

Attachment to Resolution No. URN/66/2025  
adopted by the PZU SA Supervisory Board on 26 May 2025



## **PZU SA SUPERVISORY BOARD'S REPORT FOR 2024**

## **I. Composition of the PZU SA Supervisory Board**

As of 1 January 2024, the Supervisory Board of PZU SA ("the Supervisory Board") was composed on:

- Robert Jastrzębski – Chairman of the Supervisory Board,
- Paweł Górecki – Deputy Chairman of the Supervisory Board,
- Agata Górnicka – Secretary of the Supervisory Board,
- Marcin Chludziński – Member of the Supervisory Board,
- Marcin Kubicza – Member of the Supervisory Board,
- Krzysztof Opolski – Member of the Supervisory Board,
- Radosław Sierpiński – Member of the Supervisory Board,
- Józef Wierzbowski – Member of the Supervisory Board,
- Maciej Zaborowski – Member of the Supervisory Board.

On 14 February 2024, Paweł Górecki, was dismissed from the PZU SA Supervisory Board by a letter from the State Treasury.

On 15 February 2024, the Extraordinary Shareholder Meeting of PZU SA dismissed the following persons from the PZU SA Supervisory Board: Robert Jastrzębski, Agata Górnicka, Marcin Chludziński, Krzysztof Opolski, Radosław Sierpiński, Józef Wierzbowski and Maciej Zaborowski. At the same time, the following persons were appointed to the Supervisory Board of PZU SA: Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Małgorzata Kurzynoga, Anna Machnikowska, Wojciech Olejniczak and Adam Uszpolewicz.

On 15 February 2024, Marcin Kubicza took over as Chairman.

On 23 February 2024, Małgorzata Kurzynoga took over as Deputy Chairman and Anna Machnikowska as Secretary. In light of the above, the Supervisory Board of PZU SA was composed as follows:

- Marcin Kubicza – Chairman of the Supervisory Board,
- Małgorzata Kurzynoga – Vice Chairman of the Supervisory Board,
- Anna Machnikowska – Secretary of the Supervisory Board,
- Michał Bernaczyk – Member of the Supervisory Board;

- Anita Elżanowska – Member of the Supervisory Board;
- Filip Gorczyca – Member of the Supervisory Board;
- Michał Jonczynski – Member of the Supervisory Board;
- Andrzej Kaleta – Member of the Supervisory Board;
- Wojciech Olejniczak – Member of the Supervisory Board;
- Adam Uszpolewicz – Member of the Supervisory Board.

On 23 February 2024, the Supervisory Board of PZU SA delegated – for a period of no more than three months – two of its members, Anita Elżanowska and Michał Bernaczyk, to temporarily perform the duties of President of the Management Board (until the appointment of the President) and Member of the Management Board, respectively.

On 25 April 2024, the Supervisory Board of PZU SA revoked the delegation of Michał Bernaczyk, Member of the Supervisory Board, to temporarily perform the duties of Member of the Management Board, effective 15 May 2024.

On 28 August 2024, the Supervisory Board of PZU SA delegated Wojciech Olejniczak to temporarily perform the duties of Member of the Management Board of PZU SA, effective 2 September 2024.

On 28 November 2024, the Supervisory Board PZU SA revoked the delegation of Supervisory Board Member Wojciech Olejniczak to temporarily perform the function of Management Board Member.

The independence criteria set forth in § 20(8) of the Articles of Association of PZU SA, as defined in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (the "Act on Statutory Auditors"), were fulfilled by Robert Jastrzębski, Marcin Kubicza, Paweł Górecki, Małgorzata Kurzynoga, Agata Górnicka, Anna Machnikowska, Marcin Chludziński, Michał Bernaczyk, Anita Elżanowska, Michał Jonczynski, Andrzej Kaleta, Wojciech Olejniczak, Krzysztof Opolski, Adam Uszpolewicz, Józef Wierzbowski and Maciej Zaborowski.

None of the PZU SA Supervisory Board Members had in 2024 actual and material relations with any

shareholder holding at least 5% of the total vote in the PZU SA (the "Company").

As of 31 December 2024, the composition of the Supervisory Board of PZU SA has remained unchanged.

## II. Activities of the PZU SA Supervisory Board

During the reporting period, the legal basis for the activity of the PZU SA Supervisory Board was as follows: The Commercial Company Code, the Insurance and Reinsurance Activity Act and other generally applicable laws, as well as the Company's Articles of Association and the Rules and Regulations of the Supervisory Board. Fulfilling the provisions of the Articles of Association and Rules and Regulations, the Supervisory Board of PZU SA held properly convened and prepared meetings, with high attendance.

During the financial year, the Supervisory Board of PZU SA held twenty meetings on the following dates:

- 24 January 2024,
- 14 February 2024,
- 15 February 2024,
- 23–24 February 2024,
- 14, 19–20 March 2024,
- 20 March 2024,
- 21–22, 25 and 27 March 2024,
- 4 April 2024,
- 25 April 2024,
- 20 May 2024,
- 17–18 June 2024,
- 15 and 18 July 2024,
- 20, 27–28 August 2024,
- 28 August and 6 September 2024,
- 20 September 2024,
- 3–4 October 2024,
- 15 October 2024,
- 30 October 2024,
- 20 and 28 November 2024,
- 13 December 2024 (Part I of the meeting, which continued on 13 January 2025).

Relevant decisions were made by the Supervisory Board of PZU SA in the form of resolutions and opinions submitted to the Company's Management Board and the Shareholder Meeting of PZU SA.

During the reporting period, the Supervisory Board of PZU SA adopted two hundred and three resolutions, including thirty-six in writing or by means of direct communication at a distance (the list of resolutions is attached as Attachment 1 to this report).

Most of the Supervisory Board's resolutions – with the exception of resolutions numbered:

URN/24/2024, URN/25/2024, URN/26/2024, URN/37/2024, URN/39/2024, URN/41/2024, URN/42/2024, URN/43/2024, URN/44/2024, URN/58/2024, URN/61/2024, URN/71/2024, URN/74/2024, URN/99/2024, URN/101/2024, URN/106/2024, URN/124/2024, URN/129/2024, URN/130/2024, URN/131/2024, URN/132/2024, URN/133/2024, URN/134/2024, URN/137/2024, URN/138/2024, URN/139/2024, URN/140/2024, URN/141/2024, URN/142/2024, URN/143/2024, URN/144/2024, URN/145/2024, URN/152/2024, URN/154/2024, URN/155/2024, URN/157/2024, URN/162/2024, URN/165/2024, URN/167/2024, URN/168/2024, URN/172/2024, URN/174/2024, URN/177/2024, URN/178/2024, URN/179/2024, URN/182/2024, URN/184/2024, were passed unanimously. The Supervisory Board of PZU SA passed its resolutions while maintaining the quorum required by law.

The agendas prepared by the Chairman of the Supervisory Board of PZU SA included all topics that the Supervisory Board should deal with in accordance with its competencies, and included additional issues that the Management Board or members of the Supervisory Board of PZU SA considered important.

The majority of PZU SA Supervisory Board members were present at all meetings. Absences of individual members from the Board meetings were mainly due to important business obligations. Following the adoption of the resolution of the Extraordinary Shareholder Meeting of PZU SA on the principles of shaping the remuneration of members of the Supervisory Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna No. 5/2017 of 8 February 2017, adoption of resolutions excusing absences was not required (a summary of attendance at meetings of the Supervisory Board is attached as Attachment No. 2 to this report). PZU SA Supervisory Board meetings were held in hybrid form – with the possibility of participation by means of remote communication. Members of the PZU SA Management Board, PZU Group Directors, Managing Directors and PZU Head Office Directors were invited to the meetings of the PZU SA Supervisory Board in 2024, in accordance with § 27(1) of the Rules and Regulations of the PZU SA Supervisory Board, and they provided comprehensive explanations and

submitted all documents regarding the Company's operations. In addition, representatives of the auditor, KPMG Audyt sp. z o.o. sp. k., also participated in PZU SA Supervisory Board meetings. (audit firm auditing the 2023 financial statements) and PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. ("PWC Polska Audyt"), (audit firm auditing the 2024 financial statements). Regardless of the meetings, the PZU SA Supervisory Board was kept informed of the key aspects of the Company's operations via e-mail

(Supervisory Board Members were sent current and periodic reports as a result of PZU SA's operation as a company listed on the Warsaw Stock Exchange).

The Supervisory Board's cooperation with the Management Board of PZU SA was proper and directed at increasing the Company's value and concern for safeguarding its interests. The information and materials provided by the Management Board were prepared in a clear and reliable manner, to the extent consistent with the requirements set by the PZU SA Supervisory Board.

### **III. The most important issues dealt with by the Supervisory Board of PZU SA**

In the financial year ended 31 December 2024, the Supervisory Board of PZU SA dealt with all issues that, according to the Company's Articles of Association, are within the competence of the Supervisory Board. Within the scope of its activities, the PZU SA Supervisory Board actively supported the Management Board in the implementation of the Company's strategic goals, considered the Management Board's proposals on issues requiring, in accordance with the Company's Articles of Association, the approval of the Supervisory Board, and reviewed other issues presented by the Management Board.

Important issues dealt with by the PZU SA Supervisory Board in 2024:

- a systematic assessment of the financial and economic situation of PZU SA and the PZU Group, market position and major strategic initiatives and intentions for 2024,
- ongoing monitoring of the implementation of the financial plan of PZU SA and PZU Group for 2024,
- monitoring the status of the implementation of the PZU Group Strategy “#PZU Potential and growth – We care about the most important things in life. PZU Group Strategy 2021–2024,”
- approval of the multi-year plan for the development and operation of the PZU Group and PZU SA Company contained in the document entitled “PZU Group Strategy 2025–2027,”
- approval of the PZU Group’s capital and dividend policy for 2025– 2027,
- carrying out the primary assessment of the individual suitability of candidates for Management Board Members and the assessment of the collective suitability of the PZU SA Management Board,
- changes in the composition of the Management Board,
- evaluation of the financial statements of PZU SA for the year ended 31 December 2023 and recommendation to the Ordinary Shareholder Meeting of PZU SA to approve them,
- evaluation of the report of the Management Board on the activities of the PZU Group and PZU SA in 2023 and recommendation to the Ordinary Shareholder Meeting of PZU SA to approve it,
- evaluation of the Management Board's proposal on the distribution of net profit of PZU SA for the year ended 31 December 2023 and recommendation to the Ordinary Shareholder Meeting of PZU SA to approve it,
- evaluation of the consolidated financial statements of the PZU SA Group for the year ended 31 December 2023 and recommendation to the Ordinary Shareholder Meeting of PZU SA to approve them,
- approval of the PZU SA Solvency and financial condition report (SFCR) as at and for the financial year ended 31 December 2023,
- approval of PZU Group Solvency and financial condition report (SFCR) as at and for the financial year ended 31 December 2023,
- examining and issuing an opinion on the PZU SA Management Board’s report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services for the year 2023,
- establishing Management Objectives for the Company's Management Board Members for the year 2024,

- approval of the report on compensation of the PZU SA Management Board Members and Supervisory Board Members for 2023,
- approval of the PZU Group's risk management strategy;
- adoption of the report of PZU SA Supervisory Board for 2023,
- ongoing monitoring of the implementation of strategic projects,
- ongoing monitoring of risks, including the level of actuarial risk, market risk, credit risk, operational risk, model risk and compliance risk,
- monitoring the status of implementation of the Strategy in the area of risk management,
- amendments to the Rules for assessment of suitability of the PZU SA Supervisory Board and Audit Committee;
- ongoing monitoring of investment activities,
- ongoing monitoring of management information from the IT area,
- monitoring of ongoing acquisition projects along with making appropriate decisions,
- overseeing the organization's readiness to meet its sustainability reporting obligations,
- in connection with the changes in the composition of the Supervisory Board – approval of the proposal for the individual suitability assessment of candidates for Supervisory Board Members and the collective suitability assessment of the Supervisory Board,
- in connection with the changes in the composition of the Supervisory Board – election of the Chairman, Deputy Chairman and Secretary of the Supervisory Board, and determination of the composition of the Nomination and Compensation Committee, Strategy Committee and Audit Committee (along with the assessment of the individual suitability of candidates for Audit Committee members and the suitability collective assessment of the Audit Committee),
- ongoing monitoring of the Committees' activities: Audit Committee, Nomination and Compensation Committee, and Strategy Committee of the PZU SA Supervisory Board,
- monitoring of the work related to the audit of selected areas of PZU SA and PZU Życie SA operations.

During the reporting period, as part of ongoing risk monitoring, key developments in the Company's regulatory environment were presented to the PZU SA Supervisory Board, resulting in analysis and discussion of challenges and risks in PZU SA's

regulatory environment. Among other things, the PZU SA Supervisory Board dealt with the following issues of change and the need to implement new responsibilities in the legal and regulatory environment of PZU SA, including:

- Directive (EU) 2025/2 of the European Parliament and of the Council of 27 November 2024, amending Directive 2009/138/EC (Solvency II Directive revision);
- Directive (EU) of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings (IRR Directive);
- Act of 14 June 2024 on the protection of whistleblowers (formerly: draft act on protection of whistleblowers);
- Regulation (EU) of the European Parliament and of the Council of 14 December 2022 on the operational digital resilience of the financial sector and amending Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014 and (EU) No. 909/2014 (DORA);
- Act of 26 May 2023 on the mObywatel application;
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 2019 on sustainability-related disclosures in the financial services sector;
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Taxonomy);
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU (CSRD);
- Directive (EU) of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (CSDD);
- Act of 13 September 2024 Amending the Mandatory Insurance, Insurance Guarantee Fund and Polish Motor Insurers' Bureau and the Act on Insurance and Reinsurance Activity;
- Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonized rules on artificial intelligence (AI Act);
- Regulation (EU) 2022/868 of the European Parliament and of the Council of 30 May 2022

- on European data governance (Data Governance Act);
- Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonized rules on fair access to and use of data (Data Act);
- package adopted by the European Commission on retail investment (functioning as the Retail Investment Strategy ("RIS"), including amendments to the IDD, revision of the PRIIPs Regulation,
- draft Regulation (EU) of the European Parliament and of the Council on the Financial Data Access (FIDA) framework;
- position of the Polish Financial Supervision Authority on certain aspects of the use of outsourcing by insurance and reinsurance companies;
- draft recommendation on insurance distribution;
- Article 276 of the Act of 11 September 2015 on Insurance and Reinsurance Activity regarding the delegation to the Minister of Finance to issue a regulation to specify the investment rules when insurance companies invest funds relating to life insurance contracts in which the investment risk is borne by the policyholder who is a natural person or the policyholder who is not a natural person if the policyholder who is a natural person bears the cost of the insurance premium under that contract;
- recommendations for insurance companies on assessing the suitability of life insurance with an investment component;
- recommendation U – on good bancassurance practices;
- UKNF's draft position on Product Oversight and Governance (POG);
- draft Act on reducing red tape and legal barriers;
- draft Regulation of the Minister of Finance on specific rules related to the investment by the insurance company of assets from life insurance contracts in which the investment risk is incurred by the policyholder;
- EU's anti-money laundering package (AML package).

The PZU SA Supervisory Board, in order to properly carry out supervisory activities in the Company, has established permanent committees of an advisory and consultative nature. In 2024, there were three permanent Committees within the PZU SA Supervisory Board:

- Audit Committee,

- Nomination and Compensation Committee,
- Strategy Committee.

