

Warsaw, 2 June 2016

Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

Motion

to the Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

on the distribution of net profit of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the financial year ended 31 December 2015

Content:

1. Pursuant to Article 395 § 2 Item 2 of the Commercial Companies Code and § 18 item 2 of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, a motion is hereby submitted to the Ordinary Shareholder Meeting of PZU SA to distribute the net profit earned by PZU SA in the financial year ended 31 December 2015 of PLN 2,248,522,454.29 (two billion two hundred forty eight million five hundred twenty two thousand four hundred fifty four Polish zloty and 29 grosz) as follows:
 - 1) allocate PLN 1,796,127,840.00 (one billion seven hundred ninety-six million one hundred twenty-seven thousand eight hundred forty Polish zloty and 00 grosz), i.e. PLN 2.08 (two Polish zloty and 08 grosz) per share to the payment of a dividend;
 - 2) allocate PLN 442,394,614.29 (four hundred forty-two million three hundred ninety-four thousand six hundred fourteen Polish zloty and 29 grosz) to supplementary capital;
 - 3) allocate PLN 10,000,000.00 (ten million Polish zloty) to the Company Social Benefits Fund (ZFŚS).
2. It is requested that the record date be set at 30 September 2016.

Justification:

The PZU SA Management Board proposes the payment of a dividend of PLN 1,796,127,840.00 (one billion seven hundred ninety six million one hundred twenty seven thousand eight hundred forty Polish zloty and 00 grosz) representing approx. 80% of PZU SA's standalone net profit (according to Polish Accounting Standards).

The dividend per share will be PLN 2.08.

KNF's recommendations for the distribution of the financial result for 2015

In connection with KNF's stance regarding the dividend policy of insurance companies, pension fund companies, brokerage houses and investment fund companies dated 1 December 2015, a pertinent analysis has been carried out to conclude that all conditions to pay out the dividend in the amount of 100% of the profit generated in 2015 are satisfied.

This PZU SA Management Board motion on the distribution of PZU SA's net profit for the financial year ended 31 December 2015 is consistent with the said recommendation issued by the Chairman of the Polish Financial Supervision Authority in that the proposed dividend in the amount of PLN 1,796 million is equal to approx. 80% of PZU SA's standalone net profit (according to Polish Accounting Standards), the amount of PLN 10 million will be designated as a charge for the Company Social Benefit Fund and the remaining part of the profit (i.e. approx. PLN 442 million) will be designated for supplementary capital.

Capital and dividend policy of the PZU Group for 2013-2015 adopted in 2014

The proposed distribution of profit is consistent with the "Updated capital and dividend policy of the PZU Group for 2013-2015" adopted in 2014, according to which the value of a dividend to be paid may not be smaller than 50% or greater than 100% of the net profit reported in the consolidated financial statements of the PZU Group according to IFRS. The proposed dividend amount constitutes approx. 77% of the PZU Group consolidated net profit attributed to owners of the parent company according to IFRS for 2015 and is slightly lower than the average dividend payout ratio for 2011-2014, amounting to approx. 84%.

Profits not subject to distribution in the form of dividend will be earmarked for investment projects within the new PZU Group strategy.

The proposed dividend level corresponds to the dividend rate of 6.1% (according to the PZU stock price as at the end of 2015, which amounted to PLN 34.02) and exceeds the average expected rate for European insurers amounting to 4.7% (data from Goldman Sachs Global Investment Research).

All conditions necessary for the payment of the dividend for 2015 from the legal standpoint and from the economic and financial standpoint have been verified. PZU SA's financial standing is very good. PZU SA recorded a very high financial result in 2015 and has very good capital ratios. After the dividend is paid in the assumed amount, PZU SA will still have significant surplus of shareholder funds over the solvency capital requirement (in accordance with Solvency II).

Summary:

The adoption of a resolution by PZU SA on the payment of a dividend in the proposed amount is justified on grounds of the prudent and stable management of PZU SA, assuming that the dividend will be paid on 21 October 2016.

President of the Management Board Management Board Member

/-/ Michał Krupiński

/-/ Dariusz Krzewina

Attachments:

- 1) Resolution No. UZ/186/2016 adopted by the PZU SA Management Board on 20 May 2016 in the matter of accepting the motion to distribute PZU SA's net profit for the year ended 31 December 2015;
- 2) Resolution No. URN/40/2016 adopted by the PZU SA Supervisory Board on 24 May 2016 in the matter of assessment of the Management Board's motion to distribute PZU SA's net profit for the year ended 31 December 2015;
- 3) draft resolution to be adopted by the PZU SA Shareholder Meeting in the matter of the distribution of PZU SA's net profit for the year ended 31 December 2015.



