of this Act.

### Shares or rights to shares held by members of management or supervisory bodies and PZU Group Directors

As at the date of conveying this Management Board Activity Report, only Tomasz Kulik, Member of the PZU Management Board, held 2,847 PZU shares, which the company reported in current report no. 23/2018. No changes have transpired since the date of conveying the 2021 consolidated financial statements (i.e. 24 March 2022) with respect to Members of the Management Board and Supervisory Board or PZU Group Directors holding PZU shares or rights to shares.

## 8. Corporate governance statement

### 8.5. Rules for amending the Articles of Association

PZU's Articles of Association may be amended by the Shareholder Meeting provided that a resolution is adopted by a majority of three fourths of the votes, the Polish Financial Supervision Authority's approval is issued in the cases referred to in the Insurance and Reinsurance Activity Act and the amendments are entered in the National Court Register.

The Supervisory Board has the powers to approve the consolidated amended text.

PZU as a public company is obliged to inform the market about any amendments to the Articles of Association, adoption of the unified text, etc. in an appropriate current report.

#### Amendments to the PZU's Articles of Association in 2022

Pursuant to resolution no. 44/2022 of the PZU's Ordinary Shareholder Meeting dated 29 June 2022, the following amendments were made to the PZU's Articles of Association to bring its provisions in line with rule 2.11 of the Best Practices of WSE Listed Companies 2021:

- The powers of the Shareholder Meeting include, among other things, adopting resolutions on the consideration and approval of the annual written report of the Supervisory Board for the past financial year;
- The competencies of the Supervisory Board include, among others, submitting to the Shareholder Meeting an annual written report of the Supervisory Board for the past financial year, taking into account in particular the results of the evaluation of the Management Board's report on the PZU's activity and the Management Board's report on the PZU Group's activity, as well as the financial statements of PZU and the consolidated financial statements of the PZU Group for the past financial year in terms of their compliance with the accounting ledgers and documents, as well as the facts, and evaluating the Management Board's motions regarding profit distribution or loss coverage.

The amendments to PZU's Articles of Association became effective on 27 September 2022, the day they were entered in the Register of commercial undertakings of the National Court Register.

With the amendments, PZU's Supervisory Board will prepare a single report, which will include the elements specified in the Best Practices of WSE Listed Companies 2021 and Article 382 § 3(1) of the Commercial Company Code.

### 8.6. Shareholder Meeting

#### Powers and method of operation of the Shareholder Meeting

The Shareholder Meeting is PZU's highest corporate body. The powers of the Shareholder Meeting, the manner of convening and the rules of participation in the Shareholder Meeting are set forth in the Commercial Company Code, the PZU's Articles of Association and the Regulations of the Shareholder Meeting. The contents of the Articles of Association and the Regulations are published on PZU's website in the Investors relations section at: <https://www.pzu.pl/en/investor-relations/about-the-group/corporate-governance>.

A Shareholder Meeting is held:

- As an Ordinary Shareholder Meeting which should be held within six months from the end of each financial year;
- As an Extraordinary Shareholder Meeting which is convened in cases specified in the generally applicable law and the Articles of Association.

The Shareholder Meeting is convened by the Management Board. The Supervisory Board may convene a Shareholder Meeting, including under the ordinary procedure if the Management Board fails to convene it within the statutory period, and under the extraordinary procedure if it deems it advisable. In cases specified in the Commercial Company Code, the right to convene an Extraordinary Shareholder Meeting or to request its convening is also vested in shareholders.

A duly convened Shareholder Meeting is deemed valid regardless of the number of attending shareholders.

The Shareholder Meeting is the body authorized to make decisions concerning issues related to the organization and operations of PZU. The powers of the Shareholder Meeting, in addition to those specified in the Commercial Company Code or the Articles of Association, include the adoption of resolutions concerning, among other things, the following:

- distribution of profits or coverage of losses;
- appointment and dismissal of Supervisory Board Members, subject to the personal right granted to the State Treasury to appoint and dismiss one Supervisory Board Member;
- establishing the rules for remunerating Supervisory Board Members;
- determining the rules for setting the compensation of the Management Board Members;
- examination and approval of the Management Board's report on the PZU's activity and the Management Board's report on the activity of the PZU Group and the PZU's

financial statements and consolidated financial statements of the PZU Group for the previous financial year and granting a discharge to individual Members of the PZU's corporate bodies on the performance of their duties;

- review of the Management Board's report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services;
- issuing an opinion on the report on compensation for Management Board and Supervisory Board Members;
- establishing reserve capital accounts and making decisions on their allocation or manner of allocation;
- acquisition or disposal by PZU of real property, perpetual usufruct or share in a real property or perpetual usufruct with a value exceeding the equivalent of the gross amount of EUR 30,000,000;
- redemption of shares;
- issue of bonds;

Resolutions of the Shareholder Meeting are adopted by an absolute majority of votes, except in cases provided for in the Commercial Company Code or the Articles of Association. Shareholder Meeting resolutions concerning, among other things, amendments to the Articles of Association or reduction in the share capital, require a three-fourths majority of votes. A majority of 90% of votes at the Shareholder Meeting is required to pass resolutions relating to, among other things, preference shares, liquidation, transformation or reduction in the share capital through the redemption of a portion of shares without a concurrent capital increase.

Resolutions are passed in an open ballot. A secret ballot is ordered in elections or on motions to dismiss Members of PZU bodies, in matters concerning their personal liability as well as in other personal matters or, excluding cases when voting by open ballot ensues from a statute, at the request of at least one of the shareholders attending or represented at the Shareholder Meeting.

Shareholder Meetings are held in Warsaw and convened by placing an announcement on PZU's website in accordance with the method for providing current information. Such announcement is made not later than 26 days before the date of the Shareholder Meeting. The announcement and materials presented to shareholders (e.g. draft resolutions with justifications) are available on the date of convening the Shareholder Meeting on PZU's corporate website in the Investors relations section under the Shareholder Meeting tab (<https://www.pzu.pl/en/investor-relations/shares-and-bonds>).

All the matters submitted by the Management Board to the Shareholder Meeting should be first presented to the Supervisory Board to be examined and get an opinion. The Supervisory Board's opinions are presented to the

Shareholder Meeting no later than prior to the opening of the shareholder meeting along with other documents conveyed to the shareholders participating in the Shareholder Meeting and are available on the PZU's website in the Investors relations section under the Shareholder Meeting tab.

The Shareholder Meeting may order breaks (longer than procedural ones) by a two-thirds majority vote. In total, breaks cannot last more than 30 days.

The course of the Shareholder Meeting is broadcast live over the Internet, and a transcript of the broadcast is posted on the PZU website. Information on the planned broadcast, along with the address of the website, is provided in advance on the PZU website.

PZU also allows representatives of the media (press, radio, television) to be present at the Shareholder Meeting.

#### Shareholders' rights

Shareholder rights and the method of exercising them at the PZU's Shareholder Meeting are specified in the Commercial Company Code and the PZU's Articles of Association.

A shareholder's basic right is the right to participate in profit and the right to attend the Shareholder Meeting and exercise voting rights.

Only persons who are shareholders of PZU on the registration date, i.e. 16 days before the date of the Shareholder Meeting, have the right to participate in the Shareholder Meeting of PZU. Shareholders may attend the Shareholder Meeting and exercise the right to vote in person or through a proxy. A legal proxy document to participate in the Shareholder Meeting and exercise the voting right must be granted in writing or electronically.

One share of PZU gives the right to one vote. The voting rights of PZU shareholders are limited in such a way that no shareholder may exercise more than 10% of the total number of votes existing in PZU on the day the Shareholder Meeting is held. The exclusions of this limitation and its rules are described in the PZU's Articles of Association (CH. 8.4. [Shareholders and issuer's securities](#)). A shareholder may vote differently from each of the shares held by it.

Shareholders representing at least one-half of the share capital or at least one-half of the total number of votes in PZU may convene an Extraordinary Shareholder Meeting. These shareholders designate the chair of this meeting.

A shareholder or shareholders representing at least 1/20th of the PZU's share capital may:

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- request the convening of an Extraordinary Shareholder Meeting and the inclusion of certain matters in the agenda of that meeting;
- request that certain matters be placed on the agenda of the Shareholder Meeting. The request should be made no later than 21 days before the date of the Shareholder Meeting;
- prior to the date of the Shareholder Meeting, submit in writing or in electronic form draft resolutions on matters included in the agenda of the Shareholder Meeting or matters to be included in the agenda.

Each shareholder may nominate a candidate for a Member of the Supervisory Board. Draft resolutions and candidates for Members of the Supervisory Board should be submitted by a shareholder or shareholders of PZU at least 3 days before the date of the Shareholder Meeting.

During the meeting, each PZU shareholder entitled to participate in the Shareholder Meeting may:

- submit draft resolutions on matters included in the agenda;
- ask questions about the matters included in the agenda. If it is reasonable for the evaluation of a matter on the agenda, the Management Board (subject to statutory exceptions) shall provide the shareholder, upon request, with information concerning the company. In justified cases, the Management Board may provide information in writing outside the Shareholder Meeting, no later than two weeks after the end of the Shareholder Meeting.

Shareholders' participation in the Shareholder Meeting is also associated with other rights resulting from the provisions of the Commercial Company Code, including the right of a shareholder to object to a resolution being adopted and to challenge Shareholder Meeting resolutions in court (action to repeal the resolution or action to declare the resolution invalid).

In addition, a shareholder may review the list of shareholders entitled to participate in the Shareholder Meeting, which is displayed at the premises of the PZU Management Board for three business days prior to the date of the Shareholder Meeting, and request that the list of shareholders be sent to them free of charge by e-mail, to the address they have indicated.

A shareholder may submit to PZU, outside the Shareholder Meeting, a request for information concerning the PZU's activities. In such a case, the Management Board may provide the shareholder with the information in writing, unless doing so could harm PZU, an affiliate or subsidiary, in particular by revealing technical, trade or organizational secrets of the company. In the event that PZU provides information outside the Shareholder Meeting, a current report containing answers to the questions asked is made public.

### PZU Shareholder Meetings convened in 2022

In 2022, the Ordinary Shareholder Meeting and two Extraordinary Shareholder Meetings were held.

In addition to the matters provided for in Article 395 § 2 and 5 of the Commercial Company Code (that is examination and approval of the Management Board's report on the company's activity and financial statements for the previous financial year, adoption of a resolution on the distribution of profit, granting of a discharge to Members of the Company's corporate bodies on the performance of their duties, review and approval of the group's financial statements), the agenda of the Ordinary Shareholder Meeting of PZU held on 29 June 2022 concerned:

- issuing an opinion on the PZU Supervisory Board Report on Compensation of PZU Management Board and Supervisory Board Members for 2021;
- changes in the composition of the Supervisory Board;
- assessment of individual suitability of Supervisory Board Members;
- assessment of collective suitability of Supervisory Board Members;
- amendments to the Articles of Association of PZU and the Regulations of the PZU Shareholder Meeting;
- adoption of a resolution on the adoption for application of the Best Practices of WSE Listed Companies 2021;
- adoption of the diversity policy for Members of PZU bodies.

The adoption of the diversity policy for Members of PZU's bodies was made in implementation of rule 2.1., contained in the Best Practices of WSE Listed Companies 2021.

The subject of the Extraordinary Shareholder Meeting of PZU held on 25 March 2022 was the approval of the issuance of subordinated bonds in the domestic market.

The subject of the Extraordinary Shareholder Meeting of PZU held on 1 September 2022, were changes to the composition of the Supervisory Board and assessment of the collective suitability of the Supervisory Board.

### 8.7. Supervisory Board

#### Rules for the appointment and dismissal of the Supervisory Board Members

The Supervisory Board of PZU is composed of seven to eleven Members. The number of Supervisory Board Members is specified by the Shareholder Meeting.

Members of the Supervisory Board are appointed by the Shareholder Meeting for a joint term of office which lasts three consecutive full financial years.

In accordance with the Articles of Association, half of Supervisory Board Members appointed by the Shareholder Meeting are elected from among persons proposed by the State Treasury – this right continues until its stake in the PZU's share capital drops below 20%. Then, this right is shifted to another shareholder holding the largest stake in the PZU's share capital, provided that this shareholder holds at least 20% of the share capital.

The Articles of Association give the State Treasury the right to appoint and dismiss one Supervisory Board Member by way of a written statement submitted to the Management Board – such appointment or dismissal is effective upon delivery of the pertinent statement to the PZU's Management Board and does not require a resolution of the Shareholder Meeting. This right will expire if the State Treasury ceases to be a PZU shareholder. In the event of expiration of the mandate of at least one Supervisory Board Member elected by group voting, the State Treasury regains the individual right.

The Supervisory Board elects the Supervisory Board Chairperson and Supervisory Board Deputy Chairperson from among its Members. The Supervisory Board might elect the Supervisory Board Secretary from among its Members.

The mandate of a Supervisory Board Member expires at the end of his or her term of office or as a result of his or her demise, resignation or dismissal from the Supervisory Board. If the mandate of a Member of the Supervisory Board expires during the term of office of the Supervisory Board, a new Member shall be appointed for the period until the end of the term of office of the Supervisory Board.

At least one Supervisory Board Member must hold qualifications in accounting or auditing financial statements within the meaning of the Act on Statutory Auditors, Audit Firms and Public Supervision. At least two Supervisory Board Members must meet the independence criteria set forth in the Best Practices of WSE Listed Companies. Independent Members of the Supervisory Board submit a written representation to PZU on meeting all the independence criteria and an obligation to notify the company immediately about ceasing to meet such criteria.

A candidate for a Member of the Supervisory Board designated by the State Treasury should hold a positive opinion from the Council for companies with State Treasury shareholding and state legal persons and meet the requirements set forth in Article 19 of the Act of 16 December 2016 on Rules for Managing State Property, among others:

- holds the pertinent education and experience supported by an academic title or certificate enumerated in a law;
- is not employed by the company, does not do work for it, or provide services to it, on the basis of some other legal relationship;

- does not hold shares in a subsidiary except for shares permitted to be traded on a regulated market within the meaning of the Financial Instruments Trading Act of 29 July 2005;
- is not engaged in activities that are at odds with his/her duties as a Member of a supervising body or that could evince a suspicion of partiality or interest or generate a conflict of interest with the company's business;
- meets the requirements for a Member of a supervising body as laid down in separate regulations.

#### Suitability assessment

Supervisory Board Members are subject to individual suitability assessment. The Supervisory Board as a whole is also subject to suitability assessment (collective suitability assessment). The rules for assessing the suitability of the PZU Supervisory Board and Audit Committee were adopted by Resolution No. 33/2021 of the PZU Ordinary Shareholder Meeting of 16 June 2021. The rules are modeled on the Methodology of assessment of suitability of Members of corporate bodies of regulated entities issued by the Polish Financial Supervision Authority.

With regard to Members of the Supervisory Board, the rules for assessing suitability specify, among other things: the powers of the Supervisory Board and the Shareholder Meeting in the process of assessing suitability, the requirements for the composition of the Supervisory Board, the criteria for assessing suitability and the process for conducting the assessment.

Individual and collective suitability assessments are carried out at least once a year and, among other things, when a candidate for a Member of the Supervisory Board is put forward (primary individual suitability assessment – before the Shareholder Meeting adopts a resolution to appoint a person to serve) and before any changes are made to the composition of the Supervisory Board (collective suitability assessment). Assessment of the suitability of candidates for Members of the Supervisory Board is carried out on the basis of documents provided by the person being assessed, statements and information submitted, as well as completed forms and attachments.

The verification process is carried out based on the following criteria: competence, trustworthiness, including reputation and credibility, independence of the Supervisory Board Member, independence of judgment, including the absence of conflicts of interest and devoting sufficient time to serve as a Supervisory Board Member.

A candidate for a Member of the Supervisory Board should have a relevant educational background, particularly in insurance, banking or finance, economics, law, accounting, auditing, management, mathematics, physics, computer science, administration, financial regulation, information

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technology and quantitative methods. It is important that the person being assessed has specific professional credentials, in particular the credentials of an actuary, auditor, investment advisor, legal counsel or attorney. The assessment of suitability also takes into account the diversity policy adopted by the Shareholder Meeting for Members of PZU bodies.

Based on the collected documentation, the Nomination and Compensation Committee of the Supervisory Board proposes an individual suitability assessment of the person assessed or a collective suitability assessment of the Supervisory Board and submits these proposals to the Supervisory Board, which approves the suitability assessment proposals in the form of a resolution. The Supervisory Board presents the assessment to the Shareholder Meeting in the form of a report, which makes the final decision on the individual or collective suitability assessment by resolution.