### **Audit Committee**

The Audit Committee was appointed by resolution of the Supervisory Board of PZU SA on 3 June 2008 in order to increase the effectiveness of the Supervisory Board's performance of supervisory activities in monitoring the Company's financial reporting process, the Company's auditing activities, and the effectiveness of the Company's internal control systems, internal audit, and risk management system. Moreover, the scope of the Audit Committee's activities may include other matters entrusted to it by the Company's Supervisory Board. The obligation to establish an Audit Committee in PZU SA as a public interest entity, results from the Act on Statutory Auditors. The Audit Committee includes at least three members. The majority of members, including the chairman, meet the independence criteria set forth in the Act on Statutory Auditors. At least one member of the Audit Committee has knowledge and skills in accounting or auditing. Detailed tasks and rules for the appointment and functioning of the Audit Committee are defined by: the of the Audit Committee are set in the Articles of Association of PZU SA, the Rules and Regulations of the Supervisory Board of PZU SA, the Rules and Regulations of the Audit Committee of the Supervisory Board of PZU SA, and a resolution of the Supervisory Board determining the composition of the Audit Committee, which, in selecting the members of the Audit Committee, takes into account the competence and experience of the candidates with respect to the matters assigned to the Committee.

As of 1 January 2024, the Audit Committee of the Supervisory Board of PZU SA operated in the following composition:

- 1) Krzysztof Opolski - Chairman of the Committee,
- 2) Marcin Chludzinski - Committee Member,
- 3) Paweł Górecki - Committee Member,
- 4) Marcin Kubicza - Committee Member.

All Audit Committee Members met the criteria for independence within the meaning of Article 129(3) of the Act on Statutory Auditors. Marcin Chludziński and Krzysztof Opolski were designated as members holding qualifications in accounting or auditing financial statements. Marcin Chludziński, Paweł Górecki and Krzysztof Opolski having knowledge and skills in the industry in which PZU SA operates.



None of the Audit Committee of PZU SA Supervisory Board Members had in 2024 actual and material relations with any shareholder holding at least 5% of the total vote in the Company.

On 14 February 2024, Paweł Górecki, was dismissed from the PZU SA Supervisory Board by a letter from the State Treasury.

On 15 February 2024, the Extraordinary Shareholder Meeting of PZU SA dismissed the following persons from the PZU SA Supervisory Board: Robert Jastrzębski, Agata Górnicka, Marcin Chludzinski, Krzysztof Opolski, Radosław Sierpiński, Józef Wierzbowski and Maciej Zaborowski. At the same time, the following persons were appointed to the Supervisory Board of PZU SA: Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Małgorzata Kurzynoga, Anna Machnikowska, Wojciech Olejniczak and Adam Uszpolewicz.

Due to the above changes, on 23 February 2024, the PZU SA Supervisory Board PZU SA established the following composition of the Audit Committee:

- 1) Adam Uszpolewicz – Chairman of the Committee,
- 2) Filip Gorczyca – Committee Member,
- 3) Michał Jonczynski – Committee Member,
- 4) Andrzej Kaleta – Committee Member.

Members of the Audit Committee: Adam Uszpolewicz, Michał Jonczynski and Andrzej Kaleta met the criteria for independence within the meaning of Article 129(3) of the Act on Statutory Auditors. Adam Uszpolewicz, Filip Gorczyca and Michał Jonczynski held qualifications in accounting or auditing financial statements. Adam Uszpolewicz and Michał Jonczynski had knowledge and skills in the industry in which the Company operates.

As of 31 December 2024, the composition of the Audit Committee of the Supervisory Board of PZU SA has remained unchanged.

During the reporting period, i.e. from 1 January 2024 to 31 December 2024, the Audit Committee held seventeen meetings on the following dates:

- 24 January 2024,
- 14 February 2024,
- 13 March 2024,
- 20 March 2024,
- 3 April 2024,
- 4 April 2024,

- 22 April 2024,
- 25 April 2024,
- 17 May 2024,
- 20 May 2024,
- 17 June 2024,
- 26 August 2024,
- 28 August 2024,
- 29 October 2024,
- 19 November 2024,
- 20 November 2024,
- 12 December 2024.

The decisions of the Audit Committee of the Supervisory Board of PZU SA were expressed in the form of resolutions, opinions and recommendations, which were each time forwarded to the Company's Supervisory Board. The report of the Audit Committee of the Supervisory Board of PZU SA on its activities in 2024 is attached as Attachment No. 3 to this report.

### **Nomination and Compensation Committee**

In accordance with the Articles of Association of PZU SA, since the Company's shares were listed on a regulated market within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments, the PZU SA Supervisory Board could appoint a Nomination and Compensation Committee, which was established on 12 May 2010.

The Nomination and Compensation Committee is an advisory and consultative body to the PZU SA Supervisory Board as regards the development of the management structure, including organizational solutions, the remuneration principles and the selection of properly qualified staff.

As of 1 January 2024, the Nomination and Compensation Committee of the Supervisory Board of PZU SA operated in the following composition:

- Robert Jastrzębski – Committee Chairman,
- Paweł Górecki – Committee Member,
- Agata Górnicka – Committee Member,
- Radosław Sierpiński – Committee Member.

On 14 February 2024, Paweł Górecki, was dismissed from the PZU SA Supervisory Board by a letter from the State Treasury.

On 15 February 2024, the Extraordinary Shareholder Meeting of PZU SA dismissed the following persons from the PZU SA Supervisory Board: Robert Jastrzębski, Agata Górnicka, Marcin Chludzinski, Krzysztof Opolski, Radosław

Sierpiński, Józef Wierzbowski and Maciej Zaborowski. At the same time, the following persons were appointed to the Supervisory Board of PZU SA: Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Małgorzata Kurzynoga, Anna Machnikowska, Wojciech Olejniczak and Adam Uszpolewicz.

Due to the above changes, on 23 February 2024, the Supervisory Board of PZU SA established the following composition of the Nomination and Compensation Committee:

- Małgorzata Kurzynoga – Chairman of the Committee,
- Michał Bernaczyk – Member of the Committee;
- Wojciech Olejniczak – Member of the Committee;
- Adam Uszpolewicz – Member of the Committee.

On 28 August 2024, Adam Uszpolewicz resigned as a member of the Nomination and Compensation Committee of the Supervisory Board of PZU SA. In light of the above, as of 6 September 2024, the Nomination and Compensation Committee was composed as follows:

- Małgorzata Kurzynoga – Chairman of the Committee,
- Michał Bernaczyk – Member of the Committee;
- Wojciech Olejniczak – Member of the Committee.

On 6 September 2024, the Supervisory Board completed the composition of the Nomination and Compensation Committee of the Supervisory Board of PZU SA, appointing Michał Jonczynski to its composition. In light of the above, as of 6 September 2024, the Nomination and Compensation Committee was composed as follows:

- Małgorzata Kurzynoga – Chairman of the Committee,
- Michał Bernaczyk – Member of the Committee;
- Michał Jonczynski – Committee Member,
- Wojciech Olejniczak – Member of the Committee.

As of 31 December 2024, the composition of the Nomination and Compensation Committee of the Supervisory Board of PZU SA has remained unchanged.

During the financial year, the Nomination and

Compensation Committee held sixteen meetings on the following dates:

- 24 January 2024,
- 14 February 2024,
- 23–24 February 2024,
- 8, 11, 13–14 and 19 March 2024,
- 20 March 2024,
- 27 March 2024,
- 18 April 2024,
- 25 April 2024,
- 20 May 2024,
- 17–18 June 2024,
- 15 and 18 July 2024,
- 30 July, 2 and 20 August 2024,
- 20, 27–28 August 2024,
- 28 August 2024,
- 6 and 13 September 2024,
- 13 and 20 September 21 and 28 November 2024.

In 2024, the decisions of the Nomination and Compensation Committee of the Supervisory Board of PZU SA were expressed in the form of opinions and recommendations, which were forwarded each time to the Supervisory Board of the Company.

In addition, the Nomination and Compensation Committee of the PZU SA Supervisory Board adopted 1 resolution No. UKNW/1/2024, dated 2 August 2024, on recommending to the PZU SA Supervisory Board candidates for the second stage of the qualification procedure for a member of the PZU SA Management Board responsible for supervising the areas of operations and claims and benefits handling.

### **Strategy Committee**

The Strategy Committee's task is to provide an opinion on all documents of a strategic nature submitted to the Supervisory Board of PZU SA by the Management Board of PZU SA (in particular, the Company's development strategy) and to make recommendations to the Supervisory Board of PZU SA on planned investments with a significant impact on the Company's assets.

As of 1 January 2024, the Strategy Committee of the Supervisory Board of PZU SA operated in the following composition:

- Marcin Kubicza – Chairman of the Committee,
- Marcin Chludzinski – Member of the Committee,
- Agata Górnicka – Member of the Committee,
- Józef Wierzbowski – Member of the Committee,



- Maciej Zaborowski – Member of the Committee,

On 14 February 2024, Paweł Górecki, was dismissed from the PZU SA Supervisory Board by a letter from the State Treasury.

On 15 February 2024, the Extraordinary Shareholder Meeting of PZU SA dismissed the following persons from the PZU SA Supervisory Board: Robert Jastrzębski, Agata Górnicka, Marcin Chludzinski, Krzysztof Opolski, Radosław Sierpiński, Józef Wierzbowski and Maciej Zaborowski. At the same time, the following persons were appointed to the Supervisory Board of PZU SA: Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Małgorzata Kurzynoga, Anna Machnikowska, Wojciech Olejniczak and Adam Uszpolewicz.

Due to the above changes, on 23 February 2024, the PZU SA Supervisory Board established the following composition of the Strategy Committee:

- Andrzej Kaleta – Committee Chairman,

- Anita Elżanowska – Member of the Committee,
- Filip Gorczyca – Member of the Committee,
- Anna Machnikowska – Member of the Committee.

As of 31 December 2024, the composition of the Strategy Committee of the Supervisory Board of PZU SA has remained unchanged.

During the financial year, the Strategy Committee held six meetings on the following dates:

- 25 April 2024,
- 3 October 2024,
- 4 October 2024,
- 15 October 2024,
- 30 October 2024,
- 28 November 2024.

In 2024, the decisions of the Strategy Committee of the Supervisory Board of PZU SA were expressed in the form of opinions and recommendations, which were forwarded each time to the Supervisory Board of the Company.

#### IV. Information on the implementation of resolutions of the PZU SA Shareholder Meeting

Acting on the basis of § 3(4) of Resolution No. 4/2017 of the PZU SA Extraordinary Shareholder Meeting of 8 February 2017 on the principles of shaping the remuneration of the members of the Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (as amended), the PZU SA Supervisory Board, by resolutions No.:

- URN/71/2024 of 25 April 2024 on setting Management Objectives of PZU SA Management Board Members for 2024,
- URN/73/2024 of 10 May 2024 amending Resolution No. URN/71/2024 on setting Management Objectives of PZU SA Management Board Members for 2024,

detailed the management objectives for the Company's Management Board Members, as well as defined the weights of each objective and measurable criteria (indicators) for their achievement and accountability (KPIs).

In addition, acting on the basis of § 3(1)(1)(a), § 4(2)(2) and § 17(1) and 17(3)(2) of the Rules for assessment of suitability of the PZU SA Supervisory Board and Audit Committee, adopted by Resolution No. 33 of the Ordinary Shareholder Meeting of PZU SA ("OSM of PZU SA") dated 16 June 2021 (as amended), (the "Rules"), the Supervisory Board of PZU SA, through resolutions from No. URN/13/2024 to URN/22/2024 dated 14 February 2024, approved the proposals for

positive initial assessment of individual suitability of candidates for members of the Supervisory Board of PZU SA, and submitted to the Shareholder Meeting of PZU SA a report including the proposals for initial assessment of individual suitability of candidates for members of the Supervisory Board of PZU SA adopted through resolution No. URN/23/2024 dated 14 February 2024.

Acting on the basis of § 3(1)(2)(b), § 4(2)(1) and § 17(1) and 17(3)(1) of the Rules, prior to determining the composition of the Audit Committee, the PZU SA Supervisory Board, by resolutions from No. URN/29/2024 to URN/32/2024 of 23 February 2024, made a positive assessment of the individual suitability of candidates for members of the Audit Committee of the Supervisory Board of PZU SA, and by Resolution No. URN/33/2023 of 23 February 2024, made a positive collective assessment of the suitability of the Audit Committee of the Supervisory Board of PZU SA.

The Supervisory Board of PZU SA, acting on the basis of § 3(1)(1)(a), § 4(2)(2) and § 17(1)(3)(2) and (5) of the Rules, by resolutions from No. URN/79/2024 to URN/88/2024 of 20 May 2024, approved the proposal for positive secondary

assessment of the individual suitability of PZU SA Supervisory Board Members, and by Resolution No. URN/93/2024 of 20 May 2024, approved the proposal for positive collective assessment of the suitability of the PZU SA Supervisory Board, and presented a report to the Shareholder Meeting of PZU SA including the proposals for assessing the suitability of the PZU SA Supervisory Board adopted by Resolution No. URN/96/2024 of 20 May 2024.

In addition, acting on the basis of § 3(1)(2)(a), § 4(2)(1) and § 17(1) and (3)(1) of the Rules, the

Supervisory Board of PZU SA, by resolutions from No. URN/89/2024 to URN/92/2024 of 20 May 2024, made a positive secondary assessment of the individual suitability of the members of the Audit Committee of the Supervisory Board of PZU SA.

The Supervisory Board of PZU SA concludes that all the duties imposed on it by the resolutions of the 2024 Shareholder Meeting of PZU SA have been properly and timely implemented.

#### **V. Implementation of reporting and disclosure obligations**

The Supervisory Board of PZU SA states that all reporting and disclosure obligations imposed by

law on the Supervisory Board were carried out in 2024 in a timely manner.

#### **VI. Evaluation of the Financial Statements of PZU SA for the year ended 31 December 2024, the Consolidated Financial Statements of the PZU Group for the year ended 31 December 2023, the Management Board's report on the activity of the PZU Group and PZU SA for the financial year ended 31 December 2024 and the Management Board's proposal on the distribution of net profit of PZU SA for the year ended 31 December 2024.**

##### **I. Evaluation of the Financial Statements of PZU SA for the year ended 31 December 2024, the Consolidated Financial Statements of the PZU Group for the year ended 31 December 2024 and the Management Board's report on the activity of the PZU Group and PZU SA for the financial year ended 31 December 2024.**

Pursuant to Article 382 § 3 of the Commercial Company Code, the specific duties of the Supervisory Board include evaluating the Management Board's report on the Company's activity and the financial statements for the past financial year in terms of their conformity with the books and documents, as well as with the facts, and the Management Board's proposal for the distribution of profit, and submitting an annual written report on the results of this evaluation to the Shareholder Meeting.

Pursuant to Article 55(2a) of the Accounting Act of 29 September 1994 and § 71(8) of the Decree of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by securities issuers and on conditions under which information required by the legislation of a non-Member State, in the case of an annual report and a consolidated annual report, the reports of

the management board or managing person on the activities of the issuer and on the activities of the group may be prepared in the form of a single document.

Pursuant to Article 63x(1) of the Accounting Act of 29 September 1994, the parent company of a large group is required to present in a separate section of the report on the activity of the group with the information necessary to understand the group's impact on sustainability issues and to understand how sustainability issues affect the group's development, performance and position. The group's sustainability reporting is subject to sustainability reporting attestation by a statutory auditor authorized to attest sustainability reporting (pursuant to Article 64(7) of the Accounting Act).

The Supervisory Board of PZU SA, acting on the basis of the Company's Articles of Association and the Rules and Regulations of the Supervisory Board, by Resolution No. URN/143/2022 of 24 August 2022, selected PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. ("audit firm") as an audit firm to conduct audits and reviews of the financial statements and audits of the reports on the

solvency and financial condition of PZU SA and the PZU Group for the five financial years 2024–2028, with an option to extend the contract for two more financial years 2029–2030. On 20 November 2024, after reviewing the Recommendation of the Audit Committee of the Supervisory Board of PZU SA, the Supervisory Board adopted Resolution No. URN/191/2024 in which it agreed to conclude with PWC Polska Audyt an annex to the existing contract for the audit and review of financial statements and the audit of solvency and financial condition reports extending the scope of work to include the attestation of PZU Group Sustainability Reporting for 2024.

