

Warsaw, 9 June 2015



Minister of the State Treasury

DSK.5220.11.2015

**Management Board
of Powszechny Zakład Ubezpieczeń
Spółka Akcyjna**

SHAREHOLDER'S REQUESTS

- 1. SUBMITTING A DRAFT RESOLUTION ON THE SCOPE OF MATTERS ENTERED IN THE AGENDA OF THE ORDINARY SHAREHOLDER MEETING OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA CONVENED FOR 30 JUNE 2015**

Acting on behalf of the State Treasury, a shareholder of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, pursuant to art. 401 § 4 in conjunction with art. 402 § 2 of the Commercial Company Code, I hereby submit the following draft resolution to item 19) of the agenda of the Ordinary Shareholder Meeting of PZU SA convened for 30 May 2015.

RESOLUTION NUMBER/2015
OF THE ORDINARY SHAREHOLDER MEETING
OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

adopted on 30 June 2015

on a split of PZU SA shares and amendments to the Articles of Association of PZU SA

Pursuant to art. 430 § 1 of the Commercial Company Code, the Ordinary Shareholder Meeting resolves as follows:

§ 1

1. All PZU SA shares are hereby split by decreasing the par value of each PZU SA share from PLN 1 (one Polish zloty) to PLN 0.10 (ten grosz) and the number of PZU SA shares making up the Company's share capital will be increased from 86,352,300 (eighty-six million three hundred fifty-two thousand three hundred) shares to 863,523,000 (eight hundred sixty-three million five hundred twenty-three thousand) shares.
2. The split is effected by replacing all PZU SA shares using the ratio of 1:10. In connection with the split referred to in the first sentence, each share with a par value of PLN 1 (one Polish zloty) is replaced with 10 (ten) shares with a par value of PLN 0.10 (ten grosz) each.
3. The split of shares shall not result in a change in the amount of PZU SA's share capital.

§ 2

The following amendments are hereby made to the Articles of Association of PZU SA:

1) in § 6, section 1 which currently reads as follows:

"1. The Company's share capital is PLN 86,352,300 (eighty-six million three hundred fifty-two thousand three hundred zloty) and is divided into 86,352,300 (eighty-six million three hundred fifty-two thousand three hundred) registered and bearer shares with a par value of PLN 1 (one Polish zloty) each."

shall read as follows:

"1. The Company's share capital is PLN 86,352,300 (eighty-six million three hundred fifty-two thousand three hundred zloty) and is divided into 863,523,000 (eight hundred sixty-three million five hundred twenty-three thousand) registered and bearer shares with a par value of PLN 0.10 (ten grosz) each.";

2) in § 24, section 3 which currently reads as follows:

"3. Resolutions adopted by the Supervisory Board pursuant to the procedure referred to in section 2 shall be presented at the next Supervisory Board meeting together with the outcome of the vote."

shall read as follows:

"3. Resolutions adopted by the Supervisory Board pursuant to the procedure referred to in sections 2 and 4 shall be presented at the next Supervisory Board meeting together with the outcome of the vote.";

§ 3

The Shareholder Meeting hereby obligates and authorizes the PZU SA Management Board to take all factual and legal actions necessary to effect the split of shares in accordance with § 1 and associated with the amendments to the Articles of Association of PZU SA in accordance with § 2, including actions related to:

- 1) registration of the changed quantity of PZU SA shares and their par value in the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.);
- 2) modification of data pertaining to PZU SA shares in the system of trading on the regulated market (main market) operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.);
- 3) amending the contents of PZU SA share documents, for shares, which have not been dematerialized in accordance with the provisions of the Act of 29 July 2005 on Trading in Financial Instruments, or replacing such share documents.

§ 4

The Resolution shall come into force on the date of its adoption, subject to entering the amendments to the Articles of Association of PZU SA in the register of commercial undertakings of the National

Court Register.

Chairperson
of the Ordinary Shareholder Meeting of PZU SA

Justification

A split of shares is an operation performed by a joint stock company, involving a decrease in the par value of the company's shares while maintaining the same amount of its share capital. A split of shares does not result in any changes in the ownership structure (stakes in the company's share capital held by its shareholders) but results in an immediate decrease in the market price of shares following the split of shares and an increase in the number of shares in circulation, yet the company's market capitalization remains unchanged.

As regards PZU SA, the shares will split using the ratio of 1:10, i.e. from PLN 1 (one Polish zloty) to PLN 0.10 (ten grosz) and the number of PZU SA shares making up the Company's share capital will be increased from 86,352,300 (eighty-six million three hundred fifty-two thousand three hundred) shares to 863,523,000 (eight hundred sixty-three million five hundred twenty-three thousand) shares. The purpose of the split of shares is primarily to:

- a) increase the availability of shares to individual investors,
- b) diversify the shareholding structure.

Because in the PZU SA shareholding structure 18 shareholders still hold registered shares in document form, the split of shares will make it necessary to update the data disclosed in the registered share documents in accordance with Article 358 § 1 of the Commercial Company Code.