### Supervisory Board's powers

The Supervisory Board exercises permanent supervision over the PZU's operations in all areas of its activity. The powers of the Supervisory Board include:

- evaluating the Management Board's report on the PZU's activity and the Management Board's report on the activity of the PZU Group and the company's financial statements and consolidated financial statements of the PZU Group for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;
- evaluating the Management Board's motions to distribute the profit or cover the loss;
- submitting to the Shareholder Meeting an annual written report of the Supervisory Board for the past financial year, taking into account in particular the results of the assessment referred to in the points above;
- approving the solvency and financial condition report of PZU and the solvency and financial condition report of the PZU group;
- preparing reports on compensation for Management Board and Supervisory Board Members on an annual basis;
- concluding, terminating and amending agreements with Management Board Members and setting the rules for their compensation;
- appointing, suspending and dismissing the President of the Management Board, Management Board Members or the entire Management Board and making decisions to discontinue such a suspension;
- granting consent to transferring an insurance portfolio in its entirety or in part;
- giving consent to the acquisition, subscription for or disposal of ownership interests and shares in companies and on the PZU's participation in other entities – the Supervisory Board may define the maximum amount,

the terms and conditions and the procedure that the Management Board may use to conduct the foregoing activities without the obligation to obtain an approval from the Supervisory Board, except that the following require approval of the Supervisory Board:

- subscription for or acquisition of shares or ownership interests in another company, with the value exceeding:
    - PLN 100,000,000, or
    - 10% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements,
  - disposal of shares or ownership interests in another company, with the market value exceeding:
    - PLN 100,000,000, or
    - 10% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements;
- seconding Supervisory Board Members to perform temporarily the functions of Management Board Members who have been dismissed, resigned or cannot perform their functions for other reasons;
  - accepting instructions on how the PZU's representatives should vote at Shareholder Meetings of PZU Życie in matters on increasing or decreasing the share capital, issuing bonds, selling or leasing PZU Życie's enterprise or establishing a usufruct right on the enterprise, dividing PZU Życie, merging PZU Życie with another company, liquidating or dissolving PZU Życie;
  - selecting the audit firm to carry out the mandatory audit of the financial statements, including the annual financial statements of PZU and the annual consolidated financial statements of the PZU Group and the solvency and financial condition report of PZU and the solvency and financial condition report of the PZU Group, and reviews of the financial statements in accordance with the obligations following from the prevailing laws;
  - deciding on the consolidated text of the revised Articles of Association;
  - approving the PZU's long-term development plans and annual financial plans prepared by the Management Board;
  - approving the Rules and Regulations of the Management Board;
  - performing tasks resulting from the guidelines or recommendations of regulatory authorities, in particular the Polish Financial Supervision Authority, adopted in the Company;
  - examining and consulting matters submitted by the Management Board for deliberation at the Shareholder Meeting.

Moreover, one of the Supervisory Board's powers is to give consent to the following:

- acquisition or disposal of real property, perpetual usufruct or share in a real property or perpetual usufruct with a value exceeding the equivalent of EUR 3,000,000;
- execution, by PZU and a related party, of a material transaction;
- conclusion by PZU of an agreement with an underwriter;
- paying out an interim dividend;
- creating and shutting down regional or foreign branches;
- executing an agreement to provide legal, marketing, public relations and public communication services or management consulting services if the total net fee to be paid for such services under this agreement or other agreements executed with the same entity is greater than PLN 500,000 annually or where maximum amount of the fee is not specified or a change to this agreement consisting in increasing the said fee above the net amount of PLN 500,000 thousand annually;
- executing a donation or other agreement having a similar effect, the value of which exceeds PLN 20,000 thousand or 0.1% of total assets, determined on the basis of the most recent approved financial statements;
- executing a debt release agreement or another agreement having a similar effect, the value of which exceeds PLN 50,000 or 0.1% of total assets, determined on the basis of the most recent approved financial statements;
- subject to matters mentioned in the Articles of Association, the disposal of non-current assets, property, plant and equipment or long-term investments, including contribution to a company or a cooperative – if the market value of those assets exceeds 5% of total assets, determined on the basis of the most recent approved financial statements; and also handing those assets over for use to another entity for a period longer than 180 days in a calendar year based on a legal act, if the market value of the subject matter of the legal act exceeds 5% of total assets, whereas the handing over of assets for use in the case of:
  - lease, rental and other agreements to hand over an asset for use to other entities against payment, the market value of the subject matter of a legal act is defined as the value of benefits for:
    - one year if the asset is handed over on the basis of contracts entered into for an unspecified term,
    - the full duration of the term of validity in the case of contracts entered into for an unspecified term,
  - lending for use agreements and other agreements to hand over an asset to other entities for gratuitous use, the market value of the subject matter of a legal act is

defined as the value of benefits that would be due if a lease or rental agreement was executed instead, for:

- one year if the asset is to be handed over on the basis of a contract entered into for an unspecified term,
- the full duration of the term of validity in the case of contracts executed for an unspecified term;
- c) the acquisition of non-current assets with the value exceeding:
  - PLN 100,000,000, or
  - 5% of total assets determined on the basis of the most recent approved financial statements.

### Supervisory Board's method of operation

The Supervisory Board adopts the Rules and Regulations of the Supervisory Board which define its organization and manner of acting. The current Rules and Regulations, adopted by a Supervisory Board resolution of 9 September 2020, define the composition and manner of appointing members to the Supervisory Board, the tasks and scope of its operations and the procedure for convening and conducting meetings.

The Supervisory Board is required to meet as necessary, at least once every quarter. The chairman of the Supervisory Board directs the work of the Supervisory Board. Supervisory Board Members may participate in the Supervisory Board meeting using means of direct remote communication. The Supervisory Board may delegate its Members to fulfill specific supervising activities on their own and to this effect appoint temporary committees. The scope of responsibility of a delegated Supervisory Board Member and the committee is specified in a resolution of the Supervisory Board.

The Supervisory Board adopts its resolutions by an absolute majority of votes. In the event of a voting tie, the Chairman of the Supervisory Board has the casting vote. Resolutions of the Supervisory Board may be adopted using means of direct remote communication and circular vote. Additionally, the Articles of Association stipulate that a vote may be cast in writing through another Supervisory Board Member.

The Supervisory Board adopts its resolutions in an open ballot. A secret ballot should be held at the request of even a single Supervisory Board Member.

Members of the Management Board, PZU's employees relevant to the issue under consideration selected by the Management Board and other persons invited by the Supervisory Board may take part in the meetings of the Supervisory Board without the right to vote. In specific cases, the Supervisory Board may also invite Members of management boards or supervisory boards of other PZU Group Member companies. Moreover, Supervisory Board Members, with the consent of the Supervisory Board, may select no more than one advisor

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### PZU's Supervisory Board composition as at 31 December 2022

Position	Composition of the PZU Supervisory Board			
	1 January 2022	1 September 2022	27 October 2022	31 December 2022
Chairman	Paweł Mucha	-	Robert Jastrzębski	Robert Jastrzębski
Deputy Chairman	Paweł Górecki	Paweł Górecki	Paweł Górecki	Paweł Górecki
Secretary	Robert Śnitko	Robert Śnitko	Robert Śnitko	Robert Śnitko
Member	Marcin Chludziński	Marcin Chludziński	Marcin Chludziński	Marcin Chludziński
Member	Agata Górnicka	Agata Górnicka	Agata Górnicka	Agata Górnicka
Member	Robert Jastrzębski	Robert Jastrzębski	Elżbieta Mączyńska-Ziemacka	Elżbieta Mączyńska-Ziemacka
Member	Elżbieta Mączyńska-Ziemacka	Elżbieta Mączyńska-Ziemacka	Krzysztof Opolski	Krzysztof Opolski
Member	Krzysztof Opolski	Krzysztof Opolski	Radosław Sierpiński	Radosław Sierpiński
Member	Radosław Sierpiński	Radosław Sierpiński	Józef Wierzbowski	Józef Wierzbowski
Member	Józef Wierzbowski	Piotr Wachowiak	Piotr Wachowiak	Piotr Wachowiak
Member	Maciej Zaborowski	Józef Wierzbowski	Maciej Zaborowski	Maciej Zaborowski
Member	-	Maciej Zaborowski	-	-

authorized to take part in the meetings of the Supervisory Board devoted to reports and financial statements and give their advice, provided that such a person adheres to the rules of confidentiality and signs a confidentiality undertaking.

To properly perform its supervisory function, the Supervisory Board may establish permanent advisory and consultative committees whose competencies, composition and manner of operation will be laid down in the rules and regulations of the committee in question adopted by the Supervisory Board. The Supervisory Board and its committees may use the services of experts and consulting firms.

Currently, the following committees operate within the Supervisory Board:

- Audit Committee;
- Nomination and Compensation Committee,
- Strategy Committee.

#### Composition of the PZU Supervisory Board in 2022

In 2022, the PZU Supervisory Board was composed of 11 Members.

On 31 August 2021, Paweł Mucha submitted his resignation from serving in the capacity of Chairman of the PZU

Supervisory Board and from Membership in the PZU Supervisory Board.

On 1 September 2022, the Extraordinary Shareholder Meeting of PZU appointed Piotr Wachowiak as Member of the PZU Supervisory Board.

On 27 October 2022, the PZU Supervisory Board appointed Robert Jastrzębski as the Chairman of the PZU Supervisory Board.

As of the date of publication of this report the composition of the Supervisory Board has not changed.

The Extraordinary Shareholder Meeting, in making changes to the composition of the Supervisory Board, confirmed the individual suitability of the new Supervisory Board Member and the collective suitability of the entire body, which took into account the personnel changes made. In addition, the Ordinary Shareholder Meeting confirmed the suitability of the existing remaining Members of the Supervisory Board in connection with the annual periodic suitability assessment. All Members of the Supervisory Board had a positive suitability assessment.

The independence criteria set forth in the Best Practices of WSE Listed Companies were met by: Paweł Mucha, Robert Jastrzębski, Paweł Górecki, Robert Śnitko, Marcin Chludziński, Agata Górnicka, Elżbieta Mączyńska-Ziemacka, Krzysztof

Opolski, Józef Wierzbowski, Piotr Wachowiak, Maciej Zaborowski. The verification was carried out on the basis of the statements made by the Members of the Supervisory Board and their subsequent update, if any, in the event of a change in the circumstances forming the basis for the original submission. The content of the statements refers to the independence criteria enumerated in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.

Persons sitting in the PZU Supervisory Board have diverse educational backgrounds, specialized knowledge and professional experience, presented in CHAPTER [8.10. Polityka różnorodności](#).

The term of office of the PZU Supervisory Board ended on 31 December 2022. The terms of office of the Members of the Supervisory Board will expire no later than the date of the Shareholder Meeting approving the financial statements for 2022.

#### CVs of Members of the Supervisory Board



#### Robert Jastrzębski

Supervisory Board Chairman

On the Supervisory Board since 9 March 2018.

Graduated from the Faculty of Law and Administration at the University of Warsaw. In 2001 he was granted a doctoral degree in juridical science and in 2009 a habilitated Ph.D. degree. Affiliated with the Faculty of Law and Administration at the University of Warsaw since 2001. He became a professor at the university in 2019. Author of about 120 scientific publications, including author, co-author, editor and co-editor of 10 books. Recipients of awards and distinctions, including Awards from the Faculty of Law and Administration at the University of Warsaw for outstanding scholarly achievements and the Team Award granted by the Rector of the Warsaw School of Economics, an Award from the Rector of the University of Warsaw for activity that contributes to growth and improves the recognition of the University of Warsaw. Since 2015, Head of the Laboratory of Polish 20th Century Law and since 2019 Head of the History of Administration Department. Member of: among others, the editorial committee of the journal "Studia z Dziejów Państwa i Prawa Polskiego" [Studies in the History of Polish State and Law] (2015), the editorial team of the journal "Zeszyty Naukowe Biura Analiz Sejmowych" [Scholarly Papers of the Sejm Analysis Office] (2016) and the program board of the "Marketing i Rynek" [Marketing and Market] journal (2019).



#### Paweł Górecki

Supervisory Board Deputy

Chairman On the Supervisory Board since 8 February 2017.

Doctor of juridical science and attorney-at-law. Graduated from the Faculty of Law, Administration and Economics of the University of Wrocław. He attended numerous training courses and workshops in law of evidence, civil and penal law and management of public entities. He has authored several dozen peer-reviewed papers on the subject of law published by Polish and international journals. He specializes in corporate law, the capital market and the application of court and administrative procedures. Member of supervisory boards of several capital companies. Currently, Vice-President of the KDPW S.A. Management Board and Supervisory Board Deputy Chairman of ARP Leasing Sp. z o.o.



#### Robert Śnitko

Supervisory Board Secretary

In the Supervisory Board since 12 April 2017.

Graduate of the London School of Economics and Political Science, University of London, School of Oriental and African Studies, University of London, Faculty of Economics at the Radom Technical University. Holder of a Scholarship awarded by the Minister of National Education (Minister of Science and Higher Education), the United Kingdom's Ministry of Foreign Affairs and non-governmental organizations from the United Kingdom and the United States. Ph.D. in economics obtained from the Warsaw School of Economics. University teacher, advisor to the Management Board of Totalizator Sportowy Sp. z o.o. Member of the International Institute for Strategic Studies.



#### Marcin Chludziński

Supervisory Board Member

On the Supervisory Board since 7 January 2016.

Manager, President of the Management Board of Operator Gazociągów Przesyłowych Gaz-System SA. From 2018 to 2022 President of KGHM Polska Miedź SA, from 2016 to 2018 President of the Management Board of Agencja Rozwoju Przemysłu SA, previously served on the boards and regulatory bodies of commercial companies.

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Graduate of the University of Warsaw. He specializes in restructuring, strategic development and business transformation.



**Agata Górnicka**

Supervisory Board Member

On the Supervisory Board since 8 February 2017.

Master's degree in political science from the Faculty of Journalism and Political Science at the University of Warsaw. Graduate of a post-graduate study program in media management from the Koźmiński University. She gained professional experience: at Telewizja Polska S.A. (from 2006 to 2012), as Project Coordinator at the Bank Zachodni WBK S.A. Foundation. (from 2012 to 2013), then as Assistant to the CEO at Bank Zachodni WBK S.A. (in 2013–2014), and later as Manager of the Management and Supervisory Board Office at Bank Zachodni WBK S.A. (in 2014–2015). Director of the Political Office in the Ministry of Development in 2015–2017 and chief advisor in the Office of the Prime Minister in 2017–2018. Since April 2018 Director of the External Relations Office in PKN ORLEN S.A. and Chairwoman of the ORLEN Foundation's Supervisory Board. In October 2019 she started to serve as a member of the Supervisory Board of ORLEN Deutschland GmbH.



**Elżbieta Mączyńska-Ziemacka**

Supervisory Board Member

On the Supervisory Board since 24 May 2019.

Graduate of the Faculty of Economics at the University of Warsaw. Professor of economic science. The author of econometric models for predicting bankruptcies in enterprises and of a concept of early warning systems pinpointing threats to business activity. Head of the Postgraduate Studies in Real Estate Valuation organized at the Collegium of Business Administration at the Warsaw School of Economics (SGH). Member of the Council for Higher Education, Science and Innovation of the National Development Council at the President of the Republic of Poland. Also a Member of the Presidium of the "Poland 2000 Plus" Forecasting Committee, the Economics Committee of the Polish Academy of Sciences and the Academic Council of the Institute of Economics of the Polish Academy of Sciences. In 2005–2021 the President of the Polish Economic Society, currently the honorary president. From 1994 to 2005 – scientific secretary and Member of the

Presidium of the Social and Economic Strategy Council of the Council of Ministers.



**Krzysztof Opolski**

Supervisory Board Member

On the Supervisory Board since 24 May 2019.

Full professor, doctor of Economics. Former long-term head of the Department of Banking, Finance and Accounting at the Faculty of Economics of the University of Warsaw. Founder and long-term editor-in-chief of the journal *Ekonomia. Rynek, gospodarka, społeczeństwo*. [Economy. Market, Economic System, Society]. The concept author and head of numerous post-graduate studies, including "Strategic audit in public and private institutions", "Economic efficiency of companies". Chief Editor of the journal "MAZOWSZE – Studia Regionalne" ["MAZOVIA – Regional Studies"], Member of the Editorial Board of the journal "Bezpieczny Bank" ["Safe Bank"] journal, a Member of the Academic Councils of the "Central European Economic Journal" and "E-Finance" ["E-Finances"]. A former member of the supervisory boards of Bank Handlowy S.A., AXA Polska S.A. and Centrum Giełdowe S.A. In 2009–2010 he managed the team of strategic advisors to the President of the National Bank of Poland. Chairman of the Business Award Jury of the President of the Republic of Poland, Deputy Chairman of the Polish Economic Exhibition jury and a Member of the "Teraz Polska" Contest Jury. He is a published author of numerous books and academic articles on finance and management.



**Radosław Sierpiński**

Supervisory Board Member

On the Supervisory Board since 12 October 2021

President of the Medical Research Agency. Prime Minister's Plenipotentiary for the Development of the Biotechnology Sector and Poland's Independence in Blood Derivative Products. Physician and manager, specializing in medical management, clinical research, HTA and science management. Graduate of the Oxford Executive Leadership Programme organized by Saïd Business School and Oxford University and the Risk and Crisis Management course under the auspices of the London School of Economics. He has extensive research and development experience in biotechnology and has extensive contacts with international scientific and health management institutions.



**Piotr Wachowiak**

Supervisory Board Member

On the Supervisory Board since 1 September 2022.

Graduate of the Main School of Planning and Statistics (now: SGH Warsaw School of Economics) at the Faculty of Domestic Trade. In 2014, he was awarded a doctoral degree in economic sciences. Currently a Rector of the Warsaw School of Economics and Director of the Institute of Management. Also serves as: Vice-Chairman of the Committee on Organization and Management Sciences of the Polish Academy of Sciences, Vice-Chairman of the Conference of Rectors of Economic Universities and Chairman of the Conference of Rectors of Warsaw Universities. He specializes in the issues of managing people in organizations and corporate social responsibility. He conducts scientific research on: personnel policy in companies operating in Poland, negotiation, measurement of intellectual capital of companies, knowledge management in companies and corporate social responsibility.