The Company's Management Board is responsible for the preparation, on the basis of properly maintained accounting books, of the financial statements of PZU SA and the Management Board's report on the PZU Group and PZU SA's activities, which present a true and fair view of the Group's assets, financial position and financial performance in accordance with the applicable regulations, and for such internal control as the Management Board considers necessary to allow for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The preparation of the consolidated financial statements of the PZU Group, which present a true and fair view of the consolidated financial position and financial performance of the Group in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS"), adopted rules (policy) and other applicable laws and the Articles of Association, and the internal control necessary to allow for the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, is the responsibility of the Management Board of the parent company.

The Management Board of the Company is responsible for designing and conducting the materiality assessment process in accordance with the European Sustainability Reporting Standards (ESRS) to identify the information included in the Group Sustainability Reporting in accordance with the ESRS, for disclosing this process in the Management Board Report on the Operations of the PZU Group and PZU SA, and for preparing the Group Sustainability Reporting in accordance with Chapter 6c of the Accounting Act.

The Supervisory Board, together with the Management Board, are obligated, in accordance with Article 4a of the Accounting Act of 29 September 1994, to ensure that the aforementioned reports meet the requirements stipulated by the said Act, the implementing regulations issued thereunder and other applicable laws. Members of the Supervisory Board are responsible for overseeing the financial reporting process.

The Supervisory Board is responsible for overseeing the Group's Sustainability Reporting process.

The Audit Committee of the Supervisory Board, in accordance with the Act on Statutory Auditors, is required to:

- monitor the financial reporting process, including to audit the annual financial statements of PZU SA and the consolidated financial statements of the PZU Group;
- monitor the Group's sustainability reporting process, including attestation of PZU SA Group's sustainability reporting;
- monitor the performance of auditing activities and the independence of the statutory auditor and audit firm.

PWC Polska Audyt has submitted the declaration of independence required by the Act on Statutory Auditors.

The Financial Statements of PZU SA for the year ended 31 December 2024, the Consolidated Financial Statements of PZU Group for the year ended 31 December 2024, the Management Board's report on the PZU Group and PZU SA's activity for the year ended 31 December 2024 including the PZU Group's sustainability reporting were evaluated by the Audit Committee of the PZU SA Supervisory Board at a meeting held on 26 March 2025, and discussed with the Management Board and the Company's statutory auditor at a meeting of the PZU SA Supervisory Board on 26 March 2025.

In its report, the statutory auditor ensured that the audit of the financial statements was planned and conducted in such a way as to provide reasonable assurance that the financial statements of PZU SA and the consolidated financial statements of the PZU Group as a whole are free from material misstatement due to fraud or error.

Key issues covered by the audit:

- uncertainty related to the valuation of the provision for losses and accidents incurred but not reported,

- PZU SA's control over Bank Polska Kasa Opieki Spółka Akcyjna ("Bank Pekao S.A.") and Alior Bank Spółka Akcyjna ("Alior Bank S.A."),
- valuation of insurance contract liabilities for remaining coverage (LRC) for the group and individually continued insurance segment,
- estimating the value of expected credit losses in the portfolio of loans receivable from clients.

The evidence obtained during the audit provides a sufficient and adequate basis for an opinion.

In the opinion of the independent statutory auditor, the audited standalone financial statements of PZU SA:

- present a true and fair view of the Company's assets and financial position as of 31 December 2024 and its financial performance and cash flows for the financial year ended on that date in accordance with the applicable provisions of Act on Accounting of 29 September 1994 and the adopted accounting principles (policy),
- comply in form and content with the Company's applicable laws and the Company's Articles of Association,
- have been prepared on the basis of properly maintained accounting books, in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994.

The independent statutory auditor's report on the audit of the standalone financial statements of PZU SA of 26 March 2025 contains an unqualified opinion.

In addition, the statutory auditor stated that the audit opinion on the financial statements is consistent with the supplementary report to the Audit Committee, which was prepared by PWC Polska Audyt. On 26 March 2025, the Audit Committee of the Supervisory Board of PZU SA positively assessed the report referred to above.

At the same time, in the opinion of the independent statutory auditor, the audited consolidated financial statements of the PZU Group:

- present a true and fair view of the consolidated asset and financial position of PSA SA and its subsidiaries ("PZU Group") as of 31 December 2024 and consolidated financial performance and consolidated cash flows for the year then ended, in accordance with EU IFRS and the adopted accounting principles (policies),

- comply in form and content, with the Group's applicable laws and the parent company's Articles of Association.

In addition, according to the statutory auditor, the consolidated financial statements of the PZU Group prepared in the uniform electronic reporting format (in ESEF format) in the file named pzu-2024-12-31-0-pl.zip ("consolidated financial statements in ESEF format") were labeled, in all material respects, accordance with the requirements set forth in Article 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on consolidated financial statements the specification of a single electronic reporting format.

The statutory auditor also ensured that the Management Board's report on the PZU Group and PZU SA's activity for the financial year ended 31 December 2024 to the extent not relevant to sustainability reporting:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and paragraph 70 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information provided by securities issuers and on conditions under which information required by the legislation of a non-Member State ("Current Information Regulation") and Article 54(2) of the Regulation of the Minister of Finance dated 12 April 2016 on the specific accounting policies of insurance and reinsurance undertakings,
- was consistent with the information contained in the financial statements and the consolidated financial statements.

In addition, the statutory auditor stated that in light of the knowledge of the Company and the Company's Group and its environment obtained during the audit of the financial statements and the consolidated financial statements, no material misstatements were found in the activity report.

At the same time, the statutory auditor confirmed that in the corporate governance statement, which is a separate part of the report on the Group's and the Company's activity, the Company included the information specified in § 70(6)(5) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by securities issuers and on conditions under which information required by the legislation of a non-Member State (the "Regulation"). In addition, the

information specified in § 70(6)(5)(c–f), (h) and (i) of the Regulation contained in the corporate governance statement is consistent with the applicable regulations and the information contained in the financial statements and consolidated financial statements.

In addition, the statutory auditor performed an attestation providing limited assurance of the Sustainability Statement prepared by Powszechny Zakład Ubezpieczeń S.A. (the “Company”) as of and for the year ended 31 December 2024 and included in Chapter 8. Management Board’s reports on the activity of the PZU Group and PZU SA for the accounting year ended 31 December 2024 (“group’s sustainability reporting”).

Based on the attestation procedures performed and the evidence obtained, the statutory auditor concluded that nothing came to his attention that would lead him to believe that:

- the Group’s sustainability reporting does not comply, in all material respects, with the requirements of Chapter 6c of the Accounting Act of 29 September 1994 (“Accounting Act”), including the European Sustainability Reporting Standards (“ESRS”);
- the materiality assessment process carried out by the Company to identify information included in the Group Sustainability Reporting (“Materiality Assessment Process”) does not comply, in all material respects, with the ESRS;
- the Group’s sustainability reporting does not comply, in all material respects, with the reporting requirements of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (“Taxonomy Regulation”).

The Supervisory Board of PZU SA after reviewing the documents submitted by the Management Board:

- 1) Financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2024, prepared in accordance with Polish accounting standards, including:
  - a. balance sheet prepared as of 31 December 2024, closing on the assets and liabilities side with a balance sheet total of PLN 56,093,537 thousand,

- b. non-life insurance technical account for the period from 1 January to 31 December 2024, indicating a technical result to be transferred to the general profit and loss account in the amount of PLN 1,068,625 thousand,
  - c. general profit and loss account for the period from 1 January 1 to 31 December 2024, indicating a net profit of PLN 3,877,019 thousand,
  - d. statement of changes in equity showing an increase in equity during the financial year ending 31 December 2024 by the amount of PLN 1,845,125 thousand,
  - e. cash flow statement showing an increase in cash during the financial year ending 31 December 2024 by the amount of PLN 34,121 thousand,
  - f. additional notes to the Financial statements for the year ended 31 December 2024;
- 2) Report of the independent statutory auditor on the audit of the annual financial statements of 26 March 2025;
- 3) Consolidated financial statements of Powszechny Zakład Ubezpieczeń Group for the year ended 31 December 2024, prepared in accordance with International Financial Reporting Standards, including:
  - a. the consolidated statement of financial position as of 31 December 2024, which shows a total of PLN 503,257 million on the assets and capitals and liabilities side,
  - b. Consolidated profit and loss account for the period from 1 January 1 to 31 December 2024, showing a net profit of PLN 12,221 million,
  - c. consolidated statement of comprehensive income for the period from 1 January to 31 December 2024, showing a comprehensive income of PLN 12,890 million,
  - d. consolidated statement of changes in equity for the period from 1 January to 31 December 2024, showing an increase in equity in the amount of PLN 4,705 million,
  - e. consolidated cash flow statement for the period from 1 January to 31 December 2024, showing a decrease in cash in the amount of PLN 2,575 million,
  - f. supplementary information and notes;
- 4) Report of the independent statutory auditor on the audit of the annual consolidated financial statements of 26 March 2025;



- 5) Management Board's report on the activity of the PZU Group and PZU SA for the financial year ended 31 December 2024, including sustainability reporting;
  - 6) statement of the independent statutory auditor on the attestation of sustainability reporting dated 26 March 2025;
- made a positive assessment of the above-mentioned documents.

In view of the above, the Supervisory Board of PZU SA decided to submit its assessment to the Ordinary Shareholder Meeting of PZU SA.

The Supervisory Board, in accordance with § 18(1) of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna and Article 395 § 2(1) and Article 395 § 5 of the Commercial Company Code, recommends that the Shareholder Meeting of PZU SA approve:

- Financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2024,
- Consolidated financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna Group for the year ended 31 December 2024;
- Management Board's report on the activity of the PZU Group and PZU SA for the financial year ended 31 December 2024;

## **II. Evaluation of the Management Board's proposal on the distribution of net profit of PZU SA for the year ended 31 December 2024**

The Supervisory Board positively evaluates the proposal of the Management Board of PZU SA to

the Ordinary Shareholder Meeting of PZU SA regarding the distribution of net profit of PZU SA for the year ended 31 December 2024, increased by the amount transferred from the supplementary capital created from the net profit for the year ended 31 December 2023, as presented in Resolution No. UZ/111/2025 of the PZU SA Management Board of 6 May 2024 on the adoption of the motion to the Ordinary Shareholder Meeting of PZU SA on the distribution of PZU SA net profit for the year ended 31 December 2024, increased by the amount transferred from the supplementary capital created from the net profit for the year ended 31 December 2023, and recommends to the Ordinary Shareholder Meeting the distribution of net profit for the year ended 31 December 2024 in the amount of PLN 3,877,018,569.61, increased by the amount of PLN 1,080,493,381.40 transferred from the supplementary capital created from the net profit for the year ended 31 December 2023, i.e. a total of PLN 4,957,511,951.01, as follows:

- 1) to designate the amount of PLN 3,859,947,810.00, i.e. PLN 4.47 (four zlotys 47 gr) per share, for the payment of dividends;
  - 2) to designate the amount of PLN 8,542,700.00 for the Company Social Benefit Fund;
  - 3) to designate the amount of PLN 1,089,021,441.01 for supplementary capital;
- The Supervisory Board recommends to the Ordinary Shareholder Meeting of PZU SA that the record date be set at 25 September 2025 and the dividend payout date at 16 October 2025.

## **VII. Concise evaluation of the Company's situation on a consolidated basis, taking into account the adequacy and effectiveness of the Company's systems for internal control, risk management, ensuring compliance with standards or applicable practices, and internal audit**

In 2024, net profit attributable to the shareholders of the PZU Group's parent company was PLN 5,342 million, compared to PLN 5,780 million in 2023 (down 7.6%). Net profit reached PLN 12,221 million, i.e. PLN 2.4% lower than in 2023, and profit before tax stood at PLN 15,705 million, compared to PLN 16,145 million the year before. Net of non-recurring events,<sup>1</sup> net result rose by 3.4% compared to last year.

Operating profit in 2023 was PLN 16,067 million, up PLN 96.9% compared to the result in 2022.

Key contributors to operating profit included in particular:

- lower result in the mass non-life insurance segment (-PLN 862 million), mainly as a result of a decline in the result from insurance services. The lower result stems from higher

<sup>1</sup> One-time events in 2024 include: – revaluation of the provision for risk associated with foreign currency mortgage loans at Bank Pekao S.A.; – costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (the so-called moratorium periods) – effect related to the aforementioned number of mass damage caused by atmospheric events, mainly flooding;

release of an impairment loss on assets arising from the acquisition of Alior Bank S.A. One-time events in 2023 include: – updating the provision for risk related to foreign currency mortgage loans at Bank Pekao S.A. – interest income at Bank Pekao S.A. related to the settlement of the government program to modify contracts of PLN mortgage loans granted to clients due to their suspension of loan repayments (so called "moratorium periods"), which began in 2022

claims liabilities in the current year, especially in non-motor insurance, due to an above-normal number of claims caused by weather events. Deterioration was also noted in automobile insurance as a result of claims inflation and higher claim frequency. The impact of the increase in liabilities was partially offset by an increase in revenues due to higher sales growth – mainly non-motor insurance and MOD; • decline in operating profit in the corporate property insurance segment (PLN -115 million), as a result of higher year-on-year net claims liabilities of the current year, while revenues increased as a result of higher sales growth in non-motor insurance and MOD;

- decline in operating profit in the investment segment (PLN -131 million), in particular as a result of lower investment profit on free funds including on the commercial real estate portfolio, with a simultaneous decrease in the level of interest expenses following the lower level of Polish money market rates;
- higher operating profit in the group and individually continued life insurance segment (+PLN 362 million), mainly due to higher income from insurance contracts significantly exceeding the increase in insurance costs. Revenue growth as a result of higher level of premiums to cover expected claims and benefits due largely to high utilization of health insurance benefits;
- higher result in the Baltics segment (+PLN 98 million) due to higher income from insurance contracts caused by an increase in sales in property and other personal insurance (mainly due to an increase in sales of non-motor insurance and MOD insurance), with a simultaneous increase in the cost of claims and benefits as a result of an increase in the value of the portfolio;
- higher results in the banking operations segment (+PLN 50 million), in particular due to an increase in interest income as a result of higher loan volumes at Bank Pekao S.A. and an improvement in the quality of the loan portfolio translating into a decrease in the allowance for expected loan losses, as well as a lower cost of hedging interest rate risk at Alior Bank S.A., partially offset by higher costs of legal risk of foreign currency mortgage loans mainly at Bank Pekao S.A. and higher operating expenses;
- higher operating profit in the individual protection life insurance segment (+PLN 73 million), mainly as a result of higher insurance

revenues thanks to releasing contractual margins including in bancassurance and term insurance;

- Higher operating profit in the pension insurance segment (+PLN 43 million), mainly due to an increase in fund management fees;
- one-off result of impairment allowance for assets arising from the acquisition of Alior Bank S.A. (i.e., trademark and customer relations) in the amount of PLN 115 million.