The data disclosed in the share documents will be updated by amending the contents of each share document following the registration of amendments to the Articles of Association of PZU SA by the National Court Register. Any registered share documents that will not be submitted to the Company in order to have the data contained therein updated will be canceled by way of a Management Board resolution.

The next planned step following the receipt or cancellation of all registered shares will be their dematerialization and introduction to trading on a regulated market, which will eventually enable the Company to discontinue the keeping of a share book and will simplify the registration procedure for the Company's Shareholder Meeting.

2. REQUEST TO INTRODUCE ADDITIONAL MATTERS IN THE AGENDA OF THE ORDINARY SHAREHOLDER MEETING OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA CONVENED FOR 30 JUNE 2015

Acting on behalf of the State Treasury, a shareholder of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, pursuant to art. 401 § 1 in conjunction with art. 402 § 2 of the Commercial Company Code, I hereby move to add an item, "Amendments to the Articles of Association" to the agenda of the Ordinary Shareholder Meeting of PZU SA convened for 30 May 2015.

Attached please find the proposed draft resolutions with justification.

RESOLUTION NUMBER/2015

OF THE ORDINARY SHAREHOLDER MEETING

OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

adopted on 30 June 2015

to amend PZU SA's Articles of Association

Pursuant to art. 430 § 1 of the Commercial Company Code, the Ordinary Shareholder Meeting resolves as follows:

§ 1

The following amendments are hereby made to the Articles of Association of PZU SA:

1) in § 26, section 2 which currently reads as follows:

“Management Board Members, including the President of the Management Board, are appointed by the Supervisory Board for a joint term of office, which encompasses three consecutive full financial years, while Management Board Members are appointed and dismisses upon request from the President of the Management Board.”

shall read as follows:

“Management Board Members, including the President of the Management Board, are appointed by the Supervisory Board for a joint term of office, which encompasses three consecutive full financial years.”;

2) in § 26, section 3, which currently reads as follows:

“If the President of the Management Board of the new term of office is appointed before the current term elapses then he has the right to submit a motion to the Supervisory Board requesting appointment of the remaining Management Board members before the current term elapses”.

section 3 shall be removed;

3) in § 27, section 1, which currently reads as follows:

“The Management Board shall exercise all the rights to manage the Company with the exception of the rights reserved by the law or these Articles of Association to the Company's other governing bodies.” The President of the Management Board directs the work of the Management Board. The

scope of responsibilities assigned to individual Management Board members shall be set by the President of the Management Board.”

shall read as follows:

“The Management Board shall exercise all the rights to manage the Company with the exception of the rights reserved by the law or these Articles of Association to the Company’s other governing bodies.” The President of the Management Board directs the work of the Management Board.”;

4) in § 27, section 3, which currently reads as follows:

“The Management Board takes decisions in the form of resolutions, with at least half of the Management Board members present. Resolutions are adopted only in the presence of the President of the Management Board or the person appointed to direct the work of the Management Board in absence of the President of the Management Board.”

shall read as follows:

“The Management Board takes decisions in the form of resolutions, with at least half of the Management Board members present.”;

5) in § 27, section 4, which currently reads as follows:

“Subject to section 7, upon consent of the President of the Management Board, the Management Board may adopt resolutions by written procedure. A resolution adopted under this procedure shall be valid if all Management Board members have received the draft resolution with a justification. It is assumed that a resolution is adopted on the date of obtaining an absolute majority of votes in favor of the resolution.”

shall read as follows:

“Subject to section 7, the Management Board may adopt resolutions by written procedure. A resolution adopted under this procedure shall be valid if all Management Board members have received the draft resolution with a justification. It is assumed that a resolution is adopted on the date of obtaining an absolute majority of votes in favor of the resolution.”.

§2

The Resolution shall come into force on the date of its adoption, subject to entering the amendments to the Articles of Association of PZU SA in the register of commercial undertakings of the National Court Register.

Chairperson
of the Ordinary Shareholder Meeting of PZU SA

Justification

The amendments should be introduced in order to strengthen oversight of the supervisory body over the executive body, in particular to abolish the requirement for the Management Board President to submit a motion in order to make changes in the executive body. As part of its continuing oversight over the activity of the company, the Supervisory Board has the right and the obligation to evaluate individually the responsibility of each individual Management Board member for the areas of the company's activity assigned to respective members.

Moreover, within the framework of changes made to the body authorized to approve general or specific terms and conditions of insurance, i.e. the Management Board, the function of the Management Board President will be adapted to the "first among equals" role. He/she will only hold those powers that have been envisaged by the Commercial Company Code, i.e. the right to direct the Management Board's work and a casting vote in the event of a tie vote. The mandatory presence of the Management Board President when Management Board are adopted and his consent for voting on Management Board resolutions by the written procedure restrict the operation of the executive body.

[rectangular seal:

MINISTER OF THE STATE TREASURY
authorized representative Wojciech Kowalczyk

/-/

GOVERNMENT REPRESENTATIVE
FOR RESTRUCTURING OF THE COAL SECTOR
SECRETARY OF THE STATE]

[round seal:

STATE TREASURY MINISTER]