

Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

**Motion
to the Shareholder Meeting of PZU SA**

Regarding:

amendments to the PZU SA Articles of Association

Body of the motion:

The Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (**PZU**) hereby moves for the adoption of a resolution on the amendments to the PZU SA Articles of Association in the wording defined in the attachment to this motion.

Justification:

The Management Board of PZU SA has resolved to move to the PZU SA Ordinary Shareholder Meeting to adopt a resolution on the following amendments to the Articles of Association of PZU SA:

1) in § 5, section 3 the introduction to the enumeration which currently reads as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix to the Insurance Activity Act of 22 May 2003:”

shall read as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix to the Insurance and Reinsurance Activity Act of 11 September 2015:”;

2) in § 16, section 5 which currently reads as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, with a reservation that, for the purposes of determining the obligations of the buyers of large blocks of shares according to 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 and the Insurance Activity Act of 22 May 2003, such restriction of the voting right will be deemed non-existent.”

shall read as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, with a reservation that, for the purposes of determining the obligations of the buyers of large blocks of shares according to 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 and the Insurance and Reinsurance Activity Act of 11 September 2015, such restriction of the voting right will be deemed non-existent.”;

3) in § 18, item 1, which currently reads as follows:

„1) examination and approval of the Management Board's report on the Company's activity and the financial statement for the previous financial year and granting a discharge to individual members of the Company's corporate bodies on the performance of their duties;”

shall read as follows:

„1) examination and approval of the Management Board's report on the Company'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 and granting a discharge to individual members of the Company's corporate bodies on the performance of their duties;“;

4) in § 18a, item 1, in the introduction to the enumeration, the following wording is deleted: „(Journal of Laws of 2016 Item 1047 and 2255)“;

5) in § 20:

a) section 2 currently reading as follows:

„2. At least one Supervisory Board Member must hold qualifications in accounting or financial audit within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight.“

shall read as follows:

„2. At least one Supervisory Board member must hold knowledge and qualifications in accounting or audit of financial statements within the meaning and in accordance with the requirements of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.“,

b) section 8 currently reading as follows:

„8. At least one Supervisory Board member must meet the independence criteria (Independent Members). The independence criteria are met in the case of a person who:

- 1) has not been a member of the Company's Management Board, or its commercial proxy during the five years prior to the date of election to be a Supervisory Board member;
- 2) has not been employed as a manager or director officially reporting to the Management Board or the President of the Management Board in the Company or an entity related to the Company within the meaning of the Accounting Act of 29 September 1994 within the three years preceding the day of being elected to be a Supervisory Board member;
- 3) does not receive any remuneration from the Company or an entity related to the Company other than for performing the duties of a Supervisory Board member;
- 4) is not a Company shareholder or a shareholder, member or entity holding other ownership titles in an entity related to the Company;
- 5) is not authorized to represent such an entity referred to in item 4);
- 6) does not maintain and for at least one year preceding the date of election to be a Supervisory Board member did not maintain significant commercial relationships with the Company or an entity related to the Company, where significant commercial relationships mean those whose value exceeds 5% of the Company's revenues for the last financial year;
- 7) has not participated for the three years preceding the date of election to be a Supervisory Board member in keeping the Company's accounting ledgers or in preparing its financial statements;
- 8) is not and has not been for the three years preceding the date of election to be a Supervisory Board member employed in an entity that audits the Company's financial statements;
- 9) is not a member of a managing body or a commercial proxy of an entity in which a Company Management Board member or a Company commercial proxy holds the function of a Supervisory Board member,
- 10) has not served more than three consecutive terms of office in the Supervisory Board,
 - a) is not related by blood or marriage in a direct line up to the second order or some other person closely related to:
 - b) a member of the Management Board, Supervisory Board of the Company or an entity related to the Company,
 - c) a commercial proxy of the Company or an entity related to the Company,
 - d) a person employed in the position of manager or director officially reporting to the Management

Board or the President of the Management Board in the Company or an entity related to the Company, or

e) a Company shareholder holding shares in the Company representing at least 5% of the Company's share capital, where a closely related person means a person referred to in the provisions of the Act on Trading in Financial Instruments of 29 July 2005 and

11) does not employ any of the persons referred to in item 11) to conduct financial audit activities within the meaning of the regulations of the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight."

shall read as follows:

„8. At least two Supervisory Board members satisfy the independence criteria set forth in the Best Practices of WSE Listed Companies adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange),

c) section 9 currently reading as follows:

„9. An Independent Member of the Supervisory Board is obliged to submit a written representation to the Company on meeting all the independence criteria along with an obligation to notify the Company immediately about ceasing to meet the independence criteria."