In the individual operating result items, the PZU Group posted:

- insurance revenue growth of 9.5% – to PLN 29,423 million, (PLN +2,187 million after reinsurance premium allocation), including an increase in the amortization of liabilities for remaining coverage (LRC) as a consequence of higher sales of mainly non-motor insurance and MOD in both non-life insurance segments (an increase in average premiums resulting from the growing value of vehicles, and thus sums insured, and the number of insurance contracts). Higher revenues were recorded in the group and individual continued insurance segments as a result of higher premiums needed to cover expected claims and benefits following high utilization of health insurance benefits, mainly outpatient and paramedical benefits. Higher revenue was also noted in the Baltic countries segment as a result of higher sales in non-life insurance segment, including MTPL and MOD insurance products (due to higher fees in the region), as well as health and non-life insurance products. The higher level of insurance revenue is also triggered by a higher level of premiums allocated to recovery of insurance acquisition cash flows as a consequence of growing sales and a simultaneous increase in commission costs (resulting from changes in the sales distribution channels, mostly in the segment of mass non-life insurance);
- the insurance service expenses were higher – they amounted to PLN 25,116 million, up 10.4% from 2023. Costs adjusted for amounts owed by reinsurers increased by PLN 2,691 million, and their change was a resultant of:
  - higher claims liabilities for the current year including, in particular, in the mass property insurance segment in both the non-motor insurance group as a result of the occurrence of mass claims caused by weather events (mainly flooding), and in

- motor insurance as a result of claims inflation and higher claims frequency;
- higher claims and benefits in the group and individual continued life insurance segment with the development of the loss reserve from previous years, as a result of the continued high utilization of health insurance benefits as well as the higher cost of claims in other group insurance (impact of portfolio development);
- higher administrative costs attributable to insurance operations due to increased personnel costs (impact of salary increases), higher IT costs due to the development of the IT area and building competencies in the area of systems maintenance and rental services;
- higher amortization of acquisition cash flow, including in particular in the bulk insurance segment as a consequence of growing sales while commission expenses increased (impact of change in distribution of sales by channel).
- 0.3% higher investment income, exclusive of interest expenses, and 3.8% higher income after factoring in the interest expenses<sup>2</sup> (increase from PLN 19,235 million to PLN 19,965 million). The increase was related to investment results generated on banking activities and was associated in particular with an increase in banks' interest income. At Bank Pekao S.A., the increase in interest income was attributable to higher loan volumes and stable interest margins, despite the recognition of moratorium periods expenses of PLN 153 million. At Alior Bank S.A. increase in net interest income is a consequence of a significant decrease in interest expense associated with lower interest rate hedging transaction costs and a reduction in the cost of funding, partially offset by the creation of a provision for the moratorium periods expenses in the amount of PLN 62 million, and a relatively smaller decrease in interest income associated with the reduction in interest rates in 2023. At the same time, a decline in investment income was posted in investment activity, net of banking activity.<sup>3</sup> It was lower than in 2023 mainly as a result of:
  - decrease in the results generated in the investment activity on the asset portfolio that constitute investment insurance

coverage, which has no impact on the PZU Group's total net result, as it is offset by insurance finance Change income or expenses;

- lower performance of the commercial real estate portfolio due to the negative impact of portfolio valuation in the office segment in particular, and lower swap point income on foreign currency hedging instruments, as well as the recognition of impairment charges on exposures from the corporate debt portfolio.

The declines were partially offset by:

- improved earnings from the Private Equity portfolio mainly due to an increase in valuations of USD-denominated funds, which were supported by the cycle of interest rate cuts that began in 2024;
- an increase in income from the portfolio of Polish government bonds measured at fair value through other comprehensive income as a result of, among other things, the purchase into the portfolio of instruments at high market yields partially offset by the realization of a negative result from the sale of some of the bonds in the portfolio.
- an increase in net commissions and fees to PLN 3,842 million, compared with PLN 3,786 million in 2023, mainly related to an increase in revenues from funds and investment fund companies, as a result of better gross sales, as well as due to the higher level of assets under management. There was also a higher result from brokerage commissions at banks, an effect partially offset by a decline in margins on foreign currency transactions with customers;
- a higher level of legal risk costs of foreign currency mortgages – they amounted to PLN 729 million against PLN 369 million in 2023. The increase affected Bank Pekao S.A. in particular, and was mainly due to an updated forecast of a future influx of lawsuits from borrowers;
- an increase in the level of the Group's non-insurance operating expenses from PLN 9,701 million in 2023 to PLN 10,514 million in 2024, particularly as a result of higher employee costs, including in particular at Bank Pekao S.A. and Alior Bank S.A. In addition, there was a PLN 30 million higher charge for payments to the Bank Guarantee Fund in 2024, while the charge

<sup>2</sup> including: interest income calculated using the effective interest rate and equalized to them, other net investment income, result on derecognition of financial instruments and investments not measured at fair value through profit or loss, result

from allowances for expected credit losses and net movement in fair value of assets and liabilities measured at fair value, interest expense

<sup>3</sup>) Banking activity: data of Bank Pekao S.A. and Alior Bank S.A.

for the tax on financial institutions increased in total from PLN 1,496 million in 2023 to PLN 1,566 million in 2024 (this is the result of an increase in taxable assets, not the tax rate);

- the movement in the balance of other operating income and expenses – to PLN 1,043 million against PLN 913 million in 2023. It was mainly related to the reversal of the impairment loss on assets arising from the acquisition of Alior Bank S.A. and the increase in revenue from the sale of medical services.

### **Drivers and atypical events affecting the results**

In 2024, the PZU Group's result was burdened by a one-time effect related to an above-normal number of mass damage caused by atmospheric events, mainly flooding, with a total impact on result from operating activities in the amount of - PLN 259 million.

Moreover, in the same period, the PZU Business Group's result was burdened by non-recurring effects related to banking activities:

- legal risk costs of foreign currency mortgage loans at Bank Pekao S.A. of PLN 669 million;
- costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (the so-called moratorium periods), in the amount of PLN 153 million at Bank Pekao S.A. and PLN 62 million at Alior Bank S.A.;
- Release of impairment allowance for assets arising from the acquisition of Alior Bank S.A. (i.e., trademark and customer relations) in the amount of PLN 115 million.

In 2023, the PZU Group's result was burdened by legal risk costs of foreign currency mortgage loans at Bank Pekao S.A. of PLN 315 million. In addition, an amount of PLN 103 million was also included in Bank Pekao S.A.'s interest income, representing the unrealized portion of the government's program to modify the contracts of PLN mortgage loans granted to consumers due to their suspension of loan repayments (so called moratorium periods).

### **PZU SA**

In 2024, the issuer (PZU SA) recorded a technical result of PLN 1,069 million, compared to PLN 1,455 million in 2023, a drop by 26.5% (-386 million y/y). Net profit was PLN 3,877 million, down 2.7% relative to PLN 3,983 million generated in the previous year. Disregarding the dividends received from PZU Życie SA, PZU SA's net profit was PLN

2,195 million, and was by PLN 890 million, i.e. 28.9 %, lower compared to 2023.

As regards the individual net result items, PZU SA recorded:

- increase in gross written premium to PLN 17,757 million, or 9.7% more than in the previous year. The increase results from higher sales in motor insurance, both MTPL and MOD (mainly due to rising average premiums following changes caused by increased claims), higher premiums from insurance against fire and other damage (mainly due to increased sales of housing insurance, PZU Firma and underground property insurance) and general liability insurance, as well as assistance insurance. After the reinsurers' share and change in the provision for unearned premiums, net earned premium was PLN 15,119 million and was 9.2% higher than in 2023;
- higher level of claims and benefits, which amounted to PLN 9,843 million, an increase of PLN 1,466 million or 17.5% compared to 2023. Increases in claims observed in most insurance groups, while the highest in the motor insurance group (both TPL and MOD) and fire and other property damage insurance, insurance guarantees and assistance benefits;
- an increase in net income from investing activities to PLN 3,760 million (up 4.3% y/y) following higher dividends from PZU Życie SA and an increase in net income from debt securities as a result of the purchase of Polish government bonds for the portfolio at high market yields; the impact of the above factors was partially offset by lower performance of subordinated companies, particularly in the banking business, as well as a lower net income from the sale of shares from the non-standard investment portfolio, with valuation of these shares until realization being recognized through a change in revaluation reserve;
- acquisition expenses higher by PLN 179 million, or 5.7%, compared to 2023, including reinsurance commissions, as a consequence of the growing insurance portfolio and the high share of multiagency and broker channels in the sales structure, characterized by higher commission rates;
- a 7.4% increase in administrative expenses, from PLN 906 million in 2023 to PLN 973 million in 2024. Increase mainly as a consequence of higher personnel costs (impact of employee salary increases due to changes in the

macroeconomic environment), IT costs due to the development in the IT area and building competence in the area of maintaining systems and rental services. The effect partially offset by lower levels of marketing spending, including advertising and sponsorships.

## Rating

Since 2004, PZU SA and PZU Życie SA have been subject to regular reviews by the rating agency of S&P Global Ratings (S&P). The rating assigned to PZU SA and PZU Życie SA results from an analysis of financial data, competitive position, management and corporate strategy of both companies as well as the sovereign rating. It also includes a ratings outlook, or an assessment of the Company's future position in the event that specific circumstances occur.

### Recent rating/outlook changes:

On 28 May 2024, the rating agency of S&P Global Ratings (S&P) raised the rating outlook of PZU SA from "stable" to "positive." The financial strength and credit ratings of PZU SA have remained at A- since 21 January 2016.

## Capital Policy and Solvency

The PZU Group's Capital and Dividend Policy for 2021–2024 was in force in 2024 and was based on the following assumptions.

In keeping with the Policy, PZU Group endeavors to:

- 1) manage capital effectively by optimizing the use of capital from the PZU Group's perspective;
- 2) 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 the organic growth and acquisitions;
- 3) ensure sufficient financial means to cover the PZU Group's liabilities towards its clients.

The capital management policy rests on the following principles:

- 1) manage the PZU Group's capital (including excess capital) at the level of PZU;
- 2) sustain target solvency ratios at the level of 200% for the PZU Group, PZU SA and PZU Życie SA (according to Solvency II);

- 3) maintain the PZU Group's financial leverage ratio at a level no higher than 25%;
- 4) ensure funds for growth and acquisitions;
- 5) maintain the financial conglomerate's surplus own funds above the pertinent requirements for solvency;
- 6) PZU SA shall not issue any new shares for the duration of this Policy.

Under the Policy, certain temporary deviations in the actual solvency ratio above or below the target level may occasionally occur.

The PZU SA and PZU Group's dividend policy rests on the following principles:

- 1) The PZU Group endeavors to manage capital effectively and 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 acquisitions;
- 2) the dividend amount proposed by the parent company's Management Board which PZU SA pays for the respective financial year is determined on the basis of the PZU Group's consolidated financial result attributable to equity holders of the parent company, where:
  - a) no more than 20% shall be allocated to the retained earnings (supplementary capital) for objectives relating to organic growth and innovations, as well as implementation of growth initiative;
  - b) no less than 50% is subject to payment as an annual dividend;
  - c) the remaining part will be paid in the form of annual dividend or will increase retained earnings (supplementary capital) if significant expenditures are incurred in connection with execution of the PZU Group Strategy, including in particular, mergers and acquisitions
 – with the reservation that:
  - 3) according to the Management Board's plans and risk and solvency self-assessment of the parent company, the own funds of the parent company and the PZU Group following the declaration of payment or payment of a dividend will remain at a level that will ensure fulfilment of the conditions specified in the Capital Policy of the PZU Group and PZU SA (items 2 to 5);
  - 4) when determining the dividend the regulatory authority's recommendations concerning dividends will be taken into consideration.



#### Update of Capital and Dividend Policy for 2025–2027

On 2 December 2024, the PZU SA Management Board adopted the Capital and Dividend Policy for 2025–2027. Compared to the previous Policy, the Solvency II target ratio is amended for the PZU Group and set at 180% (it is unamended for PZU SA and PZU Życie SA) – as of the date the Solvency II amendments come into force. Until then, target solvency ratios of 200% for the PZU Group, 200% for PZU SA and 200% for PZU Życie SA will be maintained, so they will remain at the levels set out in the Capital and Dividend Policy that expired in 2024.

As at the end of 3Q24, the estimated solvency ratio for the PZU Group (calculated according to the standard Solvency II equation) was 238%, a level above the average solvency ratio reported by insurance groups in Europe.

As of the end of 2024, the audited solvency ratio “Solvency II” for PZU SA was 240%.<sup>4</sup>

The Supervisory Board assesses that the actions implemented by PZU SA allow the Company to continue its further development and achieve good financial results in the coming years.

PZU SA 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;
- an independent compliance cell (Compliance Bureau – BCM) to carry out the compliance function;

- 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, where:

- the first line 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 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 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 functional divisions, specialist units and organizational cells in their subordinated organizational units/cells.

The head of the respective organizational division/unit/cell is responsible for the deployment of an effective ICS in the supervised

<sup>4</sup> in accordance with the distribution of PZU SA’s profit for 2024 assumed in own funds in PZU SA’s Report on Solvency and Financial Condition as of and for the financial year ended 31 December 2024

area of the Companies' activity, in particular for designing and ensuring efficient operation of control actions as integral components of operating processes.

An element of the ICS adopted by PZU SA is the compliance function supervised by the Director of the Compliance Department. The appointment and dismissal of the Director of the Compliance Department must be consulted with the Audit Committee. The Director of the Compliance Department has direct access to the Company's Management Board Members and Supervisory Board Members, and representatives of the Compliance Department participate in meetings of selected committees established within the Company's structure.

The PZU Group's ICS has been developed at the level of the leading entity (i.e., PZU SA) 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 SA analyzes information that it receives regularly from these entities concerning the organization of the internal control system, internal control conducted and evaluation of the internal control system, in order to improve unified standards for the operation of an effective internal control system.

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 the Company and the Company's annual financial statements;
- tentative evaluation of the Management Board's report on the activity of the Company's group and the annual consolidated financial statements of the Company's group;
- tentative evaluation of all financial documents submitted to the Supervisory Board, in particular of the annual financial plan prepared by the Management Board and the report on its implementation;

- issuance of opinions on the core principles of the financial reporting and accounting system in place at the Company, including the criteria for the consolidation of results of individual entities from the Company's group;

- provision of the Supervisory Board with conclusions and recommendations concerning the rationale for any modification of the financial reporting system in place at the Company and the Company's group and information about material irregularities in such a 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.

The statutory auditor selected by the 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).

The internal control system and the risk management system are subject to evaluation, among other things, by internal audit, which operates under conditions that ensure objectivity and independence. The person managing internal audit reports organizationally directly to the President of the Management Board, and functionally to the Audit Committee of the Supervisory Board, and has the authority to communicate directly with the Chairman of the Supervisory Board and the Chairman of the Audit Committee, particularly with regard to identified material irregularities. A system of dual reporting on the results of actions taken is used: to the Management Board and the Audit Committee of the Supervisory Board. Acceptance of the draft audit plan and any amendment to it requires the prior opinion of the Audit Committee of the Supervisory Board. The appointment or dismissal of a person managing the audit in PZU SA requires the opinion of the Audit Committee. In addition, at PZU SA, internal audit is independent of operational functions.

In fulfilling the expectations of the Polish Financial Supervision Authority set forth in the document "Good Practices for Public Interest Entities on the Principles of Appointment, Composition and Functioning of the Audit Committee" and the principles set forth in the "Best Practices of WSE Listed Companies 2021", a review of PZU SA's

internal audit function is carried out by an independent auditor at least once every five years. The selection of the auditor performing the review is conducted with the participation of the Audit Committee of the Supervisory Board.

The implementation of audits in PZU SA in 2024 was conducted on the basis of the Audit plan, positively reviewed by the Audit Committee of the Supervisory Board and subsequently adopted by a resolution of the PZU SA Management Board, prepared on the basis of an assessment of the risks present in specific areas of the Company's operations.

The results of the audits, the recommendations issued and their implementation (covered by the Internal Audit Department's monitoring process) are periodically presented to the Company's Management Board and the Audit Committee of the Supervisory Board in Quarterly reports. In accordance with the adopted rules described in the Internal Audit Regulations, the Internal Audit Department prepares an annual report on its activities, which is submitted to the Company's Management Board by 31 March of the year following the year to which it relates, and then to the Audit Committee on dates that depend on the order and timing of meetings of the Audit Committee of the Supervisory Board. The Internal Audit Department has prepared an annual report on its activities in 2024, including information on the implementation of the audit plan and the status of the recommendations made, as well as an assessment of the internal control system and risk management system.