**Józef Wierzbowski**

Supervisory Board Member

On the Supervisory Board since 26 May 2020.

Graduate of the Maria Grzegorzewska Academy of Special Education. He completed an EMBA at the Apsley Business School of London and Warsaw Management University and management at the Koźmiński University. He has 30 years of experience in managerial positions in national and local government administration and in companies in which the State Treasury is a shareholder. He served as an advisor to the Management Board and as Deputy Director of the Audit Department in PZU SA in 2007 and 2008. He has many years of experience in supervisory boards. He sat in the Supervisory Board of BondSpot S.A. in 2016–2017 and GPW Benchmark S.A. in 2018–2022 and System Gazociągów Tranzytowych "Europol Gaz" S.A. Currently, he serves as the Supervisory Board Member of PGNiG Supply&Taiding S.A. In PGNiG Termika S.A. Orlen Group, he holds the position of Director of the Company Management Division and is a Proxy.



**Maciej Zaborowski**

Supervisory Board Member

On the Supervisory Board since 7 January 2016.

Graduated from the Faculty of Law and Administration at the University of Warsaw. Completed post-graduate studies in intellectual property law and postgraduate studies in evidentiary law. He also graduated from the Harvard Law School (ALP), Center for American Law Studies and the Leadership Academy for Poland. Advocate, Ministry of Justice expert and standing mediator at the Court of Arbitration in the General Counsel to the Republic of Poland. Lecturer in the Warsaw Bar Association. He runs his own legal practice and is the Managing Partner in the law firm Kopeć Zaborowski Adwokaci i Radcowie Prawni sp.p. Member of the State Tribunal since February 2018. He has acquired experience in corporate governance as a member of supervisory boards in various companies.

### PZU Supervisory Board's activity in 2022

In 2022, the Supervisory Board held 17 meetings, at which it adopted 173 resolutions. It also adopted 10 resolutions between meetings by written procedure. These resolutions pertained to all the areas of the PZU's business and were consistent with the scope of oversight functions defined by the requirements of the generally binding law, the Insurance and Reinsurance Activity Act of 11 September 2015, KNF's recommendations, corporate governance rules and the ones described in PZU's Articles of Association and the Supervisory Board Rules and Regulations.

At its meetings held in 2022, the Supervisory Board regularly reviewed and evaluated the performance of both the PZU Group and its distinct business divisions in relation to the financial plan. The Supervisory Board also discussed and accepted other legally-required detailed reports on various areas of the PZU's business, including, among others, regular reports on risk, compliance, audit and IT security. On top of that, the Supervisory Board monitored the execution of the PZU Group Strategy for 2021–2024 on an ongoing basis. In connection with the amendments to the Commercial Company Code, the Supervisory Board adopted a resolution on establishing rules for the provision of information by the Management Board of PZU on the main areas of the company's operations, as referred to in Article 380<sup>1</sup>. The Board received information on the subject of resolutions adopted by PZU's Management Board and significant events in the conduct of the company's affairs, particularly in the operational, investment and personnel areas, including with regard to subsidiaries, which fulfilled its obligations under Article 380<sup>1</sup> of the Commercial Company Code.

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In addition, the Board also received information on the measures implemented by PZU in connection with the COVID-19 pandemic, as well as information on the activities of Ukrainian PZU Group companies and the assistance provided to Ukraine in connection with the ongoing armed conflict in that country.

### Attendance of Members in Supervisory Board meetings in 2022

	Attendance *	
	Number of meetings	Percentage
Paweł Mucha (until 31 August 2022)	12/12	100%
Robert Jastrzębski	17/17	100%
Paweł Górecki	17/17	100%
Robert Śnitko	16/17	94%
Marcin Chludziński	15/17	88%
Agata Górnicka	16/17	94%
Elżbieta Mączyńska-Ziemacka	17/17	100%
Krzysztof Opolski	17/17	100%
Radosław Sierpiński	15/17	88%
Piotr Wachowiak (from 1 September 2022)	5/5	100%
Józef Wierzbowski	17/17	100%
Maciej Zaborowski	15/17	88%

\*) Attendance at meetings/number of meetings while in office

The Supervisory Board meetings in 2022 were held in the hybrid form – some Supervisory Board Members participated in the meetings on site and some remotely.

The committees of the Supervisory Board, during their regular meetings in 2022, discussed in detail the most important issues in the company's various business areas, which, in accordance with applicable regulations, require approval by the Supervisory Board, and provided the Supervisory Board with information on the committee's work, as required by the Commercial Company Code, as amended by the Act of 9 February 2022, amending the Commercial Company Code and certain other acts.

### Audit Committee

The Audit Committee was appointed by a Supervisory Board resolution of 3 June 2008.

The Audit Committee includes at least three members. At least one Member of the Audit Committee should be qualified in accounting or auditing. Furthermore, the majority of the Audit Committee Members, including the chairperson, should meet the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (independent Member) concerning, without limitation, professional or family ties, especially to managers or supervisors of PZU or PZU Group entities. The detailed tasks and terms and conditions of appointing Members of the Audit Committee and its operation are specified in a resolution of the Supervisory Board which takes into account the relevant competencies and experience of candidates for Members of the Committee.

The Audit Committee is an advisory and consultative body to the Supervisory Board. It is appointed to improve the effectiveness of the Supervisory Board's oversight activities in respect of the correctness of financial reporting, the effectiveness of internal control system, including internal audit, and the risk management system. In addition, the Audit Committee may request the Supervisory Board to request specific control activities in PZU, whereby the requested activities may be performed by an internal unit or external entity.

PZU takes into consideration the Best practices for public interest entities pertaining to the appointment, composition and operation of the audit committee as published by the Office of the Polish Financial Supervision Authority on 24 December 2019.

The scope of the Audit Committee's activities comprises:

- monitoring the PZU's financial reporting process,
- monitoring the effectiveness of internal control, internal audit and risk management systems, including as regards financial reporting;
- monitoring the performance of financial audit activities in PZU, in particular conducting the audit by the audit firm, taking into account the findings and conclusions of the Polish Audit Supervision Agency following from an inspection carried out in the audit firm;
- assessing the independence of the statutory auditor and the audit firm;
- providing advice and issuing opinions within the scope of the Supervisory Board's powers relating to the activities specified in the four items above and to the extent permitted by the prevailing provisions of law and the PZU's internal regulations;

- presenting a recommendation regarding the selection of an audit firm to perform the audit and review of the financial statements to the Supervisory Board;
- controlling and monitoring the independence of the statutory auditor and the audit firm, including giving consent to the audit firm conducting the audit, its related entities and by a Member of the audit firm's network to provide permitted services in PZU or entities from the PZU Group, upon assessing the threats and safeguards of the independence of the statutory auditor and the audit firm and verification of the compensation limit for the provided services;
- informing the Supervisory Board of the results of the audit and review and explaining how the audit has contributed to reliability of the financial reporting in PZU and the PZU Group, and the role of the Committee in the audit process;
- developing a policy for the selection of an audit firm to perform the audit;
- developing a policy for provision of permitted services by the audit firm conducting the audit, its related entities and by a member of the audit firm's network;
- defining a procedure for the selection of an audit firm;
- submitting recommendations aimed at ensuring the reliability of the financial reporting process in PZU;
- supervising the compliance function;
- monitoring introduction of changes in PZU in connection with the recommendations issued by the key statutory auditor, Internal Audit Department (with regard to preparation of financial statements), Supervisory Board or the Committee;

- carrying out other tasks following from generally prevailing provisions of law or entrusted by the Supervisory Board.

### Composition of the Audit Committee in 2022

In 2022, there has been one change in the composition of the Committee Audit Committee. On 23 November 2022, Piotr Wachowiak was appointed to the Audit Committee.

### Knowledge, skills and experience of Audit Committee members including the way in which they were acquired

All Members of the Audit Committee have made a declaration of independence within the meaning of Article 129(3) of the Act on Statutory Auditors, Audit Firms and Public Supervision, and of having knowledge and skills in the industry in which PZU operates.

Krzysztof Opolski, Marcin Chludziński, Robert Śnitko i Piotr Wachowiak were designated as Members holding qualifications in accounting or auditing financial statements.

The Members of the Audit Committee collectively have knowledge and skills in the insurance industry, which derive, among other things, from their education, work experience and functions held.

Krzysztof Opolski, a Member of PZU's Supervisory Board since 24 May 2019, is a professor, doctor of economics. Former long-term head of the Department of Banking, Finance and Accounting the Faculty of Economics of the University of Warsaw. In 2009–2010 he was the head of strategic advisors to the President of the National Bank of Poland. He has many years of experience on managerial and supervisory positions in commercial law companies. He was a Supervisory Board

### Composition of the Audit Committee in 2022

Position	Composition of the Audit Committee		
	1 January 2022	23 November 2022	31 December 2022
Chairman	Krzysztof Opolski	Krzysztof Opolski	Krzysztof Opolski
Member	Marcin Chludziński	Marcin Chludziński	Marcin Chludziński
Member	Robert Śnitko	Robert Śnitko	Robert Śnitko
Member	Maciej Zaborowski	Piotr Wachowiak	Piotr Wachowiak
Member	-	Maciej Zaborowski	Maciej Zaborowski

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member at Bank Handlowy w Warszawie SA, AXA Polska SA and Centrum Giełdowe SA.

Marcin Chłudziński, Member of the PZU Supervisory Board from 7 January 2016, graduated from the Social Policy Institute at the University of Warsaw. Completed MBA studies at the Institute of Economics of the Polish Academy of Sciences. He has many years of experience on managerial and supervisory positions in commercial law companies.

Robert Śnitko, PZU Supervisory Board Member since 12 April 2017, has the title of PhD in economics at the Warsaw School of Economics, is an university teacher and Member of the International Institute for Strategic Studies. Graduate of the London School of Economics and Political Science, University of London, School of Oriental and African Studies, University of London and Faculty of Economics at the Radom Technical University.

Piotr Wachowiak, a Member of PZU's Supervisory Board since 1 September 2022, is a doctor of economics. Graduate of the Main School of Planning and Statistics at the Faculty of Domestic Trade. Currently a Rector of the Warsaw School of Economics and Director of the Institute of Management. Also serves as: Vice-Chairman of the Committee on Organization and Management Sciences of the Polish Academy of Sciences, Vice-Chairman of the Conference of Rectors of Economic Universities and Chairman of the Conference of Rectors of Warsaw Universities.

Maciej Zaborowski, PZU Supervisory Board Member since 7 January 2016, advocate and judge of the State Tribunal. Graduate of the Faculty of Law and Administration at the University of Warsaw, Center for American Law Studies and Leadership Academy for Poland. He is also an expert of the Ministry of Justice, lecturer of advocate training at the Bar Association in Warsaw and permanent mediator of the Arbitration Court at the General Counsel to the Republic of Poland. He has experience on supervisory positions in commercial law companies.

### Activity of the Audit Committee in 2022

In 2022, the Audit Committee held 13 meetings.

Key issues addressed by the Audit Committee in 2022 covered the discussions on:

- the risk report for Q4 2021 and for Q1–3 2022;
- the report on the use of the limit and concentration thresholds in the PZU financial conglomerate as at the end of 2021 and the first three quarters of 2022;
- the results of PZU's and PZU Group's own risk and solvency assessment;

- the annual report on the Internal Audit Department's activity in 2021;
- the findings of external inspections conducted in PZU in 2021;
- the report on the Internal Audit Department's activity in Q4 2021 and Q1–3 2022;
- the draft audit plan for 2022;
- the Financial Plan of PZU and the PZU Group for 2022;
- the Financial Plan of PZU and the PZU Group for 2023 according to IFRS 4;
- the results of PZU and the PZU Group for 2021, the H1 2022 and Q1 and Q3 2022;
- the additional report for the Audit Committee;
- the draft PZU Supervisory Board report on its assessment of PZU's financial statements for the year ended 31 December 2021, the consolidated financial statements of the PZU Group for the year ended 31 December 2021, the Management Board report on the activity of the PZU Group and PZU in 2021 and the Management Board's motion to distribute PZU's net profit for the year ended 31 December 2021;

In 2022, the Committee made recommendations to the Supervisory Board on:

- amending a policy for the selection of an audit firm to perform the audit;
- amending a procedure for the selection of an audit firm;
- selecting the audit firm PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to audit and review the financial statements and audit the solvency and financial standing reports of PZU and PZU Group for the five financial years 2024–2028, with an option to extend the agreement for two more financial years 2029–2030;
- approving the PZU Group's risk management strategy;
- assessing the solvency and financial standing report of PZU for the year ended 31 December 2021;
- assessing the solvency and financial standing report of the PZU Group for the year ended 31 December 2021;

made the assessment of:

- PZU's financial statements and the PZU Group's consolidated financial statements for the year ended 31 December 2021, and the Management Board's report on the activity of the PZU Group and PZU in 2021, with the report on non-financial information;

### Attendance of Members in Audit Committee meetings in 2022

	Attendance *	
	Meetings attended / Total meetings	Percentage
Krzysztof Opolski	13/13	100%
Marcin Chłudziński	10/13	77%
Robert Śnitko	12/13	92%
Piotr Wachowiak	2/2	100%
Maciej Zaborowski	11/13	85%

\*) Attendance at meetings/number of meetings while in office

- the PZU Management Board's motion to the Shareholder Meeting to distribute PZU's net profit for the year ended 31 December 2021;

and accepted the Audit Committee's report on its activity in 2021.

The Audit Committee adopted resolutions on the acceptance of the permitted services to be provided by PZU's auditor, KPMG Audyt sp. z o.o. sp. k., to PZU Group entities. Based on an analysis of representations submitted by representatives of the entity performing the audit - KPMG Audit, the Committee

### Composition of the Nomination and Compensation Committee in 2022

Position	Composition of the Nomination and Compensation Committee		
	1 January 2022	1 September 2022	31 December 2022
Chairman	Robert Jastrzębski	Robert Jastrzębski	Robert Jastrzębski
Member	Paweł Górecki	Paweł Górecki	Paweł Górecki
Member	Agata Górnicka	Agata Górnicka	Agata Górnicka
Member	Elżbieta Mączyńska-Ziemacka	Elżbieta Mączyńska-Ziemacka	Elżbieta Mączyńska-Ziemacka
Member	Paweł Mucha	Radosław Sierpiński	Radosław Sierpiński
Member	Radosław Sierpiński	-	-

made a positive assessment of the independence of the statutory auditor and the audit firm and confirmed that the auditor and PZU comply with the regulatory requirements concerning the rotation of the key statutory auditor and the audit firm performing audits of the standalone and consolidated financial statements and standalone and consolidated annual consolidated solvency and financial condition reports of PZU and the PZU Group.

### Nomination and Compensation Committee

The Nomination and Compensation Committee was appointed by a Supervisory Board resolution of 12 May 2010.

The Supervisory Board determines the number of Committee members and appoints them from among its own members. The Committee includes at least one independent member.

The Nomination and Compensation Committee is an advisory and consultative body to the Supervisory Board. It is appointed to improve the effectiveness of the Supervisory Board's supervision related to the development of the management structure, including organizational solutions, the remuneration principles and the selection of properly qualified staff.

The tasks of the Nomination and Compensation Committee include, in particular, issuing opinions and presenting recommendations to the Supervisory Board with regard to its decisions made with regard to:

- concluding, terminating and amending agreements with Management Board Members and setting the rules for their compensation;

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- setting the level of compensation, bonuses and additional benefits for the Management Board;
- appointing, suspending and dismissing the President of the Management Board, Management Board Members or the entire Management Board and discontinuing suspension;
- seconding Supervisory Board Members to perform temporarily the functions of Management Board Members who have been dismissed, resigned or cannot perform their functions for other reasons.

Moreover, the scope of the Committee's activities may include other matters entrusted to it by the Supervisory Board.

The committee is dissolved once five Members of the Supervisory Board are elected by group voting, following which its powers are taken over by the whole Supervisory Board.

### Composition of the Nomination and Compensation Committee in 2022

As a result of Paweł Mucha's resignation as Chairman of the PZU Supervisory Board and the Member of the PZU Supervisory Board on 31 August 2022, his Membership in the Nomination and Compensation Committee also ceased on 31 August 2022.

Robert Jastrzębski, Elżbieta Mączyńska-Ziemacka and Paweł Mucha submitted declarations that they meet the independence criteria set forth in the Best Practices of WSE Listed Companies 2021.

### Activity of the Nomination and Compensation Committee in 2022

In 2022, the Nomination and Compensation Committee held 13 meetings.