shall read as follows:

„9. Independent members of the Supervisory Board submit a written representation to the Company on meeting all the independence criteria referred to in section 8 or 10 along with an obligation to notify the Company immediately about ceasing to meet the independence criteria."

d) section 10, currently reading as follows:

„10. The Supervisory Board appoints the audit committee. The Supervisory Board shall specify the detailed tasks and rules of appointment and operation of the audit committee, where the Supervisory Board when electing the members of the audit committee shall take into consideration the competence and experience of the candidates within the scope of affairs with which the committee deals. The audit committee shall consist of three members, including at least one Independent Member and at least one member holding qualifications in accounting or financial review within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight."

shall read as follows:

„10. The Supervisory Board appoints the audit committee. The detailed tasks and rules of appointment and operation of the audit committee are defined, by way of a resolution, by the Supervisory Board which, when electing the members of the audit committee shall take into consideration the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and the knowledge and qualifications of the candidates with regard to: the matters with which the audit committee deals, accounting or audit of financial statements, and the insurance industry."

e) the following section 10a shall be added:

"10a. The audit committee shall include at least three members. Most of the audit committee members, including the chairperson, shall satisfy the independence criteria referred to in section 10. At least one audit committee member must hold knowledge and qualifications in accounting or audit of financial statements referred to in section 2. The audit committee members have knowledge and skills pertaining to the insurance industry, which is construed as at least one audit committee member having knowledge and skills in the field of insurance or various audit committee members having knowledge of specific branches within this field."

f) section 11, sentence three, currently reading as follows:

"The nomination and compensation committee shall comprise at least one Independent Member.

shall read as follows:

"The nomination and compensation committee shall comprise at least one member satisfying the independence criteria referred to in section 8.";

6) in § 21, section 1, sentence 1, currently reading as follows:

"1. The Supervisory Board Chairman, or in his absence, the Deputy Chairman, shall convene Supervisory Board meetings through a written invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them."

shall read as follows:

"1. The Supervisory Board Chairman, or in his absence, the Deputy Chairman, shall convene Supervisory Board meetings through an invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them.";

7) in § 25, section 2:

a) item 1 currently reading as follows:

"1) evaluating the Management Board's report on the Company's activity and the financial statements for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;"

shall read as follows:

"1) evaluating the Management Board's report on the Company'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;"

b) the following item 1a shall be added:

"1a) approving the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU group;"

c) item 10, currently reading as follows:

"10) selecting an entity authorized to audit financial statements to perform an audit the Company's annual financial statements;"

shall read as follows:

"10) selecting the audit firm to carry out the mandatory audit of the financial statements, including the financial statements of the Company and the consolidated financial statements of the PZU group for the previous financial year, and the solvency and financial condition report of the Company 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;"

d) item 13, currently reading as follows:

"13) granting consent for the Company to conclude with an entity related to the Company a significant agreement within the meaning of the provisions regarding current and periodic information submitted by issuers of securities admitted to be traded on a regulated market, excluding typical agreements concluded by the Company on market terms under its operational activity;"

shall read as follows:

"13) granting consent for the Company to conclude, with a related party, an agreement whose subject matter has

the value of at least 10% of the Company's equity, excluding typical agreements concluded by the Company on market terms as part of its operational activity," ,

e) the following item 18a shall be added:

"18a) performing tasks resulting from the guidelines or recommendations of regulatory authorities, in particular the Polish Financial Supervision Authority, adopted in the Company;" ;

8) in § 36a, section 2 item 1, which currently reads as follows:

"1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act;"

shall read as follows:

"1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act of 11 September 2015;" .

The requested amendments to the Articles of Association of PZU SA result primarily from the need to reflect the amendments to the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017, and additionally:

- 1) the powers of the Supervisory Board were adapted to the Insurance and Reinsurance Activity Act and KNF guidelines or recommendations adopted in PZU SA;
- 2) the provisions pertaining to reports on the activity and financial statements of PZU SA and the PZU group have been adapted to the practice and the Accounting Act and Regulation on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent;
- 3) in the provision pertaining to material agreements with related parties, the reference to the regulations on periodic information transmitted by issuers of securities in connection with removal of the definition of the material agreement from the Finance Ministry Regulation on the Current and Periodic Information and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent; the more specific wording (agreements with the value of min. 10% of equity) – amendment of the Finance Ministry Regulation on the Current and Periodic Information (...) entered into force on 30 April 2018,
- 4) adapting the titles and dates of referenced acts;
- 5) the titles and dates of referenced acts have been adapted.