The Internal Audit Department coordinates the functioning of internal audit in key PZU Group entities. As in previous years, based on cooperation agreements, internal audit obtains information on the adequacy and effectiveness of their implemented risk management and internal control systems.

In 2024, the Company had a risk management system in place, adapted to the scale of operations and organizational structure. The risk management system was based on the following elements:

- split of duties and tasks performed by statutory bodies, committees, individual organizational units and cells in the risk management process;
- risk management process, including risk identification, measurement and assessment, monitoring and control methods, risk reporting and undertaking management actions.

The split of duties and tasks in the risk management system is based on four decision-making levels. The first three levels include:

- the Supervisory Board, which supervises the risk management process and assesses its adequacy and effectiveness as part of its decision-making powers defined in the Company's Articles of Association and the Rules and Regulations of the Supervisory Board;
- the Management Board, which organizes the risk management system and ensures that it is operational, by adopting strategies and policies, setting the level of risk appetite, defining the risk profile as well as tolerance levels for the individual categories of risks;
- committees, which make decisions to mitigate individual risks to a level determined by the risk appetite. The committees adopt procedures and methodologies for mitigating the individual risks and accept individual risk limits.

The fourth level relates to the operational level, where tasks related to the risk management process are divided among three lines:

- the first line – entails ongoing risk management at the entities' business unit and organizational unit level and decision-making as part of the risk management process. The management is responsible for the implementation of an effective risk management system in the supervised area of the Company's activity, in particular for designing and ensuring efficient operation of identification and monitoring actions as integral components of operating processes, ensuring appropriate response to existing risks;
- the second line – risk management by specialized units responsible for risk identification, measurement, monitoring and reporting, as well as for limits control; Within the second line of defense, the following play a special role in the process: Risk Department, Compliance Department, Security Department, Planning and Controlling Department, Actuarial Department, Reinsurance Department, Legal Department and HR Department;
- the third line – entails internal audit that conducts independent audits of the elements of the risk management system as well as control activities embedded in the Company's operations. This function is performed by the Internal Audit Department.

The risk management process consists of the following steps: identification, measurement and assessment, monitoring and control, reporting, management action.

The primary risk categories identified at the Company include: market risk, credit risk, concentration risk, actuarial risk, operational risk, model risk and compliance risk. Each risk deemed material is subject to measurement involving the definition of risk measures appropriate to the type and availability of data, and quantification of the risk using established measures or expert assessment included in the measurement of total risk.

Risk management processes provide reports at decision-making levels appropriate to the type and materiality of the risk. In particular, in accordance with the applicable rules, reports are submitted to the Supervisory Board, the Company's Management Board and the PZU Group Risk Committee, the Investment Risk Committee, the Investment Committee and the Asset and Liability Management Committee. Management actions for specific risk categories are defined in internal regulations or adopted management standards for these risks.

Depending on the type and characteristics of the risk, these activities may include, in particular: risk avoidance, risk transfer, risk mitigation, risk level acceptance, and tools to support these activities such as limits or a reinsurance program.

Two levels are distinguished in the PZU Group risk management process:

- the PZU Group level – ensures that the PZU Group attains its business objectives in a safe manner appropriate to fit the scale of the risk involved. The PZU Group provides support for the implementation of a risk management system, including the introduction of compatible mechanisms, standards and organization of an efficient operation of the internal control system (with particular emphasis on the compliance function), the risk management system (in particular in the reinsurance area) and the security management system in the PZU Group, and monitors their ongoing application. The PZU Group's designated personnel cooperates with the management boards of companies and managers of such areas as finance, risk, actuarial services, reinsurance, investments and compliance on the basis of relevant mutual cooperation agreements. Moreover, in connection with the PZU Group obtaining the status of a financial conglomerate, a risk

concentration management system was implemented to ensure that entities in the PZU Financial Conglomerate attain their business objectives in a manner ensuring financial stability at the level of both the entire conglomerate and individual entities. The system monitors appropriate risk concentration measures and their limits and threshold values. Risk measurement permits identification of the sources of concentration in individual risks at the level of both the financial conglomerate and individual regulated entities and supports an assessment of the impact of these concentrations on financial stability;

- the entity level – ensures that the PZU Group entity pursue its business objectives in a safe manner appropriate to the scale of the risk involved. Monitored at this level are the limits and risk categories specific to the company and, as part of the risk management system, mechanisms, standards and organization are implemented for the efficient operation of the internal control system (with particular emphasis on the compliance function), the risk management system (in particular in reinsurance area) and the security management system.

PZU SA supervises the PZU Group's risk management system on the basis of mutual cooperation agreements concluded with PZU Group entities and the information provided on the basis of those agreements, and manages the PZU Group's risk in aggregate, in particular with regard to capital requirements. The agreements entered into and the scope of information to be provided take into consideration the specific legal nature of each entity, including limitations arising from banking secrecy rules.

Risk management at the PZU Group level is ensured by an additional recommendation issued by PZU SA (as the parent company) regarding the organization of the risk management system in the subsidiaries indicated in PZU Group's risk management strategy. Additionally, guidelines regulating precisely the various risk management processes in PZU Group entities are in place.

The management boards of PZU Group entities are responsible for fulfilling their own duties in accordance with the generally applicable provisions of national and international law. In particular, they are responsible for implementation of an adequate and effective risk management system.

Supervision over the risk management systems in the various regulated entities is exercised by the supervisory boards to which PZU SA appoints its representatives.

PZU SA is covered by the PZU Group's Plan of Corrective Measures. In accordance with the PZU Group's Plan of Corrective Measures, in the event of a move to the alert phase, the Supervisory Board receives monthly information on risk indicators. In other cases, a quarterly monitoring mode is adopted. In addition, in accordance with the PZU Group's Plan of Corrective Measures, the Supervisory Board receives information on the launch and subsequent completion of the Plan of Corrective Measures and approval of the corrective measures selected for implementation. On the other hand, in the case of moving to the alert phase and failing to launch the Plan of Corrective

Measures, the Supervisory Board is informed of the management actions adopted for implementation, if they were deemed necessary.

In 2024, there were no exceedances of any of the indicators monitored under the Plan of Corrective Measures. Indicators were monitored quarterly in accordance with the assumptions of the normal state phase.

In order to assess the situation of PZU SA, the Supervisory Board in 2024 periodically analyzed information and reports submitted by the Management Board of PZU SA and commissioned additional analyses on issues relevant to the assessment of the Company's situation.

#### **VIII. Assessment of the application of Corporate Governance Rules for Regulated Institutions**

On 22 July 2014, the Polish Financial Supervision Authority issued the Corporate Governance Rules for Regulated Institutions (the "Rules"), which are a set of guidelines (soft law standards) that should be applied by regulated entities as of 1 January 2015 within the framework of applicable law and taking into account the principle of proportionality.

The Management Board and Supervisory Board of PZU SA declared their readiness to apply the Rules to the objectively broadest possible extent, taking into account the principle of proportionality and the principle of "comply or explain" arising from their content. The said declarations were confirmed by the Management Board and Supervisory Board of PZU SA by adopting appropriate resolutions.

Information on the application of the Rules was presented by the Management Board and Supervisory Board of PZU SA during the OSM of PZU SA held on 30 June 2015. The OSM of PZU SA declared that the Shareholder Meeting, acting within its powers, would be guided by the Rules, subject to those from which the OSM of PZU SA had waived application.

The detailed statement on PZU SA's compliance with the Rules, taking into account the rules partially complied with and those which do not apply to PZU SA due to the nature of its operations is available on the PZU SA's website.

In particular, PZU SA pays attention to the following matters and activities.

- PZU SA has appropriate bylaws and internal regulations for its organization and

organizational structure; PZU SA's organization enables the achievement of long-term strategic goals and independent monitoring of operational and strategic risks;

- the PZU SA organizational structure is commensurate with the scale of operations, the extent of realized functions and the scale and complexity of risks, and it effectively supports the achievement of the Company's strategic objectives as well as immediate business and operating goals;
- PZU SA conducts its activities taking into account the interests of all stakeholders, including providing equal access to information to all shareholders of the Company; all information is posted, among other things, on the PZU SA website in the Polish and English-language Investor Relations service; the service has a separate tab dedicated only to Shareholder Meetings, where draft resolutions with justifications are posted each time a Shareholder Meeting is announced;
- PZU SA's Articles of Association clearly define the competencies of the Management Board, Supervisory Board and Shareholder Meeting, ensuring the separation of ownership and management functions;
- The Management Board is the only body authorized and responsible for managing the business of PZU SA, acting in the interests of PZU SA, in accordance with the Rules and Regulations of the PZU SA Management Board and guided by laws, recommendations of



supervisory authorities and internal regulations, having the safety of the Company in its mind;

- the work of the Company's Management Board is directed by the President; the Members of the Management Board 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; the scopes of the areas supervised by individual Members of the Management Board are defined in a clear and unambiguous manner in the Order of the President of the PZU SA Management Board on organizational oversight performed in the Company by the Management Board Members;
- Management Board Members are not involved in social or profit-making activity which could lead to a conflict of interest with respect to PZU SA's operations, or adversely affect their reputation as a Management Board Member;
- the Supervisory Board is a supervising body at PZU, it exercises constant and continuous supervision over PZU SA's operations in all areas and may undertake necessary supervisory action in an ongoing manner;
- Supervisory Board Members are not involved in social or profit-making activity which could lead to a conflict of interest with respect to PZU SA's operations, or adversely affect their reputation as a Supervisory Board Member;
- the rules for compensating the Management Board and Supervisory Board members are regulated by the Compensation Policy for members of the PZU SA Management and Supervisory Boards, adopted by the Shareholder Meeting of PZU SA by Resolution 36/2020 of 26 May 2020 (as amended); the Supervisory Board prepared and presented to the Ordinary Shareholder Meeting of PZU SA on 18 June 2024 the Report on the Compensation Policy at PZU SA, which is part of the Supervisory Board Report for 2023;
- the compensation policy 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;
- PZU SA has internal regulations 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;

- PZU endeavors to make communication with clients simple and understandable; the process and rules for handling complaints, including issues of timeliness and quality of processing of client requests, are defined in PZU SA's internal regulations;
- PZU SA has an internal control system adapted to the scale of operations and organizational structure, there is an organizationally and competently separated Compliance Department, which performs tasks in ensuring compliance of the insurance company's operations with the law and internal regulations, and there is an effective internal audit function, whose activities consist of systematic and orderly evaluation of the adequacy and effectiveness of the internal control system and other elements of the management system;
- PZU SA has an adequate and effective risk management system;
- the Audit Committee of the PZU SA Supervisory Board supervises and monitors the effectiveness of the internal control, internal audit and risk management systems at PZU SA within the framework of the decisions set forth in the PZU SA's Articles of Association and the Rules and Regulations of the PZU SA Supervisory Board.

PZU SA partially complies with:

- the rule laid down in § 8(4) of the Rules, concerning the enabling of all shareholders to participate in the Shareholder Meeting, including by procuring the possibility of actively participating electronically in the meetings.

Presently, PZU SA shareholders may follow the broadcast of the Shareholder Meeting, however PZU SA decided not to introduce the so-called e-Shareholder Meeting, because, in PZU's opinion, there are a number of factors of a technological and legal nature which may affect the proper conduct of the Shareholder Meeting; legal concerns include the possibility of identifying the shareholders and verifying their legitimacy; 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

materialization of the above risks may affect the proper application of this rule to its full extent;

- the rule laid down in § 21(2) of the Rules, stipulating that in the composition of the supervising body, there should be a separate function of a chairperson who directs the work of the supervising body, and the election of the chairperson of the supervising body should be based on experience and leadership skills, taking into account the criterion of independence.

Pursuant to the Commercial Company Code and the Articles of Association of PZU SA, the Supervisory Board of PZU SA includes the function of the Chairman of the Supervisory Board; the composition of the Supervisory Board of PZU SA, including the function of the Chairman, is shaped in accordance with the independence criteria indicated in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision; moreover, according to § 20(8) of PZU SA's Articles of Association, at least two members of the Supervisory Board meet the independence criteria set forth in the Best Practices of WSE Listed Companies, adopted by the Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange). In particular, the election of the Chairman of the Supervisory Board is made on the basis of the criterion of possessed knowledge, experience and skills, which confirm the competence necessary for the proper performance of supervisory duties; the application of the criterion of independence in the case of the Chairman, according to the explanation of the Polish Financial Supervision Authority of the principle in question, may raise doubts about potential conflicts with the provisions of the law on the rights of shareholders;

- the rule laid down in § 49(3) of the Rules, concerning the appointment and dismissal in a regulated institution of the person managing the internal audit cell and the person managing the compliance cell with the consent of the supervising body or the audit committee.

PZU SA applies the rules laid down in § 14 of the Rules to their full extent, which means that the PZU SA Management Board is the sole body empowered to, and responsible for, managing the Company's activity; moreover, according to the labor law regulations, the managing body exercises

labor law activities; on account of the foregoing, PZU SA has adopted a solution that anticipates that the selection and dismissal of the person managing the internal audit cell is accomplished while taking into account the opinion of the Audit Committee of the Supervisory Board; the person managing the compliance cell is appointed and dismissed in an identical manner; in making these decisions, the Management Board obtains the Audit Committee's opinions.

The PZU SA Shareholder Meeting has waived the following rules:

- the rule laid down in § 10(2) of the 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."

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 Company Code, all shareholder rights are reflected in the Company's Articles of Association and are always justified; an example is § 20(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.

- the rule laid down in § 12(1) of the 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."

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 Company 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.

- the rule laid down in § 28(4) of the Rules reading as follows: "The decision-making body assesses whether the implemented compensation policy fosters the regulated institution's development and operating security."

The waiving of the rule with regard to the compensation policy for persons who discharge key functions (i.e., other than the Management Board and Supervisory Board) was justified by the overly broad subjective scope of the compensation policy subject to review by the decision-making body. The compensation policy for persons who discharge key functions and who are not members of the supervising and management bodies is subject to the evaluation of their employer or principal, which is PZU SA represented by the Management Board and controlled by the Supervisory Board.

Pursuant to Article 90g of the Act of 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organized Trading, and on Public Companies, the company's supervisory board is required to prepare an annual report on the remuneration of management and supervisory board members. The first report on the remuneration of members of the Management Board and Supervisory Board covered the years 2019 and 2020 (in accordance with Article 36 of the Act of 16 October 2019 amending the Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organized Trading, and

on Public Companies and certain other acts) and was adopted by Resolution of the Shareholder Meeting of PZU SA No. 32/2021 of 16 June 2021. Then, on 29 June 2022, the Supervisory Board's Report on the remuneration of members of the Management Board and Supervisory Board of PZU SA for 2021 was adopted by Resolution of

the Shareholder Meeting of PZU SA No. 30/2022. On 7 June 2023, Resolution No. 66/2023 of the Shareholder Meeting of PZU SA approved the Report of the Supervisory Board on the compensation of members of the Management Board and Supervisory Board of PZU SA for 2022, and on 18 July 2024, Resolution No. 56/2024 of the General Meeting of PZU SA approved the Report of the Supervisory Board of PZU SA on the compensation of members of the Management Board and Supervisory Board of PZU SA for 2023.

The compensation policy for members of the PZU SA Management and Supervisory Boards, adopted by the Shareholder Meeting's Resolution No. 36/2000 of 26 May 2020 (as amended), is reviewed by the Company's 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 the PZU SA Shareholder Meeting's resolution on the Policy at least every four years was introduced. On 7 June 2023, Resolution No. 65/2023 of the Shareholder Meeting of PZU SA amended the Policy to ensure that sustainability requirements are properly integrated into the risk management process at the PZU Group level, in particular on the basis of the principles set forth in the Company's relevant internal regulations.