Key issues addressed by the Nomination and Compensation Committee in 2022 involved:

- defining the Management Objectives for the Company's Management Board Members for 2022;
- conducting a recruitment procedure for a new Member of the PZU Management Board for a joint term of office encompassing three full financial years 2020–2022;
- discussing a Report on implementation of the Compensation Policy for the PZU Management Board and Supervisory Board Members;
- submitting a recommendation to the PZU Supervisory Board on the Diversity Policy for Members of PZU bodies;
- submitting a recommendation to the PZU Supervisory Board on giving consent to pay Members of the PZU Management Boards of deferred variable compensation

- under management services provision agreement for 2017, 2018, 2019, 2020 and 2021;
- assessing the attainment of Management Objectives for 2021 and variable compensation of PZU Management Board Members for 2021;
- discussing the Supervisory Board Report on Compensation of PZU Management Board and Supervisory Board Members for 2021;
- discussing the PZU Management Board Report on the implementation of the Compensation Policy for the PZU Management Board and Supervisory Board Members for the period from 1 July 2021 to 30 June 2022;
- carrying out an assessment of suitability of PZU Supervisory Board Members and Audit Committee Members (individual and collective assessment);
- conducting a recruitment procedure for the President of the Management Board and Members of the PZU Management Board for a new term of office beginning 1 January 2023 and encompassing three full financial years 2023–2025;
- assessing the suitability of PZU Management Board Members (individual and collective assessment).

### Attendance of Members in Nomination and Compensation Committee meetings in 2022

	Attendance *	
	Meetings	Percentage
Robert Jastrzębski	13/13	100%
Paweł Górecki	13/13	100%
Agata Górnicka	13/13	100%
Paweł Mucha (do 31 sierpnia 2022 roku)	11/11	100%
Elżbieta Mączyńska-Ziemacka	13/13	100%
Radosław Sierpiński	12/13	92%

\*) Attendance at meetings/number of meetings while in office

### Strategy Committee

The Strategy Committee was appointed by a Supervisory Board resolution of 29 July 2010.

The Supervisory Board determines the number of Committee Members and appoints them from among its own members.

	Composition of the Strategy Committee	
	1 stycznia 2022	31 grudnia 2022 roku
<b>Position</b>		
Chairman	Robert Śnitko	Robert Śnitko
Member	Marcin Chludziński	Marcin Chludziński
Member	Agata Górnicka	Agata Górnicka
Member	Robert Jastrzębski	Robert Jastrzębski
Member	Maciej Zaborowski	Maciej Zaborowski

The Strategy Committee is an advisory and consultative body to the Supervisory Board. It is appointed to increase the efficiency of the Supervisory Board's supervisory activities as regards issuing opinions on strategic documents submitted by the Management Board (in particular development strategy). The Committee submits recommendations to the Supervisory Board on planned investments with a significant impact on PZU's assets.

The tasks of the Strategy Committee include, in particular, issuing opinions and presenting recommendations to the Supervisory Board with regard to its decisions pertaining to:

- approving PZU's long-term development plans prepared by the Management Board;
- planned investments in PZU and the PZU Group;
- consent for PZU to conclude an agreement with an underwriter referred to in Article 433 § 3 of the Commercial Company Code;
- rules for purchase, subscription or sale of ownership interests and shares in companies as well as PZU's participation in other entities and accepting the Management Board's motions on these matters;
- consent to transferring an insurance portfolio in its entirety or in part.

Moreover, the scope of the Strategy Committee's activities may include other matters entrusted to it by the Supervisory Board.

### Composition of the Strategy Committee in 2022

In 2022, the composition of the Committee did not change.

### Activity of the Strategy Committee in 2022

In 2022, the Strategy Committee held 2 meetings.

The Strategy Committee in 2022 was in charge of discussing semi-annual reports on the implementation of the PZU Group Strategy for 2021–2024.

Most Committee meetings were attended also by the remaining Supervisory Board Members..

### Attendance of Members in Strategy Committee meetings in 2022

	Attendance *	
	Meetings	Percentage
Robert Śnitko	2/2	100%
Marcin Chludziński	2/2	100%
Agata Górnicka	2/2	100%
Robert Jastrzębski	2/2	100%
Maciej Zaborowski	2/2	100%

\*) Attendance at meetings/number of meetings while in office

## 8. Corporate governance statement

### 8.8. Management Board

#### Rules for the appointment and dismissal of managers

The PZU Management Board is composed of three to eight Members appointed for a joint term of office spanning three consecutive full financial years.

Management Board Members, including the President of the Management Board, are appointed and dismissed by the Supervisory Board. Such appointment takes place following a recruitment procedure designed to verify and evaluate qualifications of the candidates and, consequently, to select the best candidate.

All Management Board Members are subject to individual suitability assessment (primary and secondary). The Management Board as a whole is also subject to suitability assessment (collective suitability assessment). The rules for assessing the suitability of the PZU Management Board were adopted by Resolution No. URN/129/2020 of the PZU Supervisory Board on 18 November 2020 (as amended). The rules are modeled on the Methodology of assessment of suitability of Members of corporate bodies of regulated entities issued by the Polish Financial Supervision Authority.

With regard to Members of the Management Board, the rules for assessing suitability specify, among other things: the powers of the Supervisory Board and the Nomination and Compensation Committee in the process of assessing suitability, the requirements for the composition of the PZU Management Board, the criteria for assessing suitability and the process for conducting the assessment.

Individual and collective suitability assessments are carried out at least once a year and, among other things, when a candidate for a Member of the Management Board is put forward (primary individual suitability assessment – before the appointment of a person to serve) and before any changes are made to the composition of the Management Board (collective suitability assessment).

The verification process is carried out based on the following criteria: competence, trustworthiness, including reputation and credibility, independence of judgment, including the absence of conflicts of interest and devoting sufficient time to serve as a Management Board Member.

A candidate for a Member of the Management Board should have a university degree, particularly in insurance, banking or finance, economics, law, accounting, auditing, management, mathematics, physics, computer science, administration, financial regulation, information technology and quantitative methods. It is important that the person being assessed has specific professional credentials, in particular the credentials of an actuary, auditor, investment advisor, legal counsel or attorney. The assessment of suitability also takes into account

the diversity policy adopted by the Shareholder Meeting for Members of PZU bodies.

Assessment of the suitability is carried out on the basis of documents provided by the person being assessed, statements and information submitted, as well as completed forms and attachments.

Based on the collected documentation, the Nomination and Compensation Committee of the Supervisory Board proposes an individual suitability assessment of the person assessed or a collective suitability assessment of the Management Board and submits these proposals to the Supervisory Board, which, by way of resolution, makes a final decision on the individual or collective suitability assessment.

Furthermore, a Management Board Member must fulfill all of the following conditions:

- holds a graduate degree received in Poland or a graduate degree received abroad and recognized in the Republic of Poland pursuant to separate regulations;
- has at least 5-year employment period based on an employment agreement, appointment, selection, nomination, cooperative employment agreement or provision of services on the basis of another contract or conducting business activity on one's own account;
- has at least 3 years of experience on managerial or independent positions or arising from conducting business activity on one's own account,
- in addition to the abovementioned requirements, meets other requirements arising from separate regulations, in particular is not in breach of any restrictions or prohibitions for holding an executive position in commercial companies.

Management Board Member may not be a person who fulfills at least one of the following conditions:

- acts as a social associate or is an employee of an MP's office, senator's office, MP-senator's office or office of a member of European Parliament pursuant to an employment agreement or provides work on the basis of a mandate agreement or other similar agreement;
- is a member of a political party's governing body externally representing a political party and authorized to take down obligations;
- is employed by a political party pursuant to an employment agreement or provides work on the basis of a mandate agreement or other similar agreement,
- is an elected official of a company trade union or a company trade union in a group company,
- his/her public or business activity raises conflict of interest with the PZU's business.

The President of the Management Board of the new term of office appointed before the current term elapses has the right to submit a motion to the Supervisory Board requesting appointment of the remaining Management Board Members of the new term of office before the current term elapses.

The consent to appointment of two Management Board Members, President and Member responsible for risk management is issued on PZU's motion by the Polish Financial Supervision Authority, unless the appointment applies to a person who obtained such consent in the previous term of office. If the motion pertains to a Management Board Member discharging a mandate, he/she may discharge the mandate in its existing scope until the regulatory authority issues its decision.

The mandate of the Management Board Member will expire no later than on the date of the Shareholder Meeting approving the financial statements for the most recent full financial year of the discharge of the function of Management Board Member. The mandate of the Management Board Member will also expire as a result of death, resignation or removal from the Management Board. In the case of a Management Board Member appointed before the expiration of a given term of office, his/her mandate expires simultaneously with the expiration of the mandates of the other Management Board Members.

#### Composition of the PZU Management Board in 2022

As at 31 December 2022, the PZU Management Board was composed of eight Members.

On 4 February 2022, Krzysztof Szypuła tendered his resignation from the PZU Management Board.

On 27 April 2022, the PZU Supervisory Board appointed Piotr Nowak to the position of PZU Management Board Member, effective as of 28 April 2022.

The term of office of the PZU Management Board, encompassing the financial years 2020–2022, ended on 31 December 2022. On 16 December 2022, the PZU Supervisory Board appointed the Management Board for another term of office beginning 1 January 2023 and encompassing three full financial years 2023–2025. The individual and collective suitability assessments of PZU Management Board confirmed that both each Member of the Management Board and the Management Board as a whole have the appropriate knowledge and skills and meet all the suitability criteria necessary to perform their functions.

As of 1 January 2023, the composition of the Management Board for the new term of office was as follows:

- Beata Kozłowska-Chyła – President of the Management Board;
- Ernest Bejda – Management Board Member;
- Małgorzata Kot – Management Board Member;
- Krzysztof Kozłowski – Management Board Member;
- Tomasz Kulik – Management Board Member;
- Piotr Nowak – Management Board Member;
- Maciej Rapkiewicz – Management Board Member;
- Małgorzata Sadurska – Management Board Member.

As of the date of publication of this report the composition of the Management Board has not changed.

Position	Composition of the Management Board			
	1 January 2022	5 February 2022	28 April 2022	31 December 2022
President	Beata Kozłowska-Chyła	Beata Kozłowska-Chyła	Beata Kozłowska-Chyła	Beata Kozłowska-Chyła
Member	Ernest Bejda	Ernest Bejda	Ernest Bejda	Ernest Bejda
Member	Małgorzata Kot	Małgorzata Kot	Małgorzata Kot	Małgorzata Kot
Member	Krzysztof Kozłowski	Krzysztof Kozłowski	Krzysztof Kozłowski	Krzysztof Kozłowski
Member	Tomasz Kulik	Tomasz Kulik	Tomasz Kulik	Tomasz Kulik
Member	Maciej Rapkiewicz	Maciej Rapkiewicz	Piotr Nowak	Piotr Nowak
Member	Małgorzata Sadurska	Małgorzata Sadurska	Maciej Rapkiewicz	Maciej Rapkiewicz
Member	Krzysztof Szypuła		Małgorzata Sadurska	Małgorzata Sadurska

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### PZU Group Directors

PZU and PZU Życie have a common management model, under which there are positions of PZU Group Directors. The rules for the creation and appointment and dismissal of these positions are set forth in the companies' organizational regulations.

According to the adopted model, persons serving as PZU Życie Management Board Members may simultaneously be employed as PZU Group Directors in PZU. Similarly, persons serving as Members of the PZU Management Board may be simultaneously employed as PZU Group Directors in PZU Życie. In the adopted model, PZU Group Directors in PZU / PZU Życie are responsible for the same structures and business areas for which they are responsible as PZU / PZU Życie Management Board Members.

The following persons served as PZU Group Directors in PZU in 2022:

- Aleksandra Agatowska;
- Bartłomiej Litwińczuk;
- Dorota Macieja;
- Krzysztof Szypuła (from 4 February, 2022 to 31 December, 2022);
- Andrzej Jaworski (from 15 April, 2022).

The following persons served as PZU Group Directors in PZU Życie in 2022:

- Krzysztof Kozłowski;
- Małgorzata Sadurska (from 15 April, 2022);
- Piotr Nowak (from 28 April, 2022).

As of 1 January 2023, Sylvia Matusiak was appointed to the position of PZU Group Director at PZU.

As of 1 February 2023, Małgorzata Skibinska was appointed to the position of PZU Group Director at PZU and PZU Życie.

### CVs of Management Board Members and PZU Group Directors



#### Beata Kozłowska-Chyła

President of the PZU Management Board from 2 October 2020 (from 12 March 2020 to 1 October 2020 – acting President of the PZU Management Board)

She graduated from legal studies at the Faculty of Law and Administration of the University of Warsaw. She received a doctoral degree in legal sciences. She is a lecturer at the Faculty of Law and Administration at the University of Warsaw in the Commercial Law Faculty. She is an attorney-at-law and a recommended arbitrator in the Court of Arbitration in the National Chamber of Commerce in Warsaw. She has served as a the PZU Supervisory Board Member, TFI PZU and PTE PZU Supervisory Board Member, and was twice a Member of the PZU Management Board. She also sat on the Management Board of PZU Życie. She also worked as the Deputy Director of the Legal and Licensing Department in the Pension Fund Regulatory Authority and she served as the President of the Management Board of Polskie Wydawnictwo Ekonomiczne S.A. Beata Kozłowska-Chyła is currently a chairwoman of the PZU Życie Supervisory Board and Bank Pekao Supervisory Board. She is also a member of the Legislative Council of the Prime Minister, a member of the Business Council of the President of the Republic of Poland, and a member of the Audit Committee of the Polish Chamber of Insurance and a member of the Supervisory Board of the Insurance Guarantee Fund. She also sits on the Council of the Polish Olympic Committee. She is the author of tens of scientific publications on company law, securities law and insurance law published in reputable Polish and foreign magazines. She has also authored articles for the purpose of popularization.



#### Ernest Bejda

PZU Management Board Member since 4 March 2020 / PZU Życie Management Board Member since 25 August 2021 (earlier a PZU Group Director in PZU Życie from 4 May 2020 to 24 May 2021)

Graduate of the Faculty of Law and Administration at the Maria Curie-Skłodowska University in Lublin. He completed prosecutor and advocate trainee programs. Prior to his employment in the PZU Group he worked in the General Customs Inspectorate in Warsaw, and then he ran his own advocate practice. He cofounded the Central Anti-Corruption Bureau in which he served as its Deputy Head (2006-2009), and then headed it up (2016-2020). Supervisory Board Chairman

of PZU Centrum Operacji S.A., Supervisory Board Deputy Chairman of Alior Bank and Supervisory Board Member of the Polish Motor Insurers' Bureau.



#### Małgorzata Kot

PZU Management Board Member since 10 September 2020 (previously PZU Group Director in PZU from 16 April to 9 September 2020) / PZU Życie Management Board Member from 16 April 2020

Graduate of the Department of Economic Sciences and Management at the Nicholas Copernicus University in Toruń. She completed her post-graduate studies at the Economic University in Poznań in the field of economic insurance and in the Warsaw School of Economics – the Professional Coach Academy and Executive Master of Business Administration at the Warsaw School of Management. She is a manager with more than twenty years of experience in the insurance industry in the sales of life and nonlife insurance. In 2001-2012 she held managerial positions in STU Ergo Hestia, PZU and HDI Asekuracja TU. Since 2012 she has been affiliated with TuIR Allianz Polska SA, where she served in the following functions: Director of the Department for Cooperation with Key Partners, Director of the Department for Cooperation with Multiagencies and Director of the Department for Cooperation with Key Partners and Bancassurance. She is currently a chairwoman of the Non-life Insurance Distribution Committee of the Polish Chamber of Insurance.



#### Krzysztof Kozłowski

PZU Management Board Member since 4 August 2021 / PZU Group Director at PZU Życie since 4 August 2021

He holds a doctoral degree in law obtained in 2010 at the Faculty of Law and Administration of the Jagiellonian University. He has been an assistant professor at the Constitutional Law Department at the Faculty of Law and Administration of the Jagiellonian University since 2011. He has authored several dozen scientific publications and participated in overseas residencies, internships and research programs. In 2013 he was entered in the list of non-practicing attorneys. He has also passed the judge exam. From 2013 to 2015 he was an assistant judge of the Constitutional Court. From 2013 to 2015 he was a representative substitute in the Group of Independent Experts on the European Charter of Local Self-Government of the Council of Europe in Strasbourg. Vice-President of the Management Board of Bank Pekao S.A. overseeing the Strategy Division from April 2020 to August 2021. Chairman of the Supervisory Board in Grupa

Zoty Zakłady Chemiczne "Police" S.A. and Polskie Radio – Regionalna Rozgłośnia w Szczecinie "PR Szczecin" S.A.



#### Tomasz Kulik

Member of the PZU Management Board since 14 October 2016 / Member of the PZU Życie Management Board since 19 October 2016

Graduate of the Faculty of Finance and Management at the Warsaw School of Economics. He received an MBA from the University of Illinois and completed the Warsaw - Illinois Executive MBA programme. He is a member of the Association of Chartered Certified Accountants (ACCA), and a graduate of the Advanced Management Program at Harvard Business School in Boston and ITL Neuroleadership Academy at ICAN Institute. He has been involved with the financial market since the beginning of his professional career, where he held numerous positions in regulated institutions of the insurance, banking and asset management sectors. He has been working for the PZU Group since 2012, where he holds the position of the Group's CFO and a member of the management board supervising the finance, capital management and investor relations areas. Previously, he was associated with Aviva Group (former Commercial Union) for a long time.