According to § 25 section 2 item 19 of the Articles of Association of PZU SA, before submission to the Shareholder Meeting, the Supervisory Board issued an opinion on the draft amendments of the Articles of Association.

Submitted on behalf of the PZU Management Board by:

/Maciej Rapkiewicz/

/Roger Hodgkiss/

Attachments:

1. Resolution UZ/140/2018 in the matter of a motion to the Powszechny Zakład Ubezpieczeń Spółka Akcyjna Shareholder Meeting on amendments to the Articles of Association of PZU SA
2. Resolution URN/37/2018 in the matter of evaluation of the Powszechny Zakład Ubezpieczeń Spółka Akcyjna Management Board's motion on amendments to the Articles of Association of PZU SA
3. Draft resolution of the PZU Shareholder Meeting on amendments to the Articles of Association of PZU SA



RESOLUTION NO. UZ/140/2018

**ADOPTED BY THE MANAGEMENT BOARD OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA
AKCYJNA**

on 10 May 2018

**in the matter of a motion to the PZU SA Ordinary Shareholder Meeting on amendments to
the Articles of Association of PZU SA**

Pursuant to § 4 item 21 of the Powszechny Zakład Ubezpieczeń Spółka Akcyjna Management Board Bylaws,
the following is hereby resolved:

§ 1

A motion shall be submitted to the PZU SA Ordinary Shareholder Meeting to adopt a resolution on the
following amendments to the Articles of Association of PZU SA:

1) in § 5, section 3 the introduction to the enumeration which currently reads as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other
casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix
to the Insurance Activity Act of 22 May 2003:”

shall read as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other
casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix
to the Insurance and Reinsurance Activity Act of 11 September 2015:”;

2) in § 16, section 5 which currently reads as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the
Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the
date of the Shareholder Meeting, with a reservation that, for the purposes of determining the
obligations of the buyers of large blocks of shares according to 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 and the Insurance Activity Act of 22 May 2003, such restriction of the voting
right will be deemed non-existent.”

shall read as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the
Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the
date of the Shareholder Meeting, with a reservation that, for the purposes of determining the
obligations of the buyers of large blocks of shares according to 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 and the Insurance and Reinsurance Activity Act of 11 September 2015, such restriction of the voting right will be deemed non-existent.”;

3) in § 18, item 1, which currently reads as follows:

“1) examination and approval of the Management Board’s report on the Company’s activity and the financial statement for the previous financial year and granting a discharge to individual members of the Company’s corporate bodies on the performance of their duties;”

shall read as follows:

“1) examination and approval of the Management Board’s report on the Company’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 and granting a discharge to individual members of the Company’s corporate bodies on the performance of their duties;”;

4) in § 18a, item 1, in the introduction to the enumeration, the following wording is deleted: „(Journal of Laws of 2016 Item 1047 and 2255)”;

5) in § 20:

a) section 2 currently reading as follows:

„2. At least one Supervisory Board Member must hold qualifications in accounting or financial audit within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight.”

shall read as follows:

„2. At least one Supervisory Board member must hold knowledge and qualifications in accounting or audit of financial statements within the meaning and in accordance with the requirements of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.”,

b) section 8 currently reading as follows:

„8. At least one Supervisory Board member must meet the independence criteria (Independent Members). The independence criteria are met in the case of a person who:

- 1) has not been a member of the Company’s Management Board, or its commercial proxy during the five years prior to the date of election to be a Supervisory Board member;
- 2) has not been employed as a manager or director officially reporting to the Management Board or the President of the Management Board in the Company or an entity related to the Company within the meaning of the Accounting Act of 29 September 1994 within the three years preceding the day of being elected to be a Supervisory Board member;
- 3) does not receive any remuneration from the Company or an entity related to the Company other than for performing the duties of a Supervisory Board member;
- 4) is not a Company shareholder or a shareholder, member or entity holding other ownership titles in an entity related to the Company;
- 5) is not authorized to represent such an entity referred to in item 4);
- 6) does not maintain and for at least one year preceding the date of election to be a Supervisory Board member did not maintain significant commercial relationships with the Company or an entity related to the Company, where significant commercial relationships mean those whose value exceeds 5% of the Company’s revenues for the last financial year;
- 7) has not participated for the three years preceding the date of election to be a Supervisory Board member in keeping the Company’s accounting ledgers or in preparing its financial statements;
- 8) is not and has not been for the three years preceding the date of election to be a Supervisory