Furthermore, the following rules are not applicable to PZU SA:

- the rule laid down in § 11(3) of the 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."

At PZU SA, the shareholder meeting does not make decisions on transactions with related parties;

- the rule laid down in § 49(4) of the 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."

Audit and compliance functions operate at PZU SA.

- the rule laid down in § 52(2) of the 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.” Audit and compliance functions operate at PZU SA.
- rules laid down in Chapter 9 of the Rules “Exercise of rights from assets acquired at the client’s risk.”

PZU SA does not offer products that involve asset management at the client’s risk.

No events occurred during the reporting period that would make it necessary to update the information presented above.

In view of the above, the Supervisory Board of PZU SA assesses that the rules introduced by the document Corporate Governance Rules for Regulated Institutions are applied appropriately and in accordance with the declarations of the statutory bodies of PZU SA.

**IX. Assessment of the Company’s application of the principles of corporate governance and the manner of fulfilling the information obligations regarding their application specified in the Stock Exchange Rules and regulations on current and periodic information provided by issuers of securities, together with information on the actions taken by the PZU SA Supervisory Board to make this evaluation**

PZU SA has complied with the principles of corporate governance expressed in the Best Practices of WSE Listed Companies document, since the date of admission of the shares to trading on the regulated market.

As of 1 July 2021, the document Best Practices of WSE Listed Companies 2021 (“BPLC 2021”), adopted by resolution of the WSE Supervisory Board on 29 March 2021, is in force.

On 30 June 2022, PZU SA published an update of the Information published earlier, i.e. on 27 July 2021, the information on the status of application of the rules contained in the BPLC 2021 (“Information”), in fulfillment of the obligation set forth in § 29(3) of the WSE Rules. The current Information is posted on the PZU SA website, in the section – “Investor Relations.”

PZU SA applies all the rules contained in this document, with the exception of rules 2.1, 2.2 and 4.1, which are not fully implemented.

In particular, PZU SA draws attention to the following issues and actions:

- PZU SA ensures proper communication with its stakeholders by conducting a transparent and reliable information policy;
- PZU SA maintains a corporate website where all information required by law and indicated in BPLC 2021 is available;
- PZU SA presents a description of its ESG activities, including how climate issues are taken into account in its decision-making processes, the pay equity ratio, and a summary of expenditures made by the PZU Group to support culture, sports and physical activity, social organizations and foundations, charitable institutions, the media and trade

unions; this information can be found in the integrated online annual report, the Management Board’s report on operations and the report on non-financial information;

- PZU SA holds quarterly earnings conferences for investors and analysts with representatives of the board of directors and chats for individual investors led by the CFO;
- the Management Board Members and PZU SA Supervisory Board have made ongoing efforts to apply the principles relating to them to the fullest extent possible, including:
  - serving on the PZU SA Management Board was the main area of professional activity for PZU SA Board Members in 2024;
  - the performance of PZU Management Board members in the bodies of entities outside the PZU Group requires the approval of the PZU SA Supervisory Board;
  - the PZU SA Supervisory Board Members devoted the necessary amount of time to perform their duties,
  - the Chairman of the PZU SA Supervisory Board did not combine his function with directing the work of the Audit Committee operating within the PZU SA Supervisory Board;
- PZU SA delegates administrative and financial resources necessary to ensure the efficient functioning of the PZU SA Supervisory Board;
- PZU SA maintains effective internal control, risk management and compliance systems, as well as an effective internal audit function;
- the PZU SA Supervisory Board monitors the effectiveness of internal control, the risk management system and the compliance

function, as well as the effectiveness of the internal audit function, based, among other things, on periodic reports provided to it, and makes an annual assessment of the effectiveness of the functioning of these systems and functions by including relevant information in its annual report;

- PZU SA shall endeavor to hold the Company's Shareholder Meetings in accordance with the requirements of Chapter 4 of the BPLC 2021, excluding only Rule 4.1, as described below;
- On 29 June 2022, the AGM of PZU SA passed a resolution on adopting the BPLC 2021 for application, in which it declared that the Shareholder Meeting, acting within its powers, will be guided by the BPLC 2021 to the extent directed to the Shareholder Meeting and shareholders, taking into account generally applicable laws and the Articles of Association of PZU SA;
- PZU SA has internal regulations for managing conflicts of interest and entering into transactions with related parties under conditions of possible conflicts of interest, which guarantee compliance with the principles contained in Chapter 5 of BPLC 2021;
- PZU SA has a compensation policy for members of the PZU Management Board and the PZU SA Supervisory Board, adopted by the PZU SA Shareholder Meeting, in accordance with the principles contained in Chapter 6 of BPLC 2021.

In terms of the rules that PZU SA applies in part, i.e.:

- Rule 2.1. as regards the actual gender diversity ensuring that the diversity of the company's bodies makes up at least 30% of the minority participation in a given body
- Rule 2.2, according to which those who make decisions on the election of members of the company's management or supervisory boards should ensure the comprehensiveness of these bodies by forming their composition through selecting persons that ensure diversity, allowing, among others, for the achievement of a target minimum minority participation rate set at no less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in Rule 2.1.

PZU SA indicates that it has a diversity policy for members of the PZU SA's bodies, adopted by the Supervisory Board and the PZU SA Shareholder

Meeting, which sets out diversity goals and criteria in areas such as gender, field of education, expert knowledge, age and professional experience, among others, and indicates when and how the achievement of these goals will be monitored. In line with the policy, the Shareholder Meeting and the Supervisory Board of the Company, when selecting the compositions of members of the Company's Supervisory Board and the Management Board respectively shall strive to ensure gender parity in the governing bodies of the Company, with the minimum gender minority participation at 30%. The condition in terms of gender diversity at a minority share of no less than 30% as of 31 December 2024 was not met for the PZU SA Management Board, while it was met for the PZU SA Supervisory Board.

Notwithstanding the above, PZU SA points out the following:

- in terms of qualifications and requirements for persons occupying positions in management and supervisory bodies, PZU SA takes into account, in particular, the statutory criteria for education and professional experience suitable for holding positions in these positions in an entity conducting insurance business;
- When forming the composition of the Company's bodies, PZU SA applies the diversity policy while maintaining objectivity and following merit-based criteria;
- the objectives and criteria for diversity in such areas as the direction of education, expert knowledge and professional experience, as well as the timing and method of monitoring the achievement of these objectives are defined in the Rules for the suitability assessment of the Supervisory Board and the Audit Committee and the Management Board of PZU SA, adopted respectively by resolutions of the Shareholder Meeting and the PZU SA Supervisory Board.

Moreover, PZU SA does not apply:

- Rule 4.1. according to which the Company should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

Within the scope of this rule, PZU SA indicates that PZU SA shareholders do not raise expectations with the Company regarding the need and



legitimacy of holding an e-Shareholder Meeting. Furthermore, according to PZU SA, there are a number of technical and legal factors that may affect the proper conduct of the general meeting in the event of the introduction of the e-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 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.

In 2024, 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 some candidates for the PZU SA Supervisory Board were put forward by a Company's shareholder on 14 February 2024 (i.e., one day before the PZU SA Extraordinary Shareholder Meeting), there has been an incidental violation of Principle 4.9.1. Immediately after receiving the nominations, PZU SA published a current report on the matter and posted a set of materials on the nominations on its website. On 15 February 2024, PZU SA published a report on an incidental violation of Rule 4.9.1, pursuant to § 29.3a of the WSE Rules. The scope and manner of compliance with the rules contained in the BPLC 2021 are constantly

and continuously monitored, and measures are taken where necessary to ensure compliance as fully and unambiguously as possible. The Company has mechanisms in place to monitor compliance with the rules, as well as to publish the information set forth in the WSE Rules when the need arises.

In the event of a change in the declared status of application of the BPLC 2021 rules, PZU SA shall publish the updated information in a manner consistent with the WSE Rules and post it on PZU SA's website.

Declarations of adherence to corporate governance principles adopted by the WSE Board are permanently inscribed in the Regulations of the PZU SA Management Board and Supervisory Board.

In fulfilment of the obligation under § 70(6)(5) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by securities issuers and on conditions under which information required by the legislation of a non-Member State ("Regulation"), PZU SA included in the Management Report on the activities of the PZU Group and PZU SA for 2023 a statement on the application of corporate governance, which constitutes a separate part of this Report. The statement contains all the elements indicated in § 70.6(5) of the Regulation. The PZU SA Supervisory Board gave a positive opinion of the Report in question.

Taking into account the above, the PZU SA Supervisory Board positively assesses the scope of application of BPLC 2021 by PZU SA and the content of explanations in this regard published by the Company. In addition, the PZU SA Supervisory Board assesses that the disclosure obligations regarding the application of corporate governance principles set forth in the Stock Exchange Rules and the regulations on current and periodic information provided by issuers of securities are properly fulfilled.

#### **X. Report on the evaluation of the functioning of the PZU SA compensation policy**

The basis for evaluating the functioning of the PZU SA compensation policy is § 28(3) of the Corporate Governance Rules for Supervised Institutions.

##### **RULES OF SHAPING THE PZU SA COMPENSATION POLICY**

- The Company's employee compensation policy is governed by the PZU SA Compensation Policy ("compensation policy") adopted by the Company's

Management Board in 2016. The Compensation Policy was not updated in 2024. The compensation policy includes all internal regulations that define the compensation rules dedicated to specific groups of employees or individual employees, which are established in accordance with regulatory requirements and other generally applicable laws, the Company's internal

regulations and the guidelines of the supervisory authority. This regulation also refers to the detailed compensation arrangements for specific groups of employees, i.e. Eligible Persons, Senior Executives who are not Eligible Persons, and other employees. Eligible Persons who are not Management Board Members have been identified based on the Identification Method developed by the Company. The adoption of the Identification Method was intended to implement the requirements of the Delegated Regulation "Solvency II" to introduce specific compensation rules for employees whose work has a material impact on the risk profile of the company. The detailed solutions concerning Eligible Persons in the prepared documents apply to the Company's employees, and do not apply to: the Supervisory Board Members, whose method of compensation is regulated by the Shareholder Meeting and the Management Board Members and Directors of the PZU Group in PZU SA who are, at the same time, the PZU Życie SA Management Board Members (hereinafter "Managers"), whose compensation rules are shaped separately by:

- 1) the Supervisory Board – with respect to the Management Board Members, in implementation of Resolution No. 4 of the PZU SA Extraordinary Shareholder Meeting of 8 February 2017 on the rules of shaping the remuneration of the Management Board Members (as amended) in connection with the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies ("the Act"),
- 2) PZU SA Management Board – in relation to the Directors of the PZU Group who are at the same time members of the PZU Życie SA Management Board, whose rules of compensation are set forth in the Management Services Provision Agreement (the "Agreement") and resolutions adopted in this regard by the Company's Management Board.

In addition, on 26 May 2020, the OSM of PZU SA adopted the compensation policy for the PZU SA Management and Supervisory Board Members (as amended) by Resolution No. 36. The obligation to adopt this resolution by the PZU SA Ordinary Shareholder Meeting resulted from Article 36 of the Act of 16 October 2019 amending the Act on public

offering, the conditions governing the introduction of financial instruments to organized trading, and on public companies, and certain other acts. The total compensation payable to the Managers for the provision of management services and performance of other obligations under the Agreement consists of:

- a) **fixed compensation** – a flat-rate monthly (per calendar month) basic compensation, which may not exceed the reference range established pursuant to section 4(2) of the Act, subject to the circumstances indicated in section 4(3) of the Act;
- b) **variable compensation** – supplementary compensation for a given financial year depending on the level of achievement of management objectives. The variable compensation for a given financial year may not exceed 100% of the annual fixed compensation in the previous financial year for which the amount of variable compensation due is to be calculated. In addition, a significant portion of variable compensation is awarded in the form of Deferred Variable Compensation. The Deferred Variable Compensation is subject to deferral for 3 years, and after 12, 24 and 36 months respectively from the date of grant, the Management Board Member may become entitled to 1/3 of the Deferred Variable Compensation for the year in question, upon fulfillment of the conditions described in the Agreement.

The compensation policy for the members of the PZU SA Management Board and Supervisory Board takes into account, in particular, the provisions of: the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies, the Act of 29 July 2005 on public offering, the conditions governing the introduction of financial instruments to organized trading, and on public companies, the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance, the Act of 11 September 2015 on insurance and reinsurance activities, the Rules of Corporate Governance

developed by the Polish Financial Supervision Authority (KNF).

- The main objective of the Company's compensation policy is to attract, retain and motivate employees to maintain the best work performance pursuing the strategic objectives of the company, maintaining an optimal and rational level of compensation and taking into account the proper financial and risk management in PZU SA.
- Compensation in the Company is shaped with reference to the scope of tasks and level of responsibility included in the job description, which is subject to valuation in accordance with the methodology adopted by the Company.
- The HR Office reviews the market competitiveness of the salaries offered by the Company on an annual basis.
- The Company's compensation system is communicated to all PZU SA employees.

#### **COMPONENTS OF COMPENSATION**

- Total compensation is composed of a fixed and a variable portion.
- PZU SA specifies an appropriate relation of the fixed compensation to the variable compensation, with this relation being properly balanced so that the fixed compensation represents a large enough portion of total compensation to allow for a flexible policy on variable compensation components.
- Pursuant to the Compensation Policy, the variable compensation is determined individually for each specific employee group or each individual. Its amount is linked to the Company's financial performance and the employee's individual work performance. Information on the bonus system, as applicable to each employee, is part of the employment contract.
- The basis for determining the amount of variable compensation is the assessment of results of work provided by the employee and a given organizational unit in connection with overall results of the Company. Assessment of individual results accounts for financial and non-financial criteria.
- The bonus system depends on the job group and business specifics.
- The rules for awarding variable compensation, in particular with regard to Authorized Persons and employees classified as Senior Management, are designed to support proper and effective risk management, discourage

excessive risk-taking beyond the limits accepted by the Supervisory Board, as well as to support the implementation of the business strategy and avert conflicts of interest.

- The variable compensation awarded in the Company is subject to limitations as regards the allowable maximum amount in a specified percentage relationship to the fixed compensation for a given evaluation period. In the case of the Managers, their variable compensation is specified in the Contract in accordance with the provisions of the Act. The relation of the fixed compensation to the variable compensation of Authorized Persons and Managers allows for a flexible variable compensation policy, including reducing or not awarding the variable compensation. In addition, the total variable compensation awarded to Authorized Persons for a given year must not limit the Company's ability to increase its capital base.
- The Compensation Policy and Managers' Contracts also provide for the option of deferring the disbursement of a significant portion of the variable compensation awarded to an Authorized Person or Manager for a given year. Such disbursement is deferred for three years, and after 12, 24 and 36 months from the date it was granted, the Authorized Persons may acquire the right to 1/3 portion of the Deferred Disbursement for a given year upon fulfillment of the conditions as described in the Company's internal regulations, Compensation Policy and Managers' Contracts.
- Authorized Persons and Managers must not use their own hedging strategies or insurances regarding compensation and liability, with the exception of compulsory insurances under special regulations, which would neutralize the measures taken with respect to them in the implementation of the compensation policy.
- Moreover, PZU SA offers the following employee benefits as part of its Compensation Policy:
  - Employee Pension Scheme,
  - medical care,
  - medicine insurance,
  - Social Benefit Fund cafeteria (the amount of benefits depends on the level of income earned per family member),
  - housing loans for employees,
  - discounts on insurance products offered by the PZU Group,

- mobility allowance at the initiative of the employer – if the workplace was changed within the PZU Group,
- management package for Senior Management, as defined in the relevant procedure (company car, cell phone with accessories, limit on phone calls and data transmission).
- The rules for compensating members of the Supervisory Board are regulated in resolutions adopted by the Shareholder Meeting and in the Compensation Policy for PZU SA Management Board and Supervisory Board Members. The compensation components as described above do not apply to members of the Supervisory Board.