#### Piotr Nowak

Member of the PZU Management Board since 28 April 2022 / PZU Group Director at PZU Życie since 28 April 2022

He graduated from the Faculty of Cybernetics at the Military University of Technology in Warsaw (2003) and from the SGH Warsaw School of Economics in Finance and Banking (2006). He also did his doctoral studies at SGH (2003-2005). He gained an Executive MBA degree at the Business School at the Warsaw University of Technology, and a CQF (Certificate in Quantitative Finance). He is a graduate of the "International Security" postgraduate program at Stanford University in the United States. He worked as a foreign exchange dealer at PKO Bank Polski from 2004, and from 2005 to 2006 he was employed at CALYON Corporate & Investment Bank London as a bond and derivatives specialist in Central and Eastern Europe. From 2006 to 2010, he served as a Vice President at a London-based hedge fund of the Swiss Re group, where he was responsible for managing a portfolio with a strategy for debt instruments, stock market index derivatives and emerging market currencies. In 2010-2011, he worked as a prop trader at Espirito Santo Investment Bank Poland,

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and from 2011 to 2014 he was employed at PKO TFI as a Deputy Director of the Debt Securities Portfolio Management Department. He was an economic expert at the Chancellery of the President of the Republic of Poland from February to August 2015, and then a senior portfolio manager at Money Makers TFI from October to December 2015. He served as an Exchequer Secretary to the Treasury in the Ministry of Finance from December 2015 to December 2020. He was an Advisor to the Managing Director of the International Monetary Fund in Washington and a Deputy Director of the Monetary Policy and Capital Markets Department at IMF since 2021. He held the position of the Minister for Economic Development and Technology from October 2021 to April 2022.



### Maciej Rapkiewicz

Member of the PZU Management Board since 22 March 2016 / Member of the PZU Życie Management Board since 25 May 2016

Graduate of the Faculty of Law and Administration at the University of Łódź and post-graduate studies in business insurance, an MBA in Finance and Insurance and risk management. Associated with the PZU Group intermittently since 1998. From 2006 to 2009 Management Board Member and then Vice-President of the TFI PZU SA Management Board. Since 2015 he has worked for TFI BGK S.A., serving as a Management Board Member. He was also the President of the ŁSSE S.A. Management Board. He sat on the supervisory boards of domestic and foreign companies in the PZU Group. Presently, he serves as the Supervisory Board Chairman of PTE PZU S.A. and Supervisory Board Member of LINK4 TU S.A.



### Małgorzata Sadurska

Member of the PZU Management Board from 13 June 2017 / Member of the PZU Życie Management Board from 19 June 2017 until 14 April 2022, and then PZU Group Director at PZU Życie

since 15 April 2022

She graduated from the Faculty of Law and Administration at the Maria Curie-Skłodowska University in Lublin and from the post-graduate program in Organization and Management at the Lublin School of Business. She completed her Master of Business Administration studies at the Faculty of Management at the Lublin University of Technology. The administration studies program was delivered in cooperation with the University of Minnesota in Minneapolis (US). As part of the program run by the American university, she also earned

a certificate in human resource management and marketing. She is also a graduate of the Strategic Leadership Academy and the Neuroleadership Academy at ICAN Institute. From 2002 to 2005, she was a Member of the Puławy County Board. In 2005-2015 she was a member of parliament in the Republic of Poland's Sejm. She was also a member of the National Council of the Judiciary of Poland and Supervisory Board Chairwoman of the ZUS Social Insurance Institution. She was a Secretary of State at the Chancellery of the Prime Minister in 2007. In 2015-2017, she served as Head of the Chancellery of the President of the Republic of Poland. She serves as the Supervisory Board Chairwoman of PZU TUW and Supervisory Board Member of Bank Pekao and LINK4.



### Krzysztof Szypuła

Member of the PZU Management Board from 10 September 2020 to 4 February 2022 and PZU Group Director at PZU from 4 February 2022 to 31 December 2022 / Member of the PZU Życie

Management Board from 10 September 2020 to 31 December 2022

Graduate of the University of Lodz with a specialization in econometrics and statistics and of the Summer School of Actuarial Science at the University of Warsaw. He has worked in the financial services industry for 29 years. He worked for a long time for the Nationale-Nederlanden (ING) Group where he worked from 1994 to 2010 in Poland, the United States and Australia gaining experience in actuarial matters, financial management, IT projects and operations. Before joining the PZU Group he was associated with the Polish Branch of Prudential plc from the United Kingdom where he was responsible for product development and management and then with Allianz Polska. In the management board of Allianz insurance companies he was initially responsible for life and health products and later for sales management. Before taking up the function of Management Board Member in PZU and PZU Życie he served in the capacity of Managing Director for Product Strategy.



### Aleksandra Agatowska

President of the PZU Życie Management Board since 15 February 2021 (Acting President of the PZU Życie Management Board from 19 February 2020 to 14 February 2021) / Member of the

PZU Życie Management Board from 25 March 2016 / Member of the PZU Management Board from 24 October 2019 until 19 February 2020 and PZU Group Director (from 25 March 2016 to

23 October 2019, and again since 20 February 2020). Graduate of the Jagiellonian University majoring in Economic Sociology and Market Research and Executive MBA at the Kozminski University in Warsaw. She also completed the Education Program: Implementing Winning Strategies (Columbia Business School), Managerial Finance (The London School of Economics and Political Science) and Strategic Change Management (Kellogg School of Management). She gained her professional experience working for ING Życie, ING Powszechnie Towarzystwo Emerytalne and ING Spółka Dystrybucyjna. She also collaborated with the team of the Public Policy Evaluation and Analysis Center. For HDI (currently Warta S.A.), she managed the product marketing team, developing and executing sales support campaigns. Then she headed the Marketing Intelligence team at Sony Europe. At Philips S.A. she managed the Marketing and Business Intelligence team in 17 countries of the region. As an external consultant, she advised among others Aviva SA on the implementation of distribution channel projects. She also has experience in corporate governance. Currently, she serves as the Supervisory Board Chairwoman of Alior Bank.



### Bartłomiej Litwińczuk

Member of the PZU Życie Management Board / PZU Group Director at PZU since 19 August 2016

Graduated from the Faculty of Law and Administration at the University of Warsaw. In 2009 he completed his advocate trainee program and passed the professional examination. Advocate in the Warsaw Bar Association. He specializes in civil law. He combines his business knowledge with extensive experience resulting from his provision of legal assistance services, in particular in cases related to commercial company law, copyright law, administrative law and criminal business law. In the past, he also served as an advisor to the Extraordinary Committee of the Sejm for changes in legal codes. He has experience in corporate governance. Moreover, he is a member of the regulatory authorities of commercial law companies.



### Andrzej Jaworski

Member of the PZU Życie Management Board / PZU Group Director at PZU since 15 April 2022

A graduate of doctoral studies in political science at Cardinal

Stefan Wyszyński University in Warsaw. He completed a postgraduate program in economic policy, finance and banking at the College of Social and Media Culture in Toruń, in innovation and project management at the University of Commerce and Services (WSHiU) in Poznań, and postgraduate Executive MBA program at the University of Applied Sciences in Dresden and WSHiU in Poznań. He graduated in from the Adam Mickiewicz University in Poznań in Ethnology and Cultural Anthropology. He joined the PZU Group in 2016 as a Member of the PZU Management Board, and he has been a Member of the PZU Życie Management Board and a Member of the Supervisory Board of Pekao Investment Banking S.A., PTE PZU, PZU Ukraina since 2022. In 2020-2021, he served as a CEO of VRG S.A, which owns the following fashion brands: Vistula, Wólczanka, Bytom and Deni Cler, and the W. Kruk jewelry brand. He has held the position of the CEO of the Chamber of Commerce and Industry since 2019. Previously, he had been a Chairman of the Public Finance Committee (2015-2016), Deputy Chairman of the State Treasury Committee (2015-2016), Member of the Management Board of Krajowa Spółka Cukrowa S.A. [National Sugar Company] (2017-2018), Chairman of the Board of the "Memory and Identity" Institute since 2016, and CEO of Stocznia Gdańsk S.A. [Gdańsk Shipyard] (2006-2008).



### Dorota Macieja

Member of the PZU Życie Management Board / PZU Group Director at PZU since 15 March 2017

Associated with the PZU Group since 2016. She initially served as a director supervising prevention and sponsorship at PZU and PZU Życie. She was appointed as a Member of the PZU Życie Management Board in 2017. One of her projects was the establishment of the Plain Language Department, which introduced significant changes in the way PZU communicates with its clients. In 2021, she initiated the foundation of the Sustainable Development Department, which prepared the ESG Strategy for 2021-2024. This strategy became part of the Group's strategy. It is based on the commitment that the PZU Group not only will achieve very good financial results but also will do so in a sustainable manner and with respect for environmental, social and governance issues. In 2022, as person in charge of the Real Estate Department, she supervised the relocation of the PZU and PZU Życie to the greenest building in the capital city.

## 8. Corporate governance statement

Previously, in 2010-2016, Dorota Macieja had coordinated and managed publishing and film production projects. For many years, she was a journalist for the most opinion-forming weeklies and radio stations, including Tygodnik Solidarność [“Solidarity Weekly”], Wprost [“Directly”] and Radio Wolna Europa [“Radio Free Europe/Radio Liberty”]. She published a book entitled Tygodnie Stonimskiego [“Stonimski’s Weeks”] in 2000. During martial law in Poland, she was associated with the underground publishing house “Wola”.



### Sylwia Matusiak

Member of the Management Board of PZU Życie / Director of PZU Group at PZU since 1 January 2023

Sylwia Matusiak graduated from the University of Warsaw, majoring in political science. She also completed an MBA program at the Warsaw Management School. Until her appointment to the Management Board of PZU Życie, she served as Managing Director for Marketing, Sponsorship and Prevention. Before joining the PZU Group, she sat in the Management Board of the “Solidarity” Transport Hub. She previously worked at the National Bank of Poland, Warsaw Stock Exchange, and the Polish Government Information Center.



### Małgorzata Skibińska

Director of PZU Group at PZU and PZU Życie since 1 February 2023

Małgorzata Skibińska graduated from the Faculty of Management and Marketing at the Warsaw Management School, majoring in state administration; she completed a post-graduate program for managers in the financial services sector at the Warsaw School of Economics. Małgorzata Skibińska has been working with the PZU Group since 2019. Until her appointment as the Director of the PZU Group, she exercised the position of the Managing Director for Product Development and Support, responsible for the product offering for PZU SA and PZU Życie for mass clients and SMEs. She has been active in the insurance market for 26 years. Her many years of managerial experience comes from work in various insurance companies, where she successfully managed many teams and pursued numerous projects involving the creation and management of product offerings with technological implementations, risk assessment and measurement, as well as process optimization. She also has strong experience in cooperating with banks and external partners. Before joining the PZU Group, for a few years, she was Director of the Department of

Property Product Development and Individual Underwriting at Aviva Group.

### Management Board’s powers and operating rules

The Management Board exercises any and all rights related to managing PZU which are not otherwise reserved by law or the provisions of the Articles of Association to the Shareholder Meeting or the Supervisory Board. The Management Board manages and represents PZU. Two Management Board members acting jointly or one Management Board member acting with a commercial proxy, are authorized to make declarations of will and sign documents on behalf of PZU.

The Management Board informs the Supervisory Board about any significant matters regarding PZU’s operations.

PZU’s Articles of Association do not provide for the Management Board to have rights concerning decisions on issuing or redeeming shares.

The Management Board adopts its rules and regulations, which are approved by the Supervisory Board. New Rules and Regulations of the PZU Management Board were adopted on 1 September 2020 and endorsed by the Supervisory Board on 9 September 2020. The Supervisory Board endorsed the amendments to the Rules and Regulations of the Management Board on 10 February 2021.

The Rules and Regulations of the Management Board define:

- the scope of the Management Board’s powers and activities that require approval or confirmation by the Supervisory Board;
- powers of the President of the Management Board and other Management Board Members;
- principles and organization of the Management Board’s activities, including its meetings and decision making procedures;
- rights and obligations of Management Board Members upon dismissal.

Meetings of the Management Board are held at least once a fortnight. The Articles of Association provide that meetings may be held using means of direct remote communication.

The President of the Management Board directs the work of the Management Board. The President’s powers include in particular:

- defining the scope of responsibility of each Member of the Management Board;
- convening meetings of the Management Board;
- setting the agenda of meetings of the Management Board;

- applying to the Supervisory Board for appointing or dismissing Members of the Management Board;
- designating a person to administer the work of the Management Board during the absence of the President of the Management Board.

The President of the Management Board makes decisions in the form of orders and official instructions. Other Members of the Management Board administer the operations of the Company within the scope specified by the President.

Management Board makes decisions in the form of resolutions. The Management Board adopts resolutions only in the presence of the President of the Management Board or a person designated to head the work of the Management Board during the President’s absence.

Resolutions of the Management Board are adopted by an absolute majority of votes; in the event of a voting tie, the President has the casting vote. With the consent of the President of the Management Board, the Management Board may adopt resolutions by written procedure or using means of direct remote communication, if all the Management Board Members have received the draft resolution with justification and at least half of the Management Board Members took part in the adoption of the resolution.

Management Board resolutions are especially required for:

- adopting a long-term plan for the PZU’s development and operations;
- adopting an action and development plan for the PZU Group;
- adoption of an annual financial plan and a report on its implementation;
- accepting the Management Board’s report on the PZU’s activity and the Management Board’s report on the activity of the PZU Group and the PZU’s financial statements and consolidated financial statements of the PZU Group for the previous financial year;
- accepting the solvency and financial condition report of the PZU and the solvency and financial condition report of the PZU Group;
- accepting the PZU’s own risk and solvency assessment report and the PZU Group’s own risk and solvency assessment report;
- adoption of a report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services;
- adoption of a report on the application of best practices, as defined by the Prime Minister pursuant to the Act on Rules for Managing State Property of 16 December 2016,

addressed to companies in which the State Treasury holds an equity stake;

- approval of a motion to distribute profit or cover loss;
- determining premiums in compulsory and voluntary insurance and the general terms and conditions of voluntary insurance;
- determination of the scope and size of outward reinsurance and the tasks for inward reinsurance;
- adoption of an annual audit and control plan and a report on its implementation with conclusions;
- determining the terms and conditions of investment, prevention and sponsoring activities;
- PZU granting sureties and guarantees, excluding guarantees and sureties which constitute insurance operations;
- PZU contracting credit facilities, PZU contracting or providing loans – excluding loans granted from the Company Social Benefits Fund and taking into account deviations specified in investment activity rules;
- appointment of a commercial proxy.

Along with the Management Board’s report on the Company’s activity, the following is prepared by the Management Board and provided to the relevant PZU’s corporate bodies.

- report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services;
- report on the application of best practices, as defined by the Prime Minister pursuant to the Act on Rules for Managing State Property, addressed to companies in which the State Treasury holds an equity stake.

The PZU Management Board held 65 meetings in 2022. Due to the COVID-19 pandemic meetings were held in the hybrid form – on-site and using means of direct remote communication, or using means of direct remote communication exclusively. In 2022 the PZU Management Board adopted 349 resolutions – both at meetings and by written procedure or using means of direct remote communication.

The following table presents the responsibilities of the Management Board Members and the PZU Group Directors in office at the end of 2022.

## 8. Corporate governance statement

Name	Function in the PZU Group	Scope of responsibility (as at 31 December 2022)
Beata Kozłowska-Chyta	President of the PZU Management Board since 2 October 2020 / Acting President of the PZU Management Board from 12 March to 1 October 2020	internal audit, compliance, PZU Group strategy, strategic analysis, corporate communication, reinsurance
Aleksandra Agatowska	Member of the PZU Management Board from 24 October 2019 until 19 February 2020 / PZU Group Director at PZU from 25 March 2016 to 23 October 2019, and again since 20 February 2020 President of the PZU Życie Management Board since 15 February 2021 / Acting President of the PZU Życie Management Board from 19 February 2020 to 14 February 2021 / Member of the PZU Życie Management Board from 25 March 2016	PZU and PZU Życie: client experience management  PZU Życie: internal audit, compliance, PZU Group strategy, strategic analysis, corporate communication, reinsurance, support for customer service processes
Ernest Bejda	Member of the PZU Management Board since 4 May 2020 Member of the PZU Życie Management Board since 25 August 2021 / PZU Group Director at PZU Życie from 4 May 2020 to 24 August 2021	PZU and PZU Życie: security, purchasing, analysis and efficiency of processes, insurance operations, claims and benefits handling, assistance, remote customer service, digitization of processes, development of digital services and platforms, after-sales customer service
Małgorzata Kot	Member of the PZU Management Board since 10 September 2020 / Director of the PZU Group at PZU from 16 April to 9 September 2020 Member of the PZU Życie Management Board since 16 April 2020	PZU and PZU Życie: PZU branch network management, retail sales (channels: exclusive, multi-agency, brokerage), remote sales, retail distribution strategy, retail sales support, sales analysis  PZU: retail sales (dealer channel) PZU Życie: agency sales, corporate sales
Krzysztof Kozłowski	PZU Management Board Member since 4 August 2021 PZU Group Director at PZU Życie since 4 August 2021	PZU and PZU Życie: corporate management, corporate governance in the PZU Group, administration, project management  PZU: business development of the PZU Group
Tomasz Kulik	Member of the PZU Management Board since 14 October 2016 Member of the PZU Życie Management Board since 19 October 2016	PZU and PZU Życie: actuarial science, finance
Piotr Nowak	Member of the PZU Management Board since 28 April 2022 PZU Group Director at PZU Życie since 28 April 2022	PZU and PZU Życie: investment, IT, innovation
Maciej Rapkiewicz	Member of the PZU Management Board since 22 March 2016 Member of the PZU Życie Management Board since 25 May 2016	PZU and PZU Życie: risk

Name	Function in the PZU Group	Scope of responsibility (as at 31 December 2022)
Małgorzata Sadurska	Member of the PZU Management Board from 13 June 2017 PZU Group Director at PZU Życie since 15 April 2022 / Member of the PZU Życie Management Board from 19 June 2017 until 14 April 2022	PZU and PZU Życie: assurbanking, bancassurance and strategic partnership programs, corporate business development, marketing, sponsorship, prevention  PZU: corporate sales, corporate product management, analysis, underwriting and risk assessment of corporate insurance, financial risk insurance, corporate business services  PZU Życie: protection banking products, investment products, investment product sales
Krzysztof Szypuła	PZU Group Director at PZU from 4 February 2022 to 31 December 2022 / Member of the PZU Management Board from 10 September 2020 to 4 February 2022 Member of the PZU Życie Management Board from 10 September 2020 to 31 December 2022	PZU and PZU Życie: health product management, strategic management of product offering, underwriting, CRM actuarial tariff  PZU: management of mass products and insurance programs  PZU Życie: management of group and individual products
Andrzej Jaworski	Member of the PZU Życie Management Board since 15 April 2022 PZU Group Director at PZU since 15 April 2022	PZU and PZU Życie: health insurance
Bartłomiej Litwińczuk	Member of the PZU Życie Management Board since 19 August 2016 PZU Group Director at PZU since 19 August 2016	PZU and PZU Życie: HR, consulting and legal services
Dorota Macieja	Member of the PZU Życie Management Board since 15 March 2017 PZU Group Director at PZU since 15 March 2017	PZU and PZU Życie: sustainable development, customer communication, real estate

## 8. Corporate governance statement

### Committees

Committees are collegial structures operating at PZU and PZU Życie. They are established and disbanded by the Management Board. Committees issue opinions and make decisions in

matters within their area of operation defined in the rules and regulations of a given committee.