Extract from minutes no. PZ/19/2016 of 20 May 2016.
of the PZU SA Management Board meeting

RESOLUTION NO. UZ/186/2016

ADOPTED BY THE PZU SA MANAGEMENT BOARD

on 20 May 2016

in the matter of accepting the motion to distribute PZU SA's net profit for the year ended 31 December 2015

Pursuant to § 4 item 5 in conjunction with § 4 items 20 and 21 of the Powszechny Zakład Ubezpieczeń Spółka Akcyjna Management Board Bylaws, the following is hereby resolved:

§ 1

1. It is hereby resolved to submit a motion to the PZU SA Ordinary Shareholder Meeting on distribution of PZU SA's net profit for the year ended 31 December 2015 in the amount of PLN 2,248,522,454.29 (two billion two hundred forty-eight million five hundred twenty-two thousand four hundred fifty-four Polish zloty and 29 grosz) is hereby distributed as follows:
 - 1) allocate PLN 1,796,127,840.00 (one billion seven hundred ninety-six million one hundred twenty-seven thousand eight hundred forty Polish zloty and 00 grosz), i.e. PLN 2.08 (two Polish zloty and 08 grosz) per share to the payment of a dividend;
 - 2) allocate PLN 442,394,614.29 (four hundred forty-two million three hundred ninety-four thousand six hundred fourteen Polish zloty and 29 grosz) to supplementary capital;
 - 3) allocate PLN 10,000,000.00 (ten million Polish zloty) to the Company Social Benefits Fund (ZFŚS).
2. A motion shall be submitted to the PZU SA Ordinary Shareholder Meeting to set the record date at 30 September 2016.

§ 2

It is hereby resolved to submit a motion to the PZU SA Supervisory Board to issue an opinion on the Management Board's motion referred to in § 1 of this Resolution.

§ 3

This Resolution takes force on the date of its adoption.

The vote was taken in an open ballot.

No. of persons present: 7. Number of votes in favor: 7. Number of votes against: 0. Number of abstentions: 0.

President of the Management Board

/-/ Michał Krupiński



RESOLUTION NO. URN/40/2016

ADOPTED BY THE SUPERVISORY BOARD OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SA

on 24 May 2016

in the matter of assessment of the Management Board's motion on the distribution of PZU SA's net profit for the year ended 31 December 2015

Pursuant to § 25 section 2 item 2 and 19 of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna and § 13 section 1 item 2 and 19 of the PZU SA Supervisory Board Bylaws the following is hereby resolved:

§ 1

1. The Supervisory Board hereby issues a positive opinion on the PZU SA Management Board's motion to the PZU SA Ordinary Shareholder Meeting on distributing PZU SA's net profit for the year ended 31 December 2015 presented in PZU SA Management Board resolution no. UZ/186/2016 of 20 May 2015 on accepting the motion to distribute PZU SA's net profit for the year ended 31 December 2015 and recommends to the Ordinary Shareholder Meeting that the profit of PLN 2,248,522,454.29 (two billion two hundred forty-eight million five hundred twenty-two thousand four hundred fifty-four Polish zloty and 29 grosz) be distributed as follows:
 - 1) allocate PLN 1,796,127,840.00 (one billion seven hundred ninety-six million one hundred twenty-seven thousand eight hundred forty Polish zloty and 00 grosz), i.e. PLN 2.08 (two Polish zloty and 08 grosz) per share to the payment of a dividend;
 - 2) allocate PLN 442,394,614.29 (four hundred forty-two million three hundred ninety-four thousand six hundred fourteen Polish zloty and 29 grosz) to supplementary capital;
 - 3) allocate PLN 10,000,000.00 (ten million Polish zloty) to the Company Social Benefits Fund (ZFŚS).
2. The Supervisory Board issues a positive opinion on the PZU SA Management Board's Motion to the PZU SA Ordinary Shareholder Meeting that the record date be set at 30 September 2016 and the PZU SA Management Board's recommendation that the dividend payment date be set at 21 October 2016.

§ 2

This Resolution shall come into force on the day of its adoption.

The vote was taken in an open ballot.

Number of attendees: 9 Number of votes in favor: 9 Number of votes against: 0 Number of abstentions: 0

Chairperson

PZU SA Supervisory Board

/-/ Paweł Kaczmarek

RESOLUTION NO. .../2016
ADOPTED BY THE ORDINARY SHAREHOLDER MEETING
OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA
on 30 June 2016

on the distribution of the net profit earned by PZU SA in the financial year ended 31 December 2015

Pursuant to Article 395 § 2 Item 2 of the Commercial Companies Code and § 18 Item 2 and § 36 of the PZU SA Articles of Association in conjunction with Article 348 § 1 and § 3 of the Commercial Companies Code, the Ordinary Shareholder Meeting of PZU SA hereby resolves as follows:

§ 1

PZU SA's net profit for the year ended 31 December 2015 in the amount of PLN 2,248,522,454.29 (two billion two hundred forty-eight million five hundred twenty-two thousand four hundred fifty-four Polish zloty and 29 grosz) is hereby distributed as follows:

- 1) PLN 1,796,127,840.00 (one billion seven hundred ninety-six million one hundred twenty-seven thousand eight hundred forty Polish zloty and 00 grosz), i.e. PLN 2.08 (two Polish zloty and 08 grosz) per share is allocated to the payment of a dividend;
- 2) PLN 442,394,614.29 (four hundred forty-two million three hundred ninety-four thousand six hundred fourteen Polish zloty and 29 grosz) is transferred to supplementary capital;
- 3) PLN 10,000,000.00 (ten million Polish zloty) is allocated to the Company Social Benefit Fund (ZFŚS).

§ 2

The date used to prepare the list of shareholders eligible to receive the dividend referred to in § 1 section 1 (record date) is hereby set for 30 September 2016. The dividend payment date is set for 21 October 2016.

§ 3

This Resolution shall come into force on the date of its adoption.

Chairperson

of the Ordinary Shareholder Meeting of PZU SA