#### **EVALUATION OF THE COMPENSATION POLICY FUNCTIONING AT PZU SA IN 2024**

- The Compensation Policy at PZU SA is consistent with the Company's business strategy, goals, values and long-term interests, particularly with regard to sustainable growth, and includes measures to prevent conflicts of interest and eliminate the potential negative impact of compensation systems on appropriate risk management.
- In 2024, the Nomination and Compensation Committee of the Supervisory Board of PZU SA, carrying out tasks in the area of compensation, focused on shaping the principles of compensation of members of the Company's Management Board. In particular, it developed recommendations for the Supervisory Board to set Management Objectives for Management

Board Members for 2024. It was in charge of verifying the rationale for the payment of tranches of deferred variable compensation for 2020–2022. Furthermore, the Nomination and Compensation Committee issued a draft recommendation for the Supervisory Board on accepting the PZU SA Supervisory Board Report on Compensation of PZU SA Management Board and Supervisory Board Members for 2023.

- In 2024, the implementation of the compensation policy was supervised by:
  - Shareholder Meeting – with respect to PZU SA Supervisory Board Members;
  - PZU SA Supervisory Board and Nomination and Compensation Committee of PZU SA Supervisory Board – with respect to PZU SA Management Board Members;
  - PZU SA Management Board, PZU Group HR Managing Director in PZU Group and Director of Compensation – with respect to PZU SA Senior Management.
  - HR Managing Director in the PZU Group and Director of Compensation in relation to other employees of the Company.
- In 2024, the Nomination and Compensation Committee of PZU SA Supervisory Board held regular 16 meetings.

The Supervisory Board assesses that in 2024 PZU SA properly carried out the adopted Policy with all compensation rules dedicated to the various groups of people forming the company.

#### **XI. Evaluation of the reasonableness of expenses incurred by the Company and the PZU Group to support culture, sports, charities, media, social organizations, trade unions, etc.**

Expenses by PZU SA and the PZU Group to support culture, culture, sports, charities, media, social organizations, trade unions, etc. in 2024 were incurred as planned. Efforts taken in 2024 build a positive image of the PZU brand and strengthen its good reputation, and this ultimately translates into the satisfaction of stakeholders: clients, shareholders, as well as employees.

Social commitment of PZU SA is a permanent element of its business model, based on a comprehensive and organized approach to sponsorship, prevention or volunteering. In view of the pace of social and economic changes, the Company has decided to incorporate these actions into its new business strategy for 2025–2027. The ambition of PZU SA is, among others, for its activities in the area of safety and sustainable

lifestyle to reach 10 million beneficiaries every year.

##### **Prevention activities**

In 2024, following the pattern of previous years, PZU SA's prevention activities were mainly focused on the directions of health care and anti-accident activities, since it is in these areas that we estimate the greatest risks of insurance accidents, which we try to mitigate with our prevention activities and projects.

In the area of health care, the largest project in 2024 was the wide-ranging prevention campaign “Don't talk, just get checked.” The campaign addressed the problem of low participation in preventive examinations due to attitudes, beliefs, and level of knowledge of Poles. The goal of the

campaign was to make audiences aware of the benefits of regular examinations, including the fact that early diagnosis increases the chances of recovery. The context for the communication was the issue of numerous excuses that Poles typically hide behind to avoid going for preventive medical check-ups. The Minister of Health and the National Cancer Institute have assumed honorary patronage of the campaign.

Another project indicating PZU SA's concern for human health and even life is the "We Save and Teach How to Save" program. Inaugurated in 2024 and planned for the long term, PZU SA's cooperation with the "Great Orchestra of Christmas Charity" Foundation supports school children's education in pre-medical first aid skills, including cardiopulmonary resuscitation. Thanks to funding from the PZU SA prevention fund, equipment and textbooks for learning CPR were purchased.

Disease prevention also means promoting healthy lifestyles and physical activity, especially among the youngest Poles. That's why PZU SA has joined the national project of the Eagles of Sport Foundation "Z Orlika na Stadion." The initiative was aimed at soccer teams of children and young people, for whom football tournaments were organized throughout Poland, culminating in a grand finale at the PGE National Stadium. A total of more than 40,000 young footballers took part in the program, and organizers plan to continue the project in future years and in a form expanded to include new disciplines.

In the area of security, in line with the recommendations of the KNF, we have taken on the task of educating and informing the public about cyber risks in 2024. The activity was carried out as a prevention task aimed at preventing or reducing the negative effects of incidents resulting from cyber threats. The prevention campaign "And who is impersonating?" dealt with digital security, which also translates directly into financial security. The campaign content reached a wide range of adults with different levels of digital education. Recipients received up-to-date and practical knowledge on how to counter threats in the digital space, as well as ready-made behavioral scripts to increase their sense of security. The activity was carried out in cooperation with the Bureau of Prevention of Police Headquarters. Thanks to the involvement of police officers, 40,000 printed leaflets containing expert advice on

how not to give in to digital criminals were distributed across the country.

PZU SA also continued its cooperation with the Mountain Volunteer Rescue Service by providing financial support for, among other things, the purchase and modernization of vehicles and equipment used in mountain rescue and for the implementation of training to improve the qualifications of rescuers. An important part of the support is also to equip GOPR teams with new radio communication systems to improve coordination of rescue efforts, as well as equipment to reach the injured based on satellite navigation. A novelty was the purchase of unmanned aerial vehicles which, combined with AI, are used to search for lost persons.

PZU SA also responds to challenges of mental health protection and finances an educational and assistance Internet platform, operated by the Życie Warte jest Rozmowy Foundation, addressed to persons in suicidal crisis and their relatives and friends. Further, through its crisis intervention, as well as rehabilitation and recreational holidays, PZU SA provides psychological support and professional help also to families struck by trauma caused by an accident or cancer.

An important aspect of prevention activities, reducing the risk of insurance accidents among entities insured by PZU SA, was the continued implementation of preventive programs for clients, including Safe Fleet, Audax, iFlota, Risk PRO.

Faced with the emergency caused by flooding in the southern part of Poland, PZU SA became involved in efforts to counteract its effects. Activities financed by the prevention fund mainly consisted of providing financial and in-kind support to entities providing assistance to flood victims. Support in the form of subsidies for the purchase of, among other things, specialized equipment has been provided to rescue and uniformed services (OSP, PSP, Police) and local government units (municipalities and counties most affected by the floods). PZU SA, from its prevention fund, purchased specialized equipment (including motor pumps, generators, express tents) and small equipment (i.e. sandbags, shovels, protective jackets, flashlights), which were given to services working in flooded areas. In total, PZU SA has provided support to nearly 500 entities.



In addition, from the prevention fund, PZU SA co-financed two outreach campaigns aimed at people at risk of flooding and those affected by it. During the action, PZU SA provided information on safe behavior in a flood emergency, including the need to follow guidelines and messages from verified information sources.

PZU SA has also launched a hotline with free psychological support for those affected by the floods, providing on-call service by 2 psychologists 7 days a week from 2:00 pm to 8:00 pm.

In 2024, PZU SA allocated PLN 70,319,776 for prevention activities. Expenses incurred from the prevention fund of PZU SA and PZU Życie SA in 2024 were reasonable, contributing to the reduction of insurance accident consequences and the risk of their occurrence. Funds spent on preventive tasks for, among other things, improving safety or protecting life and health are subject to systematic evaluation of their effectiveness and are incurred in line with guidelines set by the regulator.

### Sponsorship activities

Strategic sponsorship activities were implemented in 2024 in five directions: culture, sports and healthy and active lifestyles, expertise, community and entrepreneurship, and national identity. As part of these activities, PZU SA and PZU Życie SA carried out a total of 170 sponsorship projects. The PZU Group incurred costs with a total value of PLN 20,289,622 gross, including:

expertise	PLN 2,593,288
culture	PLN 5,274,344
local communities and entrepreneurship	PLN 1,947,460
sports, as well as a healthy and active lifestyle	PLN 9,755,924
national identity	PLN 718,606
of which PZU SA incurred costs on sponsorship with a total value of PLN 10,163,804 gross, including:	
expertise	PLN 1,523,048
culture	PLN 2,585,347
local communities and entrepreneurship	PLN 883,795
sports, as well as a healthy and active lifestyle	PLN 4,809,378
national identity	PLN 362,236

Within the direction of sports and healthy and active lifestyles, PZU SA was again the official sponsor of the Tour de Pologne in 2024 and

continued cooperation with the Polish Amp Football Association. PZU SA has also sponsored numerous sports events such as: Kamila Skolimowska Memorial, the CITY TRAIL Grand Prix running series, the Ninth World Championships for Children from Children's Homes, the All-Poland Athletics Final of Olympic Hopes or the "Z Orlika na Stadion" football project organized jointly with the Ministry of Sport and Tourism.

In 2024, PZU SA was involved in the preservation of Polish cultural heritage by continuing its patronage of, among others, the Royal Łazienki Museum, the Warsaw Rising Museum, the National Museum in Kraków, the National Museum in Warsaw, the Grand Theatre – National Opera, the Polish Royal Opera and the National Institute of Frederic Chopin.

In 2024, PZU SA also participated in initiatives building Polish identity and shaping patriotic attitudes – sponsoring, among other things, the 80th Anniversary of the Warsaw Uprising.

In 2024, PZU SA also built its expert image by supporting events addressed to profiled audiences, such as: Impact'24, EKF Insurance, European Forum for New Ideas; Freedom Games; Devoxx Poland; Infoshare 2024; EB Summit 2024; 15. Edition of Notary Open Days or the Leasing vs. Insurance Conference.

As part of its sponsorship activities, PZU SA has also supported a number of events for local communities, including becoming a sponsor of the Great Toddler Expedition for Children.

PZU SA is a sponsor and actively supports the PZU Foundation implementing the PZU Group's philanthropic activities, which are part of its community engagement strategy.

The PZU Foundation works to build social resilience. It supports projects in areas such as future competencies, education, social capital and culture, providing substantive, organizational and financial assistance. By organizing its own projects and participating in partnership projects with NGOs, public institutions and universities, the PZU Foundation supports and undertakes initiatives whose effectiveness contributes to lasting social change. In 2024, the Foundation also carried out activities related to the areas of security, social welfare and assistance to individuals.

Since 2012, the PZU Foundation has also been implementing an employee volunteer program at the PZU Group, as part of which employees engage

in their own original projects and volunteer actions initiated by the Foundation.

## **XII. Evaluation of the implementation of key sustainable development (ESG) commitments by the Company and PZU Group**

### **Implementation of the sustainability reporting in the PZU Group**

In 2024, PZU SA successfully implemented – in the PU Group – the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to corporate sustainability reporting (CSRD); Pursuant to the amended Accounting Act implementing the CSRD, PZU SA was required to prepare sustainability reporting for the PZU Group for the fiscal year ended 31 December 2024. The prepared Sustainability Statement is part of the Management Board's Report on the Activity of the PZU Group and PZU SA.

In this respect, preparatory and analytical work was carried out in 2024 to prepare the PZU Group to meet the reporting requirement under generally applicable laws. 45 offices from PZU SA and PZU Życie SA, as well as 20 entities and subsidiaries of the PZU Group, were involved in the preparation of sustainability reporting. This work resulted in completing a double materiality assessment, mapping data availability and implementing a comprehensive data collection process, finalized in early 2025. The Sustainability Statement includes descriptive and quantitative data, consisting of more than 11,000 data points, required to be reported according to the ESRS (European Sustainability Reporting Standards). As a result of the double materiality assessment, the following topics were identified as important to the PZU Group: in the environmental area – climate change (E1), in the social area – employment (S1), social environment (S3), consumers and end-users (S4), in the governance area – business practices (G1), as well as cybersecurity identified by the PZU Group as an additional topic.

As part of this process, the PZU Group integrated ESG (environmental, social and governance) criteria into its reports, enabling a more comprehensive and transparent presentation of its sustainability efforts.

### **Implementation of the “Balanced Growth” ESG strategy for 2021–2024 – Summary**

2024 also marked the completion of the ESG strategy for 2021–2024. All the targeted results in the environmental, social and governance areas were achieved. The results for the seven key ESG indices that were included in the PZU Group's “Potential and Growth” business strategy, are as follows:

1. mitigating the negative environmental impact of own operations by reducing CO<sub>2</sub>e emissions (in scopes 1 and 2) by 3–10% compared to 2019; purchasing 100% of energy with RES guarantees of origin in own properties; and compensating for CO<sub>2</sub>e emissions that could not be reduced.

In 2024, PZU SA and PZU Życie SA continued to take actions aimed at reducing GHG Protocol 1 and 2 greenhouse gas emissions associated with combustion of fuels and energy consumption. This included replacing more cars with vehicles meeting the EURO 6 combustion standards and replacing fuel-burning equipment with more efficient solutions. Further measures were also taken to reduce the properties' consumption of thermal energy, electricity and the emissions thus generated. The above measures reduced market-based 2 emissions by 5.6% for PZU SA and 6.8% for PZU Życie SA compared to 2023. In relation to the first reporting year, i.e. 2019, which covered 2018 emissions, PZU SA and PZU Życie SA reduced their scope 2 market-based emissions by 70.4% and 64.6%, respectively. Within the PZU Group, the reduction in these emissions was 24.6% from 2023 and 66.7% from reported 2018 emissions.

In accordance with the ESG Strategy commitment, PZU SA and PZU Życie SA compensated for the CO<sub>2</sub> emissions (in scoped 1 and 1) to which they contributed in 2023. These emissions were offset by purchasing certified offset credits, CERs, made available by the UN Carbon Offset Platform. The companies purchased offset credits corresponding to emissions of 18,489 Mg CO<sub>2</sub>e.

Implementation level in 2024: CO<sub>2</sub>e emissions were reduced by 26.2% (scopes 1 and 2) compared to 2019; 100% energy with RES guarantees of origin was purchased in own properties, which accounted for 85% of the electricity purchased by PZU SA and PZU Życie SA; CO<sub>2</sub>e emissions from 2023 were compensated for by purchasing

certified offset credits CERs corresponding to PZU SA and PZU Życie SA's 2023 emissions of 18,489 tCO<sub>2</sub>e.

2. Increase of the current exposure to investments supporting climate and energy transition by 500 million PLN in 2021–2024

ESG factors also influence PZU SA's investment decisions. In 2024, PZU SA and TFI PZU SA monitored the market for financing supporting the climate-energy transition, with a view to possible involvement and participation in financing such investments. The companies also analyzed new financing structures and market trends. In response to the growing popularity of ESG-linked corporate financing, PZU SA and TFI PZU SA have actively joined the trend.

Implementation level in 2024: at the end of 2024, the value of the investment portfolio stood at PLN 2,933 million.

3. ESG assessment of 55% of the biggest corporate insurance clients from sectors sensitive to ESG risks.

An important element of PZU SA's sustainability is the integration of ESG criteria into its relationships with business partners – corporate clients and suppliers. The ESG assessment covered the largest corporate insurance clients that operated in sectors which are highly and moderately sensitive to ESG risks and had a significant impact on PZU SA revenues. The process of assessing industries highly and moderately sensitive to ESG risks was carried out on the basis of internal analysis. Data used for this purpose included data on national greenhouse gas emissions and the percentage contribution of individual industries to CO<sub>2</sub>e emissions. Furthermore, external data sources were taken into account, including good market practices, guidelines from international organizations (OECD, UNEP FI, EBC) and leading rating agencies, as well as regulatory requirements under SFDR (Sustainable Finance Disclosure Regulation). The application of the ESG criteria served the purpose of risk assessment and was not exclusionary for clients.

Implementation level in 2024: 55% of largest corporate insurance clients sensitive to the ESG risk were assessed against ESG factors.