In 2022, there were the following standing committees, with the Management Board Members and PZU Group Directors participating in their work:

#### 1) PZU Pricing Committee

PZU Pricing Committee	
Purpose	To set out the pricing policy in line with the PZU strategy
Tasks	<ul style="list-style-type: none"> <li>determining pricing strategy and tactics by preparing guidelines for the PZU Central Office's organizational units responsible for pricing product groups or insurance products in terms of price rates and product profitability assumptions;</li> <li>monitoring pricing actions taken by the directors authorized by the Management Board;</li> <li>monitoring main indicators of key insurance products, including profitability and claims ratio.</li> <li>adopting a position on other key issues that influence product profitability and tariff mechanisms.</li> </ul>

#### 2) Data Governance Committee

Data Governance Committee	
Purpose	To coordinate Data Governance processes at PZU and PZU Życie
Tasks	<ul style="list-style-type: none"> <li>supervising the implementation of Guideline 8 specified in the "Guidelines on the Management of Information Technology and ICT Environment Security for Insurance and Reinsurance Undertakings" dated 16 December 2014, issued by the Polish Financial Supervision Authority;</li> <li>setting a Data Governance Strategy;</li> <li>approving draft Data Governance Policy and recommending its adoption by the Management Board;</li> <li>approving the draft Solvency II Data Quality Management Policy and recommending its adoption by the Management Board;</li> <li>controlling and enforcing the rules laid down in the Data Governance Policy and the Solvency II Data Quality Management Policy;</li> <li>monitoring the level of data quality and the effectiveness of data quality process on the basis of annual reports by the Data Quality Coordinator;</li> <li>issuing recommendations on the implementation of significant data quality improvement initiatives on the basis of the Data Governance Coordinator's recommendations; prioritizing them and specifying the source of funding;</li> <li>deciding disputes over data quality, as presented by the Data Governance Coordinator;</li> <li>accepting the assignment of departments and organizational units of PZU and PZU Życie to the function of Data Owner;</li> <li>deciding whether to deviate from the rules set forth in the Data Governance Policy and the Solvency II Data Quality Management Policy.</li> </ul>

#### 3) Innovations Committee

Innovations Committee	
Purpose	To coordinate and manage overall innovation at PZU and PZU Życie
Tasks	<ul style="list-style-type: none"> <li>reviewing and providing guidance for the PZU Group Innovation Strategy;</li> <li>identifying areas of innovation exploration;</li> <li>managing the portfolio of potential and ongoing innovations, in particular making decisions recognizing the subject of purchases as innovation and approving purchases in accordance with internal acts applicable at PZU and PZU Życie;</li> <li>approving rules and regulations of competitions and choosing winners of innovation competitions.</li> </ul>

#### 4) Investment Committee

Investment Committee	
Purpose	To coordinate and manage overall investment at PZU and PZU Życie
Tasks	<ul style="list-style-type: none"> <li>making investment decisions:               <ul style="list-style-type: none"> <li>on individual transactions to the extent specified in the Annex to the Investment Rules and Regulations;</li> <li>on individual transactions, regardless of the amount limits set forth in the Annex to the Investment Rules and Regulations, within the scope of its competence provided that the opinion of the Risk Department is negative.</li> <li>on the size of assets denominated in foreign currencies and on the foreign currency position;</li> </ul> </li> <li>reviewing investment decisions;               <ul style="list-style-type: none"> <li>reviewing transactions above PLN 50 million carried out within TFI PZU funds where PZU and/or PZU Życie are the only participants – upon the request of TFI PZU;</li> <li>reviewing investment decisions upon the request of the Management Board Member supervising the Investment Division;</li> </ul> </li> <li>setting exposure limits by specifying credit limits and limits of concentration on a single entity or a group of entities up to and including PLN 600 million;</li> <li>deciding on risk acceptance in the area of financial insurance – within the scope as specified in the Resolution of the PZU Management Board determining authorizations to accept risk in the area of financial insurance;</li> <li>deciding how to vote at a meeting of the investment fund participants or investors if the subject of such a meeting is the fund's investment decision, issuance of new investment certificates, issuance of bonds, establishment of additional investment limits, liquidation of the fund, merger of funds, or acquisition of the investment fund management by another company;</li> <li>reviewing voting instructions for meetings of shareholders, partners, bondholders, participants or investors of investment funds if the subject of such meetings is different than matters specified in the preceding point – upon request of the President of the Management Board or the Management Board Member supervising the Head Office's organizational unit that exercises corporate governance over the entity in question.</li> </ul>

## 8. Corporate governance statement

### 5) Cost Committee

Cost Committee	
Purpose	To coordinate efforts to reduce PZU's and PZU Życie's costs, in particular fixed costs of insurance business, in line with PZU Group strategy.
Tasks	<ul style="list-style-type: none"> <li>identifying areas of PZU's and PZU Życie's operations where cost reduction and savings can be achieved, in particular with regard to fixed costs;</li> <li>setting out the cost strategy by preparing guidelines for departments and organizational units;</li> <li>monitoring the level of costs in each area of PZU's and PZU Życie's operations;</li> <li>adopting a position on key cost reduction issues;</li> <li>cyclical monitoring of the effects of the cost optimization solutions as implemented and evaluating the achievement of goals set for the working teams;</li> <li>deciding whether to apply for special awards to members of working teams.</li> </ul>

### 6) Actuarial, Operational and Model Risk Committee

Actuarial, Operational and Model Risk Committee	
Scope	<p>Taking actions in the area of actuarial, operational and model risk (the latter applies to the models covered by the Model Risk Management Policy at PZU and PZU Życie) as regards:</p> <ul style="list-style-type: none"> <li>acceptable sizes of risks;</li> <li>risk management principles and methodologies;</li> <li>management activities in the risk monitoring process.</li> </ul>
Tasks	<ul style="list-style-type: none"> <li>reviewing draft internal rules, regulations or decisions submitted to the Management Board;</li> <li>approving the model validation plan;</li> <li>accepting model validation results and validation recommendations;</li> <li>approving key operational risk indicators;</li> <li>approving the operational risk self-assessment study report;</li> <li>issuing recommendations for the relevant departments and organizational units of PZU and PZU Życie regarding management activities in the following areas: model risk, significant operational risk incidents, actuarial risk, and return on actuarial risk capital;</li> <li>recommending relevant departments and organizational units of PZU and PZU Życie to take actions with regard to product profitability if it is below certain thresholds;</li> <li>approving key actuarial risk indicators;</li> <li>recommending reinsurance program assumptions to the Management Board;</li> <li>monitoring the implementation of the Management Board's decisions and the Committee's decisions regarding the scope of the Committee's activities, in particular through: <ul style="list-style-type: none"> <li>monitoring mitigation activities for operational risks which have been rated at increased or higher level in the self-assessment study,</li> <li>being informed about the results of operational risk scenario analyses and monitoring risk mitigation activities as planned;</li> <li>being informed about the return on actuarial risk capital (Return on Risk Capital Report),</li> <li>being informed about PZU's and PZU Życie's product profitability.</li> </ul> </li> </ul>

### 7) PZU Group's Risk Committee

PZU Group's Risk Committee	
Purpose	To coordinate activities and supervise the risk management system and processes present in PZU, PZU Życie and PZU Group, in particular at the level of the financial conglomerate of the PZU Group (hereinafter "financial conglomerate").
Tasks	<p>The scope of tasks:</p> <ul style="list-style-type: none"> <li>monitoring the level of capital adequacy of the PZU Group or its entities;</li> <li>supervising the risk management system of the PZU Group or its entities;</li> <li>supervising the management system and processes for the following risks: <ul style="list-style-type: none"> <li>actuarial risk,</li> <li>market risk,</li> <li>credit risk,</li> <li>operational risk, with a focus on IT and security risk,</li> <li>compliance risk,</li> <li>other risks that may affect the solvency or reputation of the PZU Group or its entities in terms of monitoring and assessing these risks as well as deciding whether they should be accepted or mitigated;</li> </ul> </li> <li>exercising supervision in the context of the PZU Group functioning as a financial conglomerate, in particular supervising: <ul style="list-style-type: none"> <li>capital adequacy of the financial conglomerate and the strategy in this respect;</li> <li>area of intragroup transactions;</li> <li>area of risk concentration in the financial conglomerate;</li> <li>area of risk management and internal control;</li> </ul> </li> <li>supervising the preparation of reports for regulatory authorities or other reports as stipulated by applicable laws and related to the scope of the Committee's tasks</li> </ul> <p>this supervision is exercised, in particular, through:</p> <ul style="list-style-type: none"> <li>providing the Management Board with opinions and recommendations on the risk strategies, policies and procedures;</li> <li>monitoring the size of risk appetite, and providing the Management Board with recommendations on the size of risk appetite, including on its changes;</li> <li>setting limits and recommending actions to mitigate risks;</li> <li>accepting quarterly risk reports;</li> <li>accepting the report on the intragroup transactions in the financial conglomerate before it is submitted to the regulatory authority;</li> <li>reviewing transactions and business initiatives that can affect the level of risk or solvency of the PZU Group or its entities;</li> <li>accepting the report on the significant risk concentration at the level of the financial conglomerate before it is submitted to the regulatory authority;</li> <li>Providing the Management Board with the opinion and recommendations on the following: <ul style="list-style-type: none"> <li>regulations ensuring the effectiveness of risk management and covering, in particular, necessary actions to be taken in regulated entities to measure, analyze and control risk at the financial conglomerate level,</li> <li>rules of conduct regarding the preparation and development of relevant recovery and restructuring plans and arrangements, as the need may be,</li> <li>capital adequacy procedures to determine and measure the risk level and identify the level of own funds or own resources appropriate for that risk,</li> <li>information and accounting procedures to effectively identify and control intragroup transactions in the financial conglomerate and cases of significant risk concentration,</li> <li>internal control procedures to ensure the effective acquisition and transmission of all data and information that may be relevant for the purposes of supplementary supervision,</li> <li>PZU Group's corrective measures plan;</li> </ul> </li> <li>reviewing corrective measures plans of the PZU Group's entities;</li> <li>accepting the ORSA report of the PZU Group, PZU and PZU Życie;</li> <li>accepting stress testing scenarios for purposes of ORSA or the PZU Group's corrective measures plan;</li> <li>accepting the capital adequacy report of the PZU Group, PZU and PZU Życie;</li> <li>monitoring and recommending the size of risk appetite (including its changes) for the PZU Group or its entities;</li> <li>reviewing action proposals in the area of capital management in the PZU Group or its entities;</li> <li>monitoring the risk level in the PZU Group's entities, taking into account stress tests and BION assessments;</li> <li>providing the PZU Group's entities with recommendations on risks and risk concentration.</li> </ul>

## 8. Corporate governance statement

### 8) Investment Risk Committee

	Investment Risk Committee
Scope	<p>Taking actions in the area of market risk, credit risk and concentrations regarding:</p> <ul style="list-style-type: none"> <li>• acceptable sizes of risks,</li> <li>• risk management principles and methodologies,</li> <li>• taking management actions in the process of risk management at the level of individual exposures, investment portfolios and financial insurance where the credit risk is present.</li> </ul>
Tasks	<ul style="list-style-type: none"> <li>• reviewing draft resolutions or communications to be submitted to the Management Board;</li> <li>• determining the distribution of the maximum allocation of the tolerance for the above risks among organizational structures and investment managing entities;</li> <li>• approving documents regarding risk management principles and methodologies;</li> <li>• deciding on the application of individual deviations from management principles and methodologies for the above risks;</li> <li>• establishing rules for cyclical reporting and monitoring of credit and market risks of each PZU's and PZU Życie's portfolios;</li> <li>• approving investment targets and guidelines or investment restrictions with regard to risk limits for PZU's and PZU Życie's organizational units and investment managing entities;</li> <li>• specifying credit limits and limits of concentration on a single entity or a group of entities above PLN 600 million;</li> <li>• setting limits and restrictions on exposure to each type of financial insurance;</li> <li>• setting limits on exposure to the portfolios of loans and credits granted to bank clients as a result of cooperation in the field of bank credit insurance;</li> <li>• setting limits on the concentration of exposures to countries, sectors or industries and other aggregate exposures;</li> <li>• monitoring the implementation of the Management Board's decisions and the Committee's decisions regarding the scope of the Committee's activities, in particular through endorsing reports on: <ul style="list-style-type: none"> <li>- risks of PZU's and PZU Życie's exposures to foreign countries and to sectors and industries,</li> <li>- risks of each PZU's and PZU Życie's investment portfolio,</li> <li>- financial insurance portfolios where the credit risk is present.</li> </ul> </li> </ul>

### 9) Sponsorship, Prevention and CSR Committee

	Sponsorship, Prevention and CSR Committee
Purpose	To ensure that PZU and PZU Życie properly conduct sponsorship, prevention and CSR activities, as well as to supervise these areas and ensure consistency of the activities
Tasks	<ul style="list-style-type: none"> <li>• processing applications for sponsorship or prevention actions in accordance with the PZU's i PZU Życie's Sponsorship or Prevention Rules and Regulations;</li> <li>• specifying the substantive unit whose budget is used for a sponsorship or prevention action in question;</li> <li>• accepting reports on sponsorship or prevention actions completed in a given year by PZU and PZU Życie;</li> <li>• monitoring sponsorship and prevention actions, in particular those of the value equal to and exceeding PLN 1,000,000 gross separately for PZU or PZU Życie;</li> <li>• deciding whether to deviate from the rules set forth in the Sponsorship or Prevention Rules and Regulations;</li> <li>• laying down detailed rules and guidelines for the performance of prevention actions;</li> <li>• setting out a model prevention clause to be applied in the insurance offering and accepting a prevention clause that deviates from the model one;</li> <li>• supervising the performance of CSR tasks.</li> </ul>

### 10) Property Sales Committee

	Property Sales Committee
Purpose	To ensure proper implementation of the sales process of real property of PZU and PZU Życie.
Tasks	<ul style="list-style-type: none"> <li>• to issue recommendations and take decisions regarding the sale of real property within the scope provided for in the "Sales process of real property" adopted under a resolution of the Management Board;</li> <li>• to take other decisions connected with the real property sales process.</li> </ul>

### 11) Procurement Committee

	Procurement Committee
Purpose	To facilitate the goods and services supplier selection procedure and monitor cooperation with suppliers following the PZU Group's strategy.
Tasks	<ul style="list-style-type: none"> <li>• to take decisions regarding handling procurement demands or the final shape of the description of the subject matter of the procurement, upon the request of the Purchasing Department, in the event that such description may not be agreed upon between the Purchasing Department and the ordering unit or project;</li> <li>• to recommend additional activities or provide additional information by the ordering unit, project of the Purchasing Department, within the specified time limit, provided that such activities are required to take the decision on the final form of the demand;</li> <li>• to decide whether to initiate the renegotiation process regarding terms and conditions of a contract which is in force at that time or whether to terminate a contract, upon a justified request of the Purchasing Department, in the absence of an agreement between the Purchasing Department and a business owner of a given matter;</li> <li>• to control certain purchasing projects implemented without the Purchasing Department, or to order the Purchasing Department to conduct such a control;</li> <li>• to decide not to invite a tenderer to join the purchasing procedure, or to suspend or limit cooperation with a supplier;</li> <li>• to decide to exclude a tenderer in the course of the process of selecting suppliers in the event referred to in the Goods and Services Supplier Selection Procedure or the Goods and Services Supplier Selection Procedure under the New Procurement Model.</li> </ul>