- Board member employed in an entity that audits the Company's financial statements;
- 9) is not a member of a managing body or a commercial proxy of an entity in which a Company Management Board member or a Company commercial proxy holds the function of a Supervisory Board member,
 - 10) has not served more than three consecutive terms of office in the Supervisory Board,
 - a) is not related by blood or marriage in a direct line up to the second order or some other person closely related to:
 - b) a member of the Management Board, Supervisory Board of the Company or an entity related to the Company,
 - c) a commercial proxy of the Company or an entity related to the Company,
 - d) a person employed in the position of manager or director officially reporting to the Management Board or the President of the Management Board in the Company or an entity related to the Company, or
 - e) a Company shareholder holding shares in the Company representing at least 5% of the Company's share capital, where a closely related person means a person referred to in the provisions of the Act on Trading in Financial Instruments of 29 July 2005 and
 - 11) does not employ any of the persons referred to in item 11) to conduct financial audit activities within the meaning of the regulations of the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight."

shall read as follows:

„8. At least two Supervisory Board members satisfy the independence criteria set forth in the Best Practices of WSE Listed Companies adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange),

c) section 9 currently reading as follows:

„9. An Independent Member of the Supervisory Board is obliged to submit a written representation to the Company on meeting all the independence criteria along with an obligation to notify the Company immediately about ceasing to meet the independence criteria."

shall read as follows:

„9. Independent members of the Supervisory Board submit a written representation to the Company on meeting all the independence criteria referred to in section 8 or 10 along with an obligation to notify the Company immediately about ceasing to meet the independence criteria."

d) section 10, currently reading as follows:

„10. The Supervisory Board appoints the audit committee. The Supervisory Board shall specify the detailed tasks and rules of appointment and operation of the audit committee, where the Supervisory Board when electing the members of the audit committee shall take into consideration the competence and experience of the candidates within the scope of affairs with which the committee deals. The audit committee shall consist of three members, including at least one Independent Member and at least one member holding qualifications in accounting or financial review within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight."

shall read as follows:

„10. The Supervisory Board appoints the audit committee. The detailed tasks and rules of appointment and operation of the audit committee are defined, by way of a resolution, by the Supervisory Board which, when electing the members of the audit committee shall take into consideration the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and

Public Supervision and the knowledge and qualifications of the candidates with regard to: the matters with which the audit committee deals, accounting or audit of financial statements, and the insurance industry.”,

e) the following section 10a shall be added:

“10a. The audit committee shall include at least three members. Most of the audit committee members, including the chairperson, shall satisfy the independence criteria referred to in section 10. At least one audit committee member must hold knowledge and qualifications in accounting or audit of financial statements referred to in section 2. The audit committee members have knowledge and qualifications pertaining to the insurance industry, which is construed as at least one audit committee member having knowledge and qualifications in the field of the insurance industry or various audit committee members having knowledge of specific branches within this field.”,

f) section 11, sentence three, currently reading as follows:

“The nomination and compensation committee shall comprise at least one Independent Member.

shall read as follows:

“The nomination and compensation committee shall comprise at least one member satisfying the independence criteria referred to in section 8.”;

6) in § 21, section 1, sentence 1, currently reading as follows:

“1. The Supervisory Board Chairman, or in his absence, the Deputy Chairman, shall convene Supervisory Board meetings through a written invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them.”

shall read as follows:

“1. The Supervisory Board Chairman, or in his absence, the Deputy Chairman, shall convene Supervisory Board meetings through an invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them.”;

7) in § 25, section 2:

a) item 1 currently reading as follows:

“1) evaluating the Management Board’s report on the Company’s activity and the financial statements for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;”

shall read as follows:

“1) evaluating the Management Board’s report on the Company’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;”,

b) the following item 1a shall be added:

“1a) approving the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU group;”,

c) item 10, currently reading as follows:

“10) selecting an entity authorized to audit financial statements to perform an audit the Company’s

annual financial statements;”

shall read as follows:

“10) selecting the audit firm to carry out the mandatory audit of the financial statements, including the financial statements of the Company and the consolidated financial statements of the PZU group for the previous financial year, and the solvency and financial condition report of the Company 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;”,

d) item 13, currently reading as follows:

“13) granting consent for the Company to conclude with an entity related to the Company a significant agreement within the meaning of the provisions regarding current and periodic information submitted by issuers of securities admitted to be traded on a regulated market, excluding typical agreements concluded by the Company on market terms under its operational activity;”

shall read as follows:

“13) granting consent for the Company to conclude, with a related party, an agreement whose subject matter has the value of at least 10% of the Company’s equity, excluding typical agreements concluded by the Company on market terms as part of its operational activity;”,

e) the following item 18a shall be added:

“18a) performing tasks resulting from the guidelines or recommendations of regulatory authorities, in particular the Polish Financial Supervision Authority, adopted in the Company;”;

8) in § 36a, section 2 item 1, which currently reads as follows:

“1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act;”

shall read as follows:

“1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act of 11 September 2015;”.