4. Reaching out to 15 million recipients of social activities in the area of safety and sustainable lifestyle during the year.

PZU SA implemented social activities to improve safety and promote sustainable lifestyles. A lot of social campaigns were carried out, including

“Don't talk, just get checked” campaign, which aimed to raise awareness of the benefits of regular preventive examinations. The campaign addressed the problem of Poles' low participation in preventive examinations due to attitudes, beliefs, and level of knowledge. The campaign was supported by the Ministry of Health and the National Cancer Institute.

Implementation level in 2024: 15 million recipients (people reached by campaigns' content through traditional and online media, unique users of campaign websites, participants in webinars and recipients of printed informational materials) of social activities on safety and sustainable lifestyles.

5. 70% of employees covered by the well-being program

PZU cares about the well-being of its employees. Adopted in 2021, the well-being strategy promotes a healthy lifestyle, an optimal work style, as well as inspires and encourages employees to implement habits that improve efficiency and quality of functioning on a daily basis. It suggests how to effectively combine professional and private roles: as an employee, parent, carer. In 2024, existing activities were developed and new activities were created under the umbrella of the #DobryStan (#well-being) strategy. Various types of educational activities were organized on-site and on-line. Participants received knowledge and inspiration on healthy eating, preventive mental health, and caring for the musculoskeletal system. The #DobryStan (#well-being) program included the introduction of time-based benefits, such as “Two hours for the family. For everyone” and “Four Hours for Birthdays,” which allow employees to take care of the well-being aspects in their lives.

Implementation level in 2024: 70.3% of employees use the #DobryStan (#well-being) offer.

6. 70% of key purchase processes which accounted for ESG criteria.

PZU SA fully integrated ESG criteria into its procurement processes. The key document defining the requirements for suppliers is the “Code of Conduct and ESG Best Practices for PZU Group's Suppliers.” In 2024, ESG requirements were included in all key purchasing processes.

Implementation level in 2024: 100% of key purchase processes which accounted for ESG criteria.

7. Giving consideration to ESG targets in the Company's strategic objectives and

implementing them by the Senior Management.

ESG goals were included in the list of Senior Management's annual goals. They covered tasks related to the achievement of the ESG strategy performance indicators and referred to key ESG projects and initiatives, including CSRD

implementation. The degree of attainment of these goals translated into the value of variable compensation for a given year.

Implementation level in 2024: 46 ESG goals were included in the Company's strategic goals for 2024 and directed to management for implementation.

### **XIII. Assessment of fulfillment of the Management Board's disclosure obligations towards the PZU SA Supervisory Board as referred to in Article 380<sup>1</sup> of the CCC and assessment of the manner in which the Management Board prepares or submits information, documents, reports or explanations to the Supervisory Board in accordance with the procedure set forth in Article 382 §4 of the CCC**

In connection with the amendment of the Commercial Companies Code made pursuant to the Act of 9 February 2022 amending the Act – Commercial Companies Code and some other acts, the PZU SA Supervisory Board adopted Resolution No. URN/152/2022 dated 28 September 2022 on establishing rules for the communication of information required pursuant to the Commercial Companies Code by the Management Board of PZU SA.

In connection with the amendment of the Articles of Association of PZU SA made by the Ordinary Shareholder Meeting of PZU SA on 7 June 2023, the PZU SA Supervisory Board, by Resolution No. URN/1/2024 dated 24 January 2024, established the detailed scope, form and deadlines for providing information required pursuant to Article 380<sup>1</sup> of the Commercial Companies Code.

As stated in the above-mentioned resolution, during the reporting period the PZU SA Supervisory Board received, in particular, information on the subject of resolutions adopted

by the Management Board of PZU SA 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 means that obligations under Article 380<sup>1</sup> of the Commercial Companies Code were fulfilled.

In the opinion of the PZU SA Supervisory Board, information submitted by the Management Board of PZU SA was sufficient and therefore disclosure obligations towards the PZU SA Supervisory Board, including those referred to in Article 380<sup>1</sup> of the Commercial Companies Code are deemed fulfilled. These materials were submitted in the correct form, adequate scope and with sufficient frequency, in a precise and comprehensive manner. The PZU SA Supervisory Board received all information, documents, reports and explanations regarding the company necessary for supervision in the course of ongoing cooperation with the Management Board.

### **XIV. Information on the total remuneration payable by the Company for all audits and checks commissioned by the Supervisory Board during the fiscal year in accordance with Article 382<sup>1</sup>**

The Supervisory Board may adopt a resolution to have a certain matter relating to the Company's business or assets examined by a selected advisor at the Company's expense. An advisor to the Supervisory Board may also be selected to prepare certain analyses and opinions. In the agreement between the Company and the advisor to the Supervisory Board, the Company is represented by the Supervisory Board. The Management Board provides the advisor to the Supervisory Board with access to documents and requested information. The Supervisory Board may from time to time specify in a resolution the procedure for selecting an advisor, or determine that the selection is made at the discretion of the Supervisory Board, taking into account the

limitations and statutory requirements on and for the entity to be commissioned with the audit, and the services provided by it.

In 2024, the PZU SA Supervisory Board – acting pursuant to Article 382<sup>1</sup> §1 of the Commercial Companies Code and §13(3) of the Rules of Procedure of the Supervisory Board of PZU SA – adopted the following resolutions:

- no. URN/74/2024, dated 13 May 2024, commissioning a legal opinion to be prepared by the law firm M. Romanowski i Wspólnicy sp.k. as advisor to the Supervisory Board;
- no. URN/163/2024, dated 6 September 2024, selecting an advisor to the PZU SA Supervisory Board to prepare an analysis of the potential

of the current management team and to produce development recommendations with respect to new business challenges;

- no. URN/164/2024, dated 17 September 2024, commissioning Egon Zehnder sp. z o.o. to support the PZU SA Supervisory Board in the selection of a candidate for the PZU SA Management Board Member.

Resolution No. URN/74/2024, dated 13 May 2024, concerned the preparation of a legal opinion providing answers to the question posed by the Supervisory Board. The cost of the service amounted to PLN 47,046.39 gross.

Resolution No. URN/163/2024, dated 6 September 2024, was adopted by the Supervisory Board in accordance with the recommendations of the Ministry of State Assets and with a view to strengthening PZU SA's key management by orienting them towards personal development in conjunction with the organization's needs. As a result of a competitive bidding process, an order was placed under a framework agreement with

Egon Zehnder sp. z o.o. for the provision of recruitment services. The final cost of the service was PLN 265,197.84 gross, taking into account the number of people included in the analysis.

Resolution No. URN/164/2024, dated 17 September 2024, concerned a consulting service to support the PZU SA Supervisory Board in the selection of a candidate for the PZU SA Management Board Member from among candidates recommended by the Nomination and Compensation Committee of the PZU SA Supervisory Board, in terms of verifying candidates' knowledge, experience and skills by analyzing resumes, complete suitability assessment forms, publicly available information sources and selectively collected opinions (references/recommendations) and by conducting interviews with candidates.

The work resulted in structured information on the candidates with a brief summary (report). The cost of the service amounted to PLN 73,800.00 gross.

## **XV. Information on the progress in implementation of the Diversity Policy with respect to the Management Board and PZU SA Supervisory Board**

On 23 March 2022, the Supervisory Board adopted the diversity policy concerning members of the bodies of PZU SA ("Diversity Policy") for the Management Board of PZU SA. The Diversity Policy concerning members of the bodies of PZU SA with respect to the Supervisory Board of PZU SA was adopted by the Ordinary Shareholder Meeting of PZU SA on 29 June 2022.

In accordance with the diversity criteria set forth in the Policy, when deciding on the composition of the Management Board or the Supervisory Board of PZU SA, the competent authorities ensure that the persons selected have diverse knowledge, experience, skills as well as other qualifications and qualities required of the members of these bodies by universally and internally applicable laws. The diversity targets and criteria in these areas, as well as the timeline and method for monitoring the achievement of those targets are laid out in the Rules for Assessment of Suitability of the Supervisory Board and Audit Committee as well as of the Management Board of PZU SA, adopted by the virtue of resolutions of the Shareholder Meeting and Supervisory Board of PZU SA, respectively.

The Shareholder Meeting and PZU SA Supervisory Board, in selecting the members of the Supervisory Board and the Management Board, respectively, strive for gender parity in the Company's

governing bodies, with the minimum gender minority participation at 30%.

Pursuant to the Diversity Policy, PZU SA publishes on its website data regarding the diversity in the composition of the Company's governing bodies in terms of age, gender and length of professional experience. Information on the composition of the Management Board and the Supervisory Board in 2024 by age and gender is included in the Management Board's report on the activity of the PZU Group and PZU SA for the fiscal year ended on 31 December 2024, which is available on the Company's website.

The composition of the bodies of the Supervisory Board and the Management Board of PZU SA provide access to a wide range of competencies, knowledge and skills (including knowledge of the Polish language) appropriate to positions, ensuring that the members of the Supervisory Board and the Management Board of PZU SA – individually and as a body – produce independent opinions and decisions on the entire range of activities of PZU SA.

Due to the fact that individual and collective suitability of the aforementioned bodies is of top priority, the objective of diversifying the composition of the Supervisory Board and the Management Board of PZU SA is taken into account in the selection of members of the bodies



only to such an extent as to ensure that the functioning and suitability of these bodies will not be adversely affected. The Nomination and Compensation Committee reviewed compliance with the Diversity Policy. The report on this review is attached as Appendix 4 to this report.

#### **XVI. Self-assessment by the Supervisory Board of PZU SA**

The Supervisory Board of PZU SA diligently and effectively fulfilled its duties, exercising constant supervision over the Company's activities and development in all areas of its operations, and taking all actions as reported by the Management Board of PZU SA, which were necessary for the efficient conduct of the Company's statutory activities and implementation of its strategic goals. The scope, modus operandi and composition of the Supervisory Board in 2024 complied with the generally applicable laws, the Company's internal regulations and the requirements applicable to public companies, particularly those set forth in "Best Practices of WSE Listed Companies" which were in effect in 2024. All members of the Supervisory Board of PZU SA were characterized by a high level of preparation and professional experience in the field of running and supervising commercial law companies, which means that they fulfilled their statutory powers in an appropriate manner, guaranteeing adequate supervision of the Company. Each member of the Supervisory Board exercised due diligence and showed commitment

in the performance of their duties on the Board, and their conduct was based on the interests of the Company and the principle of independent opinion and judgment. The diverse composition of the Supervisory Board as well as the interdisciplinary knowledge and skills of its members allowed for a comprehensive examination and giving diversified opinions on the topics presented. There was a broad representation of views in evaluating the work of the Management Board and the functioning of PZU SA as a public company.

The Supervisory Board of PZU SA carried out its duties uninterruptedly and actively supported the Management Board in carrying out its most important tasks. With the above in mind, the Supervisory Board of PZU SA is prepared to exercise its statutory powers and fulfills them in an appropriate manner that guarantees adequate supervision of the Company. In the opinion of the Supervisory Board of PZU SA, its activities in 2024 were carried out effectively, in accordance with the best market practices.

Chairman  
of the Supervisory Board of PZU SA

/Marcin Kubicza/

*Warsaw, 26 May 2025*

## Appendix No. 1

to the PZU Supervisory Board's report for the year 2024

Resolution No.	Resolution date	Subject of the resolution:
URN/1/2024	2024-01-24	on determining the detailed scope, form and deadlines for the provision of information referred to in § 27a of the Articles of Association by the PZU SA Management Board
URN/2/2024	2024-01-24	on the adoption of the report of the Management Board of PZU SA on the implementation of the Management Objectives conditioning the possibility of receiving variable compensation by the Manager for the year 2023 and the assessment of their implementation
URN/3/2024	2024-01-24	on the approval to conclude Annex No. 3 to Order 3/2019 of 4 September 2019 with Ernst&Young sp. z o.o. Consulting sp.k. for consulting services in the field of support in the selection of the supplier of the IFRS 17 calculation and reporting tool and its implementation, as well as support in the implementation of the IFRS 17 standard for the needs of PZU SA
URN/4/2024	2024-01-24	on the approval to acquire securities issued, guaranteed or underwritten by the State Treasury of the Republic of Poland
URN/5/2024	2024-02-09	on the principles of selling used PZU SA's assets to Members of the PZU SA Management Board
URN/6/2024	2024-02-12	on entering into conditional contracts of sale of used PZU SA's assets with Members of the PZU SA Management Board
URN/7/2024	2024-02-14	on the approval to place an order with The Boston Consulting Group sp. z o.o. for the provision of consulting services in the field of CSRD, carbon footprint calculations and decarbonization strategies, as well as on increasing the maximum amount of compensation for the group of contracts referred to in Resolutions Nos. URN/51/2021 and URN/107/2021
URN/8/2024	2024-02-14	on the approval to conclude new framework agreements for performance marketing (affiliate) services
URN/9/2024	2024-02-14	on the approval to conclude Annex No. 4 extending the term of the framework agreement for public relations services with Sigma Bis SA
URN/10/2024	2024-02-14	on the selection of CSWP Audyt P.S.A. to assess the PZU SA Supervisory Board Report on Compensation of PZU SA Management Board and Supervisory Board Members for 2023
URN/11/2024	2024-02-14	on the approval to conclude a legal services agreement with Kancelaria Pietrzak Sidor & Wspólnicy sp. j. and Kancelaria Adwokacka Anna Maria Kubiak for the representation of PZU SA in a lawsuit filed by MPWiK in the city of Warsaw against Towarzystwo Ubezpieczeń i Reasekuracji "Warta" S.A., PZU SA and Sopockie Towarzystwo Ubezpieczeń ERGO HESTIA S.A., currently pending before the Regional Court in Warsaw for payment of claims for damages caused by a failure at the "Czajka" sewage treatment plant
URN/12/2024	2024-02-14	on the secondary individual suitability assessment of the PZU SA Management Board Member – Małgorzata Sadurska
URN/13/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/14/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/15/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/16/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/17/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member

Resolution No.	Resolution date	Subject of the resolution:
URN/18/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/19/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/20/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/21/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/22/2024	2024-02-14	on the approval of the proposal for primary individual suitability assessment of the candidate for the PZU SA Supervisory Board Member
URN/23/2024	2024-02-14	on the approval of the report on proposals for assessing the suitability of the PZU SA Supervisory Board
URN/24/2024	2024-02-15	on the election of the President of the PZU SA Supervisory Board
URN/25/2024	2024-02-23	on the election of the Vice-President of the PZU SA Supervisory Board
URN/26/2024	2024-02-23	on the election of the Secretary of the PZU SA Supervisory Board
URN/27/2024	2024-02-23	on determining the number and appointing the composition of the Nomination and Compensation Committee of the PZU SA Supervisory Board
URN/28/2024	2024-02-23	on determining the number and appointment of the Strategy Committee of the PZU SA Supervisory Board
URN/29/2024	2024-02-23	on the individual suitability assessment of the candidate for the Audit Committee Member of the PZU SA Supervisory Board – Adam Uszpolewicz
URN/30/2024	2024-02-23	on the individual suitability assessment of the candidate for the Audit Committee Member of the PZU SA Supervisory Board – Filip Górczyca
URN/31/2024	2024-02-23	on the individual suitability assessment of the candidate for the Audit Committee Member of the PZU SA Supervisory Board – Michał Jonczyński
URN/32/2024	2024-02-23	on the individual suitability assessment of the candidate for the Audit Committee Member of the PZU SA Supervisory Board – Andrzej Kaleta
URN/33/2024	2024-02-23	on the collective suitability assessment of the Audit Committee of the PZU SA Supervisory Board
URN/34/2024	2024-02-23	on determining the number and appointment of the Audit Committee of the PZU SA Supervisory Board
URN/35/2024	2024-02-23	on the dismissal of Beata Kozłowska-Chyła from the Management Board