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### 12) Asset and Liability Management Committee

	Asset and Liability Management Committee
Tasks	<ul style="list-style-type: none"> <li>to issue opinions on decisions regarding the strategic structure of deposits to ensure that PZU and PZU Życie have an appropriate level of security, financial liquidity, profitability and investment portfolio quality, and to provide recommendations for management boards or organizational structures of PZU and PZU Życie, including:               <ul style="list-style-type: none"> <li>issuing opinions on and recommending an investment strategy,</li> <li>recommending levels of technical rates,</li> <li>recommending actions aimed at increasing own funds or securing liquidity;</li> </ul> </li> <li>taking decisions on:               <ul style="list-style-type: none"> <li>principles of managing the Company's financial liquidity,</li> <li>investment objectives and guidelines or investment limits and benchmarks for organizational units of PZU and PZU Życie and entities managing deposits within the PZU Group,</li> <li>matching assets to liabilities and the binding asset structure,</li> <li>regulations on sustainable development in terms of investment activities,</li> </ul>               including:               <ul style="list-style-type: none"> <li>approving model asset allocation for a given year and deviation limits under the investment strategy approved by the Management Board,</li> <li>approving investment objectives and guidelines or investment limits and benchmarks of organizational structures of PZU and PZU Życie and entities managing deposits,</li> <li>imposing limitations on decisions taken by the Management Board member supervising the Investment Division,</li> <li>approving methodologies, rules or policies pertaining to liquidity management,</li> <li>approving rules for matching assets to liabilities, and methodologies for matching assets to liabilities,</li> <li>approving methodologies and rules or politics pertaining to sustainable development in terms of investment activities.</li> </ul> </li> </ul>

### 13) Initiatives Management Committee

	Initiatives Management Committee
Purpose	To supervise and determine directions of action in terms of managing initiatives within the PZU and PZU Życie.
Tasks	<p>In particular:</p> <ul style="list-style-type: none"> <li>approving the distribution of the budget allocated for projects in the main business areas;</li> <li>approving the allocation of IT capacity, allocated for the implementation of Initiatives for a given fiscal year, for project activities and ongoing operations of PZU and PZU Życie, taking into consideration dedicate areas and Business Architect Councils (BAC – teams determining priorities of operations, who implement initiatives within dedicated areas and allocated IT capacity);</li> </ul> <p>Other tasks:</p> <ul style="list-style-type: none"> <li>approving rules for initiative prioritization;</li> <li>approving rules for cooperation within IT capacity management;</li> <li>prioritization of implemented projects and taking deciding on IT capacity allocation in terms of the determined priorities;</li> <li>taking directed decisions related to IT capacity and division of IT capacity within the ongoing operations of PZU and PZU Życie;</li> </ul>

	Initiatives Management Committee
	<ul style="list-style-type: none"> <li>taking directed decisions related to amending the budget distribution allocated to projects;</li> <li>deciding on the creation, change and liquidation of dedicated areas and BACs together with their allocated IT capacity;</li> <li>taking directed decision on the implementation of new projects – in the event that this implementation impacts the adopted IT capacity distribution, time schedule of the initiative or the adopted project budget distribution;</li> <li>receiving information on the use of the budget allocated for projects and taking directed decisions in this regard;</li> <li>receiving information on the use of IT capacity allocated for initiatives in a given financial year.</li> </ul>

### 14) Crisis Management Team

	Crisis Management Team
Purpose	<ul style="list-style-type: none"> <li>to supervise the operation of the business continuity management system of PZU and PZU Życie;</li> <li>to manage the crisis situation at PZU and PZU Życie</li> </ul>
Tasks	<p>The tasks within the supervision of the business continuity management system:</p> <ul style="list-style-type: none"> <li>ongoing supervision over the business continuity management system at PZU and PZU Życie, and issuing recommendations pertaining to tasks and directions of development in this regard;</li> <li>accepting tasks and directions for development of the business continuity management system during regular meetings of the Team, or in the circulation mode by way of a written decision of acceptance provided by e-mail by Team members.</li> </ul> <p>Tasks within crisis management:</p> <ul style="list-style-type: none"> <li>assessing, analyzing and forecasting results of occurring events, in particular financial losses, non-financial losses or the impact on the operation of PZU and PZU Życie;</li> <li>monitoring the external and internal environment of PZU and PZU Życie, taking decisions to manage the crisis situation, and supervising and coordinating works related to implementation of such decisions;</li> <li>ensuring resources and funds, including financial ones, to implemented the developed solutions;</li> <li>cooperating or providing assistance in measures aimed at limiting consequences of undesirable events in other PZU Group entities, having consulted their managing bodies;</li> <li>maintaining ongoing communication within PZU and PZU Życie, including the Management Board, other PZU Group entities, and the PZU Group spokesperson, in terms of external information campaigns.</li> </ul>

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Below are represented functions discharged by Management Board Members and PZU Group Directors in standing committees as at the end of 2022.

Name	Contribution to the work of the committees (as at 31 December 2022)
Beata Kozłowska-Chyła President of the PZU Management Board	Head of the Crisis Management Team Committee Deputy Chair: PZU Group's Risk Committee Committee Member: Investment Risk Committee, Initiatives Management Committee
Aleksandra Agatowska President of the PZU Życie Management Board / PZU Group Director at PZU	Deputy Head of the Crisis Management Team Committee Member: PZU Group's Risk Committee, Investment Risk Committee, Asset and Liability Management Committee, Initiatives Management Committee
Ernest Bejda Member of the PZU Management Board / Member of the PZU Życie Management Board	Member of the Crisis Management Team for Security Committee Chair: Procurement Committee Committee Deputy Chair: Actuarial, Operational and Model Risk Committee Committee Member: Data Governance Committee, Investment Committee, PZU Group's Risk Committee, Investment Risk Committee, Sponsorship, Prevention and CSR Committee, Property Sales Committee, Asset and Liability Management Committee, Initiatives Management Committee
Małgorzata Kot Member of the PZU Management Board / Member of the PZU Życie Management Board	Committee Member: PZU Pricing Committee, Procurement Committee, Initiatives Management Committee
Krzysztof Kozłowski Member of the PZU Management Board / PZU Group Director in PZU Życie	Member of the Crisis Management Team for Corporate and Administration Committee Member: Innovations Committee, PZU Group's Risk Committee, Investment Risk Committee, Initiatives Management Committee
Tomasz Kulik Member of the PZU Management Board / Member of the PZU Życie Management Board	Member of the Crisis Management Team for Finance Committee Chair: Data Governance Committee, Cost Committee, Asset and Liability Management Committee Committee Deputy Chair: PZU Pricing Committee, Investment Committee, Procurement Committee Committee Member: Actuarial, Operational and Model Risk Committee, PZU Group's Risk Committee, PZU Group's Risk Committee, Investment Risk Committee, Property Sales Committee, Initiatives Management Committee
Piotr Nowak Member of the PZU Management Board / PZU Group Director in PZU Życie	Member of the Crisis Management Team for IT Committee Chair: Innovations Committee, Innovations Committee, Initiatives Management Committee Committee Deputy Chair: Data Governance Committee, Investment Risk Committee, Asset and Liability Management Committee Committee Member: Actuarial, Operational and Model Risk Committee, PZU Group's Risk Committee, Procurement Committee
Maciej Rapkiewicz Member of the PZU Management Board / Member of the PZU Życie Management Board	Committee Chair: Actuarial, Operational and Model Risk Committee, PZU Group's Risk Committee, Investment Risk Committee Committee Member: Data Governance Committee, Investment Committee, Asset and Liability Management Committee

Name	Contribution to the work of the committees (as at 31 December 2022)
Małgorzata Sadurska Member of the PZU Management Board / PZU Group Director in PZU Życie	Member of the Crisis Management Team for Contacts with Strategic Partners Committee Member: PZU Pricing Committee, Data Governance Committee, Investment Committee, Actuarial, Operational and Model Risk Committee, PZU Group's Risk Committee, Investment Risk Committee, PZU Group's Risk Committee, Investment Risk Committee
Krzysztof Szypuła Member of the PZU Życie Management Board / PZU Group Director at PZU	Committee Chair: PZU Pricing Committee Committee Member: Data Governance Committee, Innovations Committee, Actuarial, Operational and Model Risk Committee, Asset and Liability Management Committee, Initiatives Management Committee
Andrzej Jaworski Member of the PZU Życie Management Board / PZU Group Director in PZU	-
Bartłomiej Litwińczuk Member of the PZU Życie Management Board / PZU Group Director in PZU	Member of the Crisis Management Team for Legal and HR Committee Member: Actuarial, Operational and Model Risk Committee, PZU Group's Risk Committee
Dorota Macieja Member of the PZU Życie Management Board / PZU Group Director in PZU	Crisis Management Team for Real Property Committee Chair: Property Sales Committee

### 8.9. Policy of compensation of supervisory and management bodies

The compensation policy implemented by PZU supports attainment of short-term and long-term goals specified in the PZU Group strategy both in term of achieving financial objectives and the Company's contribution to sustainable development. Transparent, fair, consistent and non-discriminatory compensation practices help to motivate and retain members of supervisory and management bodies, senior management and key employees.

#### Determination process

- The Shareholder Meeting of PZU decides by way of resolutions on the policy of compensating PZU Supervisory Board and PZU Management Board members.
- The PZU Supervisory Board takes into account recommendations of the Nomination and Compensation Committee to determine the compensation rules, and compensations of the PZU Management Board members, including its President. The compensation is related to the implementation of objectives determined under the PZU Group strategy, thereby it contributes to the attainment of the Company's long-term goals.
- The PZU Management Board determines the rules of compensating PZU Group Directors who are at the same time members of the PZU Życie Management Board as well

as the policy for compensating senior management and other employees.

#### Supervisory Board compensation

As at 31 December 2022, PZU followed the Policy for Compensating PZU Management Board and Supervisory Board Members adopted on 26 May 2020 under a resolution of the Shareholder Meeting no. 36/2020. The monthly compensation of Supervisory Board Members was set in Resolution No. 5/2017 adopted by PZU's Extraordinary Shareholder Meeting on 8 February 2017 on the rules for setting the compensation of the Supervisory Board Members, as amended by Resolution No. 37/2019 adopted by PZU's Ordinary Shareholder Meeting on 24 May 2019.

#### Compensation rules

The monthly compensation of Supervisory Board members was determined as the product of the base amount referred to in Article 1(3)(11) of the Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Some Companies (i.e. average monthly compensation in the corporate sector without distributions of bonuses from profit in Q4 of the previous year, announced by the President of Statistics Poland (GUS)), and the following multiplier of 2.75.

The monthly compensation set this way is increased for:

- The Supervisory Board Chairperson by 10%,

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- The Supervisory Board Deputy Chairperson by 9%,
- The Supervisory Board Secretary by 8%,
- The Chairpersons of Supervisory Board committees by 9%, while the additional compensation does not add up.

### Amount of compensation

The table below shows compensation or non-cash benefits paid or transferred in 2020 or 2019 to the current and former Supervisory Board Members.

Compensation and other short-term employee benefits paid by PZU (PLN 000s)	1 January – 31 December 2021	1 January – 31 December 2022
<b>Supervisory Board</b>	<b>2,134</b>	<b>2,381</b>
Robert Jastrzębski	203	224
Paweł Górecki	203	224
Robert Śnitko	203	224
Marcin Chłudziński	187	205
Agata Górnicka	187	205
Elżbieta Mączyńska-Ziemacka	187	205
Krzysztof Opolski	203	224
Radosław Sierpiński	41	241 <sup>1)</sup>
Piotr Wachowiak	n/a	68
Józef Wierzbowski	187	205
Maciej Zaborowski	187	205
Paweł Mucha	112	151
Maciej Łopiński	89	n/a
Tomasz Kuczur	145	n/a

1) including PLN 36 thousand for serving as a member of the Scientific Council at PZU Health

### Composition of the Management Board

The rules for compensating Management Board members are shaped by the Supervisory Board in accordance with Resolution No. 4 adopted by PZU's Extraordinary Shareholder Meeting on 8 February 2017 on the rules for setting the compensation of the Management Board members (as amended), Resolution No. 36 adopted by PZU's Ordinary Shareholder Meeting on 26 May 2020 on the "Compensation policy for the PZU SA Management Board and Supervisory Board Members" and the requirements set forth in the Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Some Companies.

### Compensation rules

The total compensation due to a Management Board member for rendering management services and discharging other obligations ensuing from the Management Services Provision Agreement concluded for the term of serving in the Company's Management Board consists of the following:

- fixed compensation – flat monthly base compensation (for a calendar month) that is within the range of seven times to fifteen times the basis of assessment (i.e. average monthly compensation in the corporate sector without distributions of bonuses from profit in Q4 of the previous year, announced by the President of Statistics Poland (GUS)), referred to in Article 1(3)(11) of the Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Certain Companies;
- variable compensation – supplementary compensation for a given financial year depending on the extent to which management objectives, determined every year by the Supervisory Board, from the catalog which comprises, among others, improvement of economic and financial indicators or taking actions which consider social interests, including those which allow the Company to contribute to environmental protection.

The variable compensation is due when:

- the Supervisory Board determines that all conditions for granting the variable compensation have been satisfied;
- the Shareholder Meeting approves the PZU Activity Report and the financial statements for the previous financial year;
- the Shareholder Meeting grants discharge for the completion of obligations.

The variable compensation for a given financial year may not exceed 100% of the annual fixed compensation from the previous year for the calculations of the due variable compensation are made. The amount of 40% of variable compensation is granted as deferred variable compensation. Deferred variable compensation is paid for the period of

three consecutive years. With expiration of 12, 24 and 36 months from the date it was granted, a Management Board member may acquire the right to 1/3 of the portion of deferred variable compensation for a given financial year, provided that during this period no circumstances arise that prove that the conditions for payment of a given portion of variable compensation have not been satisfied.

PZU has the right to a claim for reimbursement (either in full or in the relevant part) of the variable compensation paid if, after its payment, it is shown that (either in full or in the relevant part, respectively) it was granted to a Management Board member on the basis of data that proved untrue.

In the event that an agreement with a Management Board member is dissolved or terminated for reasons other than violation of the basic obligations, the Management Board member may also be awarded severance pay of not more than three times the fixed compensation, provided that the member held their function for at least 12 months prior to agreement termination. The severance pay is not due to a Management Board member in the event that after agreement termination that person continues to perform or assumes the function of Management Board member of a company within the PZU Group.

The Supervisory Board may also award by way of agreement with a Management Board member the right to the same benefits as those due to employees, in particular, supplementary retirement and disability or early retirement plans.

### Management objectives for 2022

The management objectives for 2022 were determined by the Supervisory Board taking into consideration strategic objectives and indicators of their performance specified in the PZU Group Strategy for 2021-2024, and they comprise:

- improvement of economic and financial indicators, such as the PZU Group financial result attributable to the parent company, return on equity (ROE);
- taking measures which account for social interests, including those which allow the Company to contribute to environmental protection;
- increase in the PZU Group value determined as the level of implementation of key measures of the PZU Group Strategy, presenting the value of PZU Group, for instance the net financial result of the banking segment attributable to the PZU Group, operating margin of group insurance and individually continued insurance.

### Compensation of PZU Group Directors

The rules for compensating PZU Group Directors are determined by the PZU Management Board by way of

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resolutions which take into account the provisions of the Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Some Companies. The total compensation due to PZU Group Directors is composed of the fixed compensation and variable compensation, determined using the same rules as those described for PZU Management Board members.

The Management Services Provision Agreements entered into with Management Board members and PZU Group Directors regulate their term of notice and issues related to refraining from engaging in competitive activity to the PZU's during their term of validity after their termination in consideration

for damages. They do not provide for damages in the event Management Board Members (PZU Group Directors) resign or are dismissed from their position without a valid reason except for severance pay distributed after the fulfillment of contractual prerequisites which include dismissal or release on account of the issuer undergoing a merger by way of acquisition.

### Amount of compensation

The table below shows compensation or non-cash benefits paid or transferred in 2020 or 2019 to the current and former PZU Supervisory Board Members and PZU Group Directors.

Compensation and other short-term employee benefits paid by PZU (PLN 000s)	1 January – 31 December 2021		1 January – 31 December 2022	
		including part of variable compensation for 2017-2020		including part of variable compensation for 2017-2021
<b>Management Board</b>	<b>14,332</b>	<b>5,849</b>	<b>15,462</b>	<b>7,084</b>
Beata Kozłowska-Chyła	1,479	465	1,823	712
Ernest Bejda	1,350	370	1,744	670
Małgorzata Kot	1,153	173	1,701	626
Krzysztof Kozłowski	405	-	1,317	243
Tomasz Kulik	1,788	808	2,036	962
Piotr Nowak	n/a	n/a	731	-
Maciej Rapkiewicz	1,788	808	2,036	962
Małgorzata Sadurska	1,801	822	2,050	976
Krzysztof Szypuła	1,153	173	717	626
Marcin Eckert	1,316 <sup>1)</sup>	645	466	466
Aleksandra Agatowska	94	94	38	38
Adam Brzozowski	711 <sup>2)</sup>	454	154	154
Elżbieta Häuser – Schöneich	711 <sup>3)</sup>	454	154	154
Roger Hodgkiss	179	179	179	179
Paweł Surówka	404	404	316	316
<b>High-level managers (PZU Group Directors)</b>	<b>2,370</b>	<b>1,180</b>	<b>3,288</b>	<b>1,286</b>
Aleksandra Agatowska	673	267	799	354

Compensation and other short-term employee benefits paid by PZU (PLN 000s)	1 January – 31 December 2021		1 January – 31 December 2022	
		including part of variable compensation for 2017-2020		including part of variable compensation for 2017-2021
Andrzej Jaworski	n/a	n/a	308	-
Bartłomiej Litwińczuk	705	313	804	375
Dorota Macieja	705	313	804	375
Małgorzata Kot	90	90	20	20
Krzysztof Szypuła	n/a	n/a	391	-
Roman Pałac	138	138	103	103
Tomasz Karusewicz	59	59	59	59

1) Including a severance pay of PLN 246 thousand.