§ 2

It is hereby resolved to submit a motion to the PZU SA Supervisory Board to issue an opinion on the motion referred to in § 1.

§ 3

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

The vote was taken in an open ballot.

Number of attendees: 5 Number of votes in favor: 5 Number of votes against: 0 Number of abstentions: 0

President

Paweł Surówka

RESOLUTION NO. URN/37/2018

**ADOPTED BY THE SUPERVISORY BOARD
OF Powszechny Zakład Ubezpieczeń Spółka Akcyjna**

on 15 May 2018

**in the matter of evaluation of the PZU SA Management Board's motion on amendments to
the Articles of Association of PZU SA**

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

§ 1

The PZU SA Supervisory Board hereby issues a positive opinion on the PZU SA Management Board's motion to the PZU SA Ordinary Shareholder Meeting on the following amendments to the Articles of Association of PZU SA:

1) in § 5, section 3 the introduction to the enumeration which currently reads as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix to the Insurance Activity Act of 22 May 2003:”

shall read as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix to the Insurance and Reinsurance Activity Act of 11 September 2015:”;

2) in § 16, section 5 which currently reads as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, with a reservation that, for the purposes of determining the obligations of the buyers of large blocks of shares according to 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 and the Insurance Activity Act of 22 May 2003, such restriction of the voting right will be deemed non-existent.”

shall read as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, with a reservation that, for the purposes of determining the obligations of the buyers of large blocks of shares according to 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 and the Insurance and Reinsurance Activity Act of 11 September 2015, such restriction of the voting right will be deemed non-existent.”;

3) in § 18, item 1, which currently reads as follows:

“1) examination and approval of the Management Board’s report on the Company’s activity and the financial statement for the previous financial year and granting a discharge to individual members of the Company’s corporate bodies on the performance of their duties;”

shall read as follows:

“1) examination and approval of the Management Board’s report on the Company’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 and granting a discharge to individual members of the Company’s corporate bodies on the performance of their duties;”;

4) in § 18a, item 1, in the introduction to the enumeration, the following wording is deleted: „(Journal of Laws of 2016 Item 1047 and 2255)“;

5) in § 20:

a) section 2 currently reading as follows:

„2. At least one Supervisory Board Member must hold qualifications in accounting or financial audit within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight.”

shall read as follows:

„2. At least one Supervisory Board member must hold knowledge and qualifications in accounting or audit of financial statements within the meaning and in accordance with the requirements of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.”,

b) section 8 currently reading as follows:

„8. At least one Supervisory Board member must meet the independence criteria (Independent Members). The independence criteria are met in the case of a person who:

- 1) has not been a member of the Company’s Management Board, or its commercial proxy during the five years prior to the date of election to be a Supervisory Board member;
- 2) has not been employed as a manager or director officially reporting to the Management Board or the President of the Management Board in the Company or an entity related to the Company within the meaning of the Accounting Act of 29 September 1994 within the three years preceding the day of being elected to be a Supervisory Board member;
- 3) does not receive any remuneration from the Company or an entity related to the Company other than for performing the duties of a Supervisory Board member;
- 4) is not a Company shareholder or a shareholder, member or entity holding other ownership titles in an entity related to the Company;
- 5) is not authorized to represent such an entity referred to in item 4);
- 6) does not maintain and for at least one year preceding the date of election to be a Supervisory Board member did not maintain significant commercial relationships with the Company or an entity related to the Company, where significant commercial relationships mean those whose value exceeds 5% of the Company’s revenues for the last financial year;
- 7) has not participated for the three years preceding the date of election to be a Supervisory Board member in keeping the Company’s accounting ledgers or in preparing its financial statements;
- 8) is not and has not been for the three years preceding the date of election to be a Supervisory Board member employed in an entity that audits the Company’s financial statements;
- 9) is not a member of a managing body or a commercial proxy of an entity in which a Company Management Board member or a Company commercial proxy holds the function of a Supervisory Board member,
- 10) has not served more than three consecutive terms of office in the Supervisory Board,

- a) is not related by blood or marriage in a direct line up to the second order or some other person closely related to:
 - b) a member of the Management Board, Supervisory Board of the Company or an entity related to the Company,
 - c) a commercial proxy of the Company or an entity related to the Company,
 - d) a person employed in the position of manager or director officially reporting to the Management Board or the President of the Management Board in the Company or an entity related to the Company, or
 - e) a Company shareholder holding shares in the Company representing at least 5% of the Company's share capital, where a closely related person means a person referred to in the provisions of the Act on Trading in Financial Instruments of 29 July 2005 and
- 11) does not employ any of the persons referred to in item 11) to conduct financial audit activities within the meaning of the regulations of the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight."

shall read as follows:

- „8. At least two Supervisory Board members satisfy the independence criteria set forth in the Best Practices of WSE Listed Companies adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange),

c) section 9 currently reading as follows:

- „9. An Independent Member of the Supervisory Board is obliged to submit a written representation to the Company on meeting all the independence criteria along with an obligation to notify the Company immediately about ceasing to meet the independence criteria."

shall read as follows:

- „9. Independent members of the Supervisory Board submit a written representation to the Company on meeting all the independence criteria referred to in section 8 or 10 along with an obligation to notify the Company immediately about ceasing to meet the independence criteria.",

d) section 10, currently reading as follows:

- „10. The Supervisory Board appoints the audit committee. The Supervisory Board shall specify the detailed tasks and rules of appointment and operation of the audit committee, where the Supervisory Board when electing the members of the audit committee shall take into consideration the competence and experience of the candidates within the scope of affairs with which the committee deals. The audit committee shall consist of three members, including at least one Independent Member and at least one member holding qualifications in accounting or financial review within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Approved Entities to Audit Financial Statements and Public Oversight."

shall read as follows:

- „10. The Supervisory Board appoints the audit committee. The detailed tasks and rules of appointment and operation of the audit committee are defined, by way of a resolution, by the Supervisory Board which, when electing the members of the audit committee shall take into consideration the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and the knowledge and qualifications of the candidates with regard to: the matters with which the audit committee deals, accounting or audit of financial statements, and the insurance industry.",

e) the following section 10a shall be added:

- "10a. The audit committee shall include at least three members. Most of the audit committee members, including the chairperson, shall satisfy the independence criteria referred to in section 10. At least one

Resolution in the matter of evaluation of the PZU SA Management Board's motion on amendments to the Articles of Association of PZU SA

audit committee member must hold knowledge and qualifications in accounting or audit of financial statements referred to in section 2. The audit committee members have knowledge and qualifications pertaining to the insurance industry, which is construed as at least one audit committee member having knowledge and qualifications in the field of the insurance industry or various audit committee members having knowledge of specific branches within this field.”,

f) section 11, sentence three, currently reading as follows:

“The nomination and compensation committee shall comprise at least one Independent Member.

shall read as follows:

“The nomination and compensation committee shall comprise at least one member satisfying the independence criteria referred to in section 8.”;

6) in § 21, section 1, sentence 1, currently reading as follows:

“1. The Supervisory Board Chairman, or in his absence, the Deputy Chairman, shall convene Supervisory Board meetings through a written invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them.”

shall read as follows:

“1. The Supervisory Board Chairman, or in his absence, the Deputy Chairman, shall convene Supervisory Board meetings through an invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them.”;

7) in § 25, section 2:

a) item 1 currently reading as follows:

“1) evaluating the Management Board's report on the Company's activity and the financial statements for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;”

shall read as follows:

“1) evaluating the Management Board's report on the Company's activity and 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;”,

b) the following item 1a shall be added:

“1a) approving the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU group;”,

c) item 10, currently reading as follows:

“10) selecting an entity authorized to audit financial statements to perform an audit the Company's annual financial statements;”

shall read as follows:

“10) selecting the audit firm to carry out the mandatory audit of the financial statements, including the financial statements of the Company and the consolidated financial statements of the PZU group for the previous financial year, and the solvency and financial condition report of the Company 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;”,

d) item 13, currently reading as follows:

“13) granting consent for the Company to conclude with an entity related to the Company a significant agreement within the meaning of the provisions regarding current and periodic information submitted by

Resolution in the matter of evaluation of the PZU SA Management Board's motion on amendments to the Articles of Association of PZU SA

issuers of securities admitted to be traded on a regulated market, excluding typical agreements concluded by the Company on market terms under its operational activity;”

shall read as follows:

“13) granting consent for the Company to conclude, with a related party, an agreement whose subject matter has the value of at least 10% of the Company's equity, excluding typical agreements concluded by the Company on market terms as part of its operational activity,”,

e) the following item 18a shall be added:

“18a) performing tasks resulting from the guidelines or recommendations of regulatory authorities, in particular the Polish Financial Supervision Authority, adopted in the Company;”;

8) in § 36a, section 2 item 1, which currently reads as follows:

“1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act;”

shall read as follows:

“1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act of 11 September 2015;”.