2) Including a non-competition fee of PLN 257 thousand.

3) Including a non-competition fee of PLN 257 thousand.

Compensation and other short-term employee benefits paid by other PZU Group entities (PLN 000s)	1 January – 31 December 2021		1 January – 31 December 2022	
		including part of variable compensation for 2017-2020		including part of variable compensation for 2017-2021
<b>Management Board, of which:</b>	<b>119</b>	<b>119</b>	<b>27</b>	<b>27</b>
Małgorzata Kot	119	119	27	27
<b>High-level managers (PZU Group Directors), including:</b>	<b>3,325</b>	<b>1,540</b>	<b>4,897</b>	<b>1,892</b>
Aleksandra Agatowska	980	370	1,194	527
Andrzej Jaworski	n/a	n/a	462	-
Bartłomiej Litwińczuk	1,024	437	1,203	558
Dorota Macieja	1,024	437	1,203	558
Krzysztof Szypuła	n/a	n/a	586	-
Roman Pałac	205	204	157	157
Tomasz Karusewicz	92	92	92	92

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Total estimated value of non-cash benefits granted by PZU and PZU's subsidiaries (PLN 000s)	1 January – 31 December 2021	1 January – 31 December 2022
<b>Management Board, of which:</b>	<b>1,482</b>	<b>1,785</b>
Beata Kozłowska-Chyła	218	265
Ernest Bejda	155	193
Małgorzata Kot	189	224
Krzysztof Kozłowski	44	189
Tomasz Kulik	178	273
Piotr Nowak	n/a.	110
Maciej Rapkiewicz	185	211
Małgorzata Sadurska	217	312
Krzysztof Szypuła	136	8
Marcin Eckert	160	n/a.
<b>High-level managers (PZU Group Directors), including:</b>	<b>587</b>	<b>942</b>
Aleksandra Agatowska	214	270
Andrzej Jaworski	n/a.	74
Bartłomiej Litwińczuk	185	238
Dorota Macieja	173	200
Krzysztof Szypuła	n/a.	160
Tomasz Karusewicz	15 <sup>1)</sup>	n/a.

1) Benefits brought forward from PZU and PZU Życie.

In 2022, PZU Management Board Members were paid part of the benefits for 2017–2021 under the variable compensation system. The payout of the remaining part of the bonus for 2019–2022 may be made in subsequent periods. For these benefits, the PZU Group has a liability with the total amount of PLN 19,948 thousand as of 31 December 2022 (including the employer's burdens, as of 31 December 2021: PLN 17,897 thousand).

In 2022, the PZU Group companies subject to consolidation did not grant any loans or similar benefits to members of their management boards, higher level managers or members of their supervisory boards.

PZU does not have any pension liabilities or similar benefits to former managers and supervisors or former members of its administrative authorities, or liabilities taken out in connection with these benefits.

### 8.10. Diversity policy

PZU employs best practices promulgating diversity and it cares about equal treatment for employees.

PZU confirmed its readiness to follow the diversity policy already in 2013 by joining the signatories of the Charter of Diversity – an international initiative under the patronage of the European Commission.

In 2021, the PZU Group adopted the Human Rights Policy, in which one of the main goals is to build an organization that supports diversity. Respecting human rights is assigned special significance in the pursued organizational culture policy. This involves counteracting mobbing and discrimination, offering equal opportunities to all employees regardless of their professional position in the PZU Group, sex, age, disability, race, religion, nationality, political convictions, union membership, ethnic origin, ethnic origin, denomination, sexual orientation, form of employment – for a specified or unspecified term, on a full-time or part-time basis while simultaneously respecting the right of assembly and the right to strike.

Respecting individuality, equal treatment and prevention of discrimination are supported by the adopted procedures and undertaken initiatives:

- preventing mobbing and discrimination is supported by the Procedure for preventing undesirable conduct in the work environment – mobbing and discrimination, which provides for appointing an anti-mobbing and anti-discrimination commission to verify reports of inappropriate behavior having the features of mobbing or discrimination;

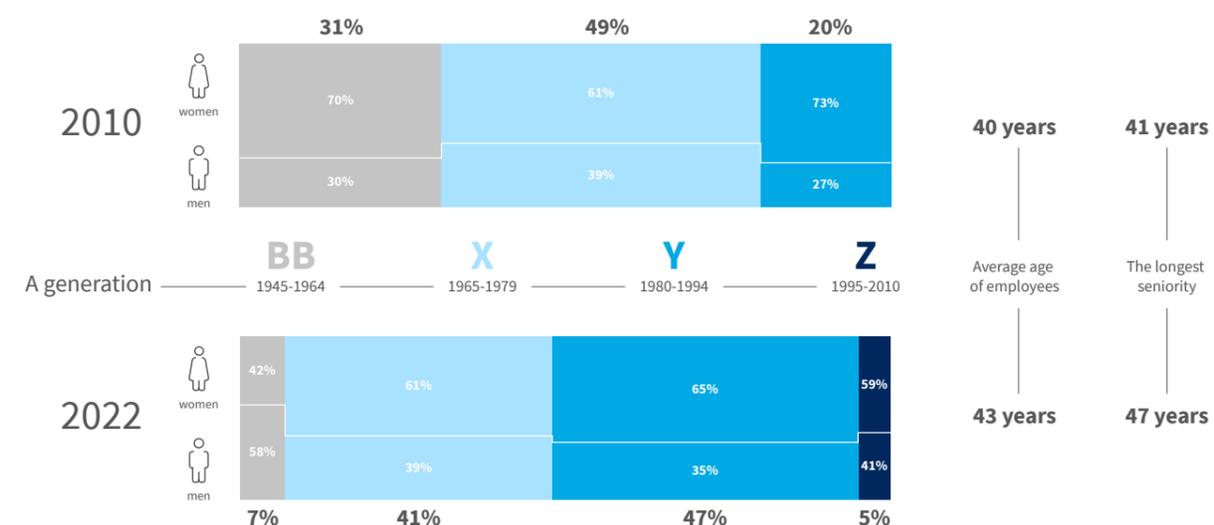
- ensuring equal treatment in employment opportunities and counteracting discrimination – support is given by the “Report an Incident” procedure enabling employees to report breaches through the intranet platform.

Starting in December 2020, all employees have to undergo a new e-learning training course entitled “Counteracting mobbing and discrimination in the workplace”. In addition to mobbing-related issues, the training provides information on prevention of discrimination and equal treatment in employment opportunities.

Issues pertaining to the psychological working environment are also covered as part of regular occupational safety and health training offered to employees, including managers.

PZU provides its employees equal opportunities for development to enhance their skills, being promoted and compensation, while having regard for employees' individual potential, their accomplishments and work performance. Principles supporting diversity and equal treatment span all career stages in the company, starting from the recruitment process to the duration of the employment relationship (employment terms, access to training and development, opportunities to be promoted) to the termination of cooperation.

PZU is set to develop competences in the effective use of the potential brought to the organization by its diverse teams. It is just one of a number of initiatives aimed at supporting diversified growth and building an inspiring and accountable workplace (#potential\_within\_teams). Diversity applies not only to gender, age or origin, but also to individual styles of action, communication and work. Since 2021, a diversity management module is an important element of the training for all newly appointed PZU managers. The e-learning course



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“Collaboration in Diversity” is available for all employees, the purpose of which is to improve the participants’ understanding of interpersonal differences, especially between generations, in order to be able to engage in effective collaboration within diverse teams.

Respecting the personal dignity of employees is an important aspect of organizational culture.

“Best Practices of the PZU Group”, which are a code of ethics for all employees, promote mutual respect, cooperation and equal treatment, taking into account diversity of roles, character and personality traits.

### Diversity policy applied to the Management Board and the Supervisory Board

PZU is a company in which the State Treasury has a shareholding. Accordingly, the persons who sit in its managing bodies are selected in accordance with the statutory regulations applicable to these types of entities.

As regards qualifications and requirements for those occupying positions in management and supervisory bodies, PZU in particular takes into account the statutory criteria for education and professional experience adequate to the functions discharged on such positions in the entity conducting insurance activity. They are defined in the provisions of the Commercial Company Code of 15 September 2000, the Insurance and Reinsurance Activity Act of 11 September 2015 and the State Property Management Act of 16 December 2016. The Company adopted the Diversity Policy

applied to members of PZU bodies under the resolution of the PZU’s Shareholder Meeting of 29 June 2022. The purpose of the Policy is to strive to ensure high-quality implementation of the tasks by the Company by appointing competent members to PZU bodies, taking into account diversity of the compositions of its corporate bodies in terms of sex, age, profile of education, specialist knowledge and professional experience. By implementing the diversity strategy, PZU is widening its scope to conducting the Company’s operations, both in organizational and business terms, creating innovative, varied, integration and fair working environment. The implementation of the Policy helps it to satisfy the requirements of the “Best Practices of WSE Listed Companies”.

Management Board and Supervisory Board Members are selected for the new term of office in compliance with the principles of equal access of men and women to positions in the company’s statutory bodies. The composition of the PZU Management Board and Supervisory Board also addresses the need of age diversification among their Members.

In Q2 2023, the Nomination and Compensation Committee will conduct the annual Policy review. Its results, consulted with the Management Board and the Supervisory Board, will be presented to the Shareholder Meeting until 30 June 2023.

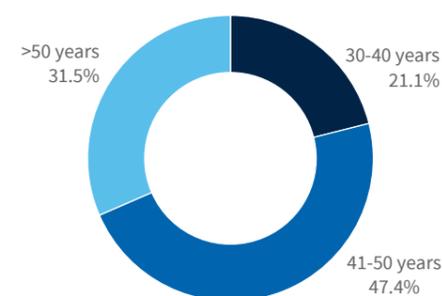
In 2022, the Supervisory Board and the Management Board of PZU were composed of people of different ages and sexes, with various educational profiles and experience. The level of diversity as at 31 December 2022 is presented in the tables below.

### Age and sex

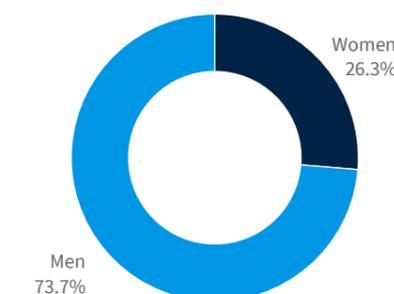
Supervisory Board								
	31 December 2021				31 December 2022			
	number of people		%		number of people		%	
	women	men	women	men	women	men	women	men
< 30 years of age	0	0	0%	0%	0	0	0%	0%
30 – 40 years of age	1	3	9%	27%	1	2	9%	18%
41 – 50 years of age	0	3	0%	27%	0	3	0%	27%
> 50 years of age	1	3	9%	27%	1	4	9%	36%
Total number per sex	2	9	18%	82%	2	9	18%	82%

Management Board								
	31 December 2021				31 December 2022			
	number of people		%		number of people		%	
	women	men	women	men	women	men	women	men
< 30 years of age	0	0	0%	0%	0	0	0%	0%
30 – 40 years of age	0	1	0.0%	12.5%	0	1	0.0%	12.5%
41 – 50 years of age	2	3	25.0%	37.5%	2	4	25.0%	50.0%
> 50 years of age	1	1	12.5%	1.5%	1	0	12.5%	0%
Total number per sex	3	5	37.5%	62.5%	3	5	37.5%	62.5%

Age of the supervisory and management staff as at 31 Dec 2022



Sex of the supervisory and management staff 31 Dec 2022



### Education and specialist knowledge

Education and specialist knowledge					
Education	Insurance, banking, finance	Management and marketing	Law	Economics	Other
Supervisory Board [number of people]	-	-	3	4	4
Management Board [number of people]	3	1	4	-	-

Certificates / academic titles and degrees *	MBA	EMBA	ACCA	CQF	prof.	Ph.D. Hab.	Ph.D.
Supervisory Board	1	1	-	-	2	5	2
Management Board	2	2	1	1	-	1	1

\*) MBA – Master of Business Administration, EMBA – Executive MBA, ACCA – Association of Chartered Certified Accountants, CQF – Certificate in Quantitative Finance, prof. – professor, Ph.D. Hab. – postdoctoral fellow, Ph.D. – doctor

INSURANCE | HEALTH | INVESTMENTS | BANKING



## 8. Corporate governance statement

### Professional experience

Years in service at PZU bodies			
Years in service	< 3 years	3-6 years	> 6 years
Supervisory Board [number of people]	3	6	2
Management Board [number of people]	5	1	2

Professional of PZU Management Board members in the financial sector before being appointed to the PZU MB				
Years in service	< 7 years	7-14 years	15-22 years	> 22 years
Number of people	3	2	2	1

Professional of PZU Supervisory Board members in the financial sector (excluding the PZU SB)			
Years in service	< 3 years	3-6 years	> 6 years
Number of people with the experience in financial sector companies	2	1	2

### 8.11. Management of a conflict of interest

#### Conflict of interest

In its operations, PZU avoids conflicts of interest which is understood as situations in which there is or may be a discrepancy between the legal, financial or other legally protected interest between:

- PZU or a person affiliated with PZU (i.e. Management Board member, PZU employee, entity providing services to PZU) and the client;
- person affiliated with PZU and PZU.

To this end, “Rules for managing conflicts of interest” are in force in PZU. This regulation aims to ensure professional, reliable and fair treatment of all clients and persons related to the company in a conflict of interest situation. According to this regulation an employee should report a potential conflict of interest to his or her boss and the compliance unit in a given company for that unit to be able to analyze that situation thoroughly from the standpoint of risk. When a potential or actual conflict of interest is identified, mitigating mechanisms are used to eliminate or reduce the conflict of interest and counteract its negative effects. There is also a conflict of interest register. PZU limits the possibility of a conflict of

interest arising and counteracts its consequences, especially by:

- informing clients using financial instruments about the adopted regulations on managing conflicts of interest;
- acting in the interest of the client and promoting fair and professional conduct among persons affiliated with PZU, who participate in the honest product life cycle;
- limiting the scope of persons with access to certain information and resources;
- enforcing persons affiliated with PZU to comply with restrictions on accepting and giving gifts in business relationships;
- limiting the possibility to represent PZU interests by employees who are affiliated with persons in business relations with PZU;
- limiting and monitoring the implementation by employees and Management Board members, in particular those responsible for investment activities, of certain transactions entered into on their own account, in particular by prohibiting transactions involving the disclosure or use of information on financial instruments that violate generally applicable laws;
- entering into non-competition agreements with employees with access to material, protected information on PZU.

To mitigate the risk of conflicts of interest, members of PZU bodies are obligated to:

- avoid activities that may give rise to conflicts of interest;
- take necessary measures to identify conflicts of interest;
- obtain approval (from the Management Board or the Supervisory Board or the Shareholder Meeting, as appropriate) for membership on the supervisory or management boards of public companies other than PZU Group companies, and entities whose operations may potentially be deemed as competitive;
- strive to eliminate or reduce the negative impact of conflicts of interest on the operation of the PZU Group company and its relations with the remaining PZU Group companies, clients and other external entities;
- inform (the Management Board or the Supervisory Board or the Shareholder Meeting, as appropriate) of a conflict of interest or the possibility of a conflict of interest, and to refrain from taking part in discussions and voting on a matter in which a conflict of interest has arisen;
- to inform the compliance unit of the possibility of a conflict of interest and the measures taken.

Issues of possible conflict of interest for members of the Management Board and the Supervisory Board are also reviewed as part of an assessment of suitability prior to appointment to these bodies and as part of regular secondary assessment of suitability. An annual analysis of additional actions taken by members of corporate bodies is also carried out.

#### Rules for acceptance and giving of gifts

The rules in PZU regulate in transparent and very detailed terms the categories and types of gifts, including permissible and impermissible gifts, and they prescribe the procedure for accepting or offering gifts and the rules for registering gifts. These rules are in force regardless of the position held or function discharged in the company.

#### Training

Topics concerning conflicts of interest, potentially risky situations and the rules of conduct if they are detected, are part of the e-learning training course on compliance. Such training is obligatory for every new employee and also available for all PZU employees. These topics are also discussed during on-boarding training courses for newly-hired employees. Furthermore, employees submit declarations on adhering to the “Rules for Managing Conflicts of Interest”.

Compliance-related issues are regularly described in the Compliance Bulletin. Employees receive it quarterly by e-mail or in printed form. The Compliance Bulletin plays an educational role – it enriches the knowledge gained during training sessions thanks to the readily understandable manner of presenting information (in the form of tables and figures).