§ 2

The Resolution shall come into force on the date 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

Chairman
PZU SA Supervisory Board

Maciej Łopiński

RESOLUTION NO. .../2018

ADOPTED BY THE ORDINARY SHAREHOLDER MEETING

OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

on 28 June 2018

to amend PZU SA's Articles of Association

Pursuant to § 18 of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna and Article 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 § 5, section 3 the introduction to the enumeration which currently reads as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix to the Insurance Activity Act of 22 May 2003:”

shall read as follows:

„3. The insurance and reinsurance business referred to in section 1 is conducted in the area of other casualty insurance and property insurance (Chapter II), according to the groups defined in an appendix to the Insurance and Reinsurance Activity Act of 11 September 2015:”;

2) in § 16, section 5 which currently reads as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, with a reservation that, for the purposes of determining the obligations of the buyers of large blocks of shares according to 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 and the Insurance Activity Act of 22 May 2003, such restriction of the voting right will be deemed non-existent.”

shall read as follows:

„5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, with a reservation that, for the purposes of determining the obligations of the buyers of large blocks of shares according to 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 and the Insurance and Reinsurance Activity Act of 11 September 2015, such restriction of the voting right will be deemed non-existent.”;

3) in § 18, item 1, which currently reads as follows:

“1) examination and approval of the Management Board's report on the Company's activity and the financial statement for the previous financial year and granting a discharge to individual members of the Company's corporate bodies on the performance of their duties;”

shall read as follows:

"1) examination and approval of the Management Board's report on the Company'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 and granting a discharge to individual members of the Company's corporate bodies on the performance of their duties;"

4) in § 18a, item 1, in the introduction to the enumeration, the following wording is deleted: „(Journal of Laws of 2016 Item 1047 and 2255)“;

5) in § 20:

a) section 2 currently reading as follows:

„2. At least one Supervisory Board Member must hold qualifications in accounting or financial audit within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and their Self Regulation, Entities Authorized to Audit Financial Statements and Public Supervision.“

shall read as follows:

„2. At least one Supervisory Board member must hold knowledge and qualifications in accounting or audit of financial statements within the meaning and in accordance with the requirements of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.“,

b) section 8 currently reading as follows:

„8. At least one Supervisory Board member must meet the independence criteria (Independent Members). The independence criteria are met by a person, who:

- 1) has not been a member of the Company's Management Board or its commercial proxy during the five years prior to the date of election to be a Supervisory Board member;
- 2) has not been employed as a manager or director officially reporting to the Management Board or the President of the Management Board in the Company or an entity related to the Company within the meaning of the Accounting Act of 29 September 1994 within the three years preceding the day of being elected to be a Supervisory Board member;
- 3) does not receive any remuneration from the Company or an entity related to the Company other than for performing the duties of a Supervisory Board member;
- 4) is not a Company shareholder or a shareholder, member or entity holding other ownership titles in an entity related to the Company;
- 5) is not authorized to represent such an entity referred to in item 4),
- 6) does not maintain and for at least one year preceding the date of election to be a Supervisory Board member did not maintain significant commercial relationships with the Company or an entity related to the Company, where significant commercial relationships mean those whose value exceeds 5% of the Company's revenues for the last financial year;
- 7) has not participated for the three years preceding the date of election to be a Supervisory Board member in keeping the Company's accounting ledgers or in preparing its financial statements;
- 8) is not and has not been for the three years preceding the date of election to be a Supervisory Board member employed in an entity that audits the Company's financial statements,
- 9) is not a member of a managing body or a commercial proxy of an entity in which a Company Management Board member or a Company commercial proxy holds the function of a Supervisory Board member,
- 10) has not served more than three consecutive terms of office in the Supervisory Board,
 - a) is not related by blood or marriage in a direct line up to the second order or some other person closely associated with:
 - b) a member of the Management Board, Supervisory Board of the Company or an entity related to the Company,

- c) a commercial proxy of the Company or an entity related to the Company,
 - d) a person employed in the position of manager or director officially reporting to the Management Board or the President of the Management Board in the Company or an entity related to the Company, or
 - e) a Company shareholder holding shares in the Company representing at least 5% of the Company's share capital – where a closely associated person means a person referred to in the provisions of the Act on Trading in Financial Instruments of 29 July 2005 and
- 11) does not employ any of the persons referred to in item 11) to conduct financial audit activities within the meaning of the regulations of the Act of 7 May 2009 on Statutory Auditors and their Self Regulation, Entities Authorized to Audit Financial Statements and Public Supervision.”

shall read as follows:

„8. At least two Supervisory Board members satisfy the independence criteria set forth in the Best Practices of WSE Listed Companies adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange),

c) section 9 currently reading as follows:

„9. An Independent Member of the Supervisory Board is obliged to submit a written representation to the Company on meeting all the independence criteria along with an obligation to notify the Company immediately about ceasing to meet the independence criteria.”

shall read as follows:

„9. Independent members of the Supervisory Board submit a written representation to the Company on meeting all the independence criteria referred to in section 8 or 10 along with an obligation to notify the Company immediately about ceasing to meet the independence criteria.”,

d) section 10, currently reading as follows:

„10. The Supervisory Board appoints the audit committee. The Supervisory Board shall specify the detailed tasks and rules of appointment and operation of the audit committee, where the Supervisory Board when electing the members of the audit committee shall take into consideration the competence and experience of the candidates within the scope of affairs with which the committee deals. The audit committee shall consist of three members, including at least one Independent Member and at least one member holding qualifications in accounting or financial review within the meaning and in accordance with the Act of 7 May 2009 on Statutory Auditors and their Self Regulation, Entities Authorized to Audit Financial Statements and Public Supervision.”

shall read as follows:

„10. The Supervisory Board appoints the audit committee. The detailed tasks and rules of appointment and operation of the audit committee are defined, by way of a resolution, by the Supervisory Board which, when electing the members of the audit committee shall take into consideration the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and the knowledge and qualifications of the candidates with regard to: the matters with which the audit committee deals, accounting or audit of financial statements, and the insurance industry.”,

e) the following section 10a shall be added:

„10a. The audit committee shall include at least three members. Most of the audit committee members, including the chairperson, shall satisfy the independence criteria referred to in section 10. At least one audit committee member must hold knowledge and qualifications in accounting or audit of financial statements referred to in section 2. The audit committee members have knowledge and skills

pertaining to the insurance industry, which is construed as at least one audit committee member having knowledge and skills in the field of insurance or various audit committee members having knowledge of specific branches within this field.”,

f) section 11, sentence three, currently reading as follows:

“The nomination and compensation committee shall comprise at least one Independent Member.

shall read as follows:

“The nomination and compensation committee shall comprise at least one member satisfying the independence criteria referred to in section 8.”;

6) in § 21, section 1, sentence 1, currently reading as follows:

“1. The Supervisory Board Chairperson, or in his absence, the Deputy Chairperson, shall convene Supervisory Board meetings through a written invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them.”

shall read as follows:

“1. The Supervisory Board Chairperson, or in his absence, the Deputy Chairperson, shall convene Supervisory Board meetings through an invitation sent not later than 7 days before the planned meeting of the Supervisory Board and shall preside over them.”;

7) in § 25, section 2:

a) item 1 currently reading as follows:

“1) evaluating the Management Board’s report on the Company’s activity and the financial statements for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;”

shall read as follows:

“1) evaluating the Management Board’s report on the Company’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;”,

b) the following item 1a shall be added:

“1a) approving the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU group;”,

c) item 10, currently reading as follows:

“10) selecting an entity authorized to audit financial statements to perform an audit the Company’s annual financial statements;”

shall read as follows:

“10) selecting the audit firm to carry out the mandatory audit of the financial statements, including the financial statements of the Company and the consolidated financial statements of the PZU group for the previous financial year, and the solvency and financial condition report of the Company 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;”,

d) item 13, currently reading as follows:

"13) granting consent for the Company to conclude with a party related to the Company a significant agreement within the meaning of the provisions regarding current and periodic information submitted by issuers of securities admitted to be traded on a regulated market, excluding typical agreements concluded by the Company on market terms under its operational activity;"

shall read as follows:

"13) granting consent for the Company to conclude, with a related party, an agreement whose subject matter has the value of at least 10% of the Company's equity, excluding typical agreements concluded by the Company on market terms as part of its operational activity,"

e) the following item 18a shall be added:

"18a) performing tasks resulting from the guidelines or recommendations of regulatory authorities, in particular the Polish Financial Supervision Authority, adopted in the Company;"

8) in § 36a, section 2 item 1, which currently reads as follows:

"1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act;"

shall read as follows:

"1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act of 11 September 2015;"

§ 2

The Supervisory Board is hereby authorized to prepare the consolidated version of the Articles of Association including the amendments introduced by this resolution.

§ 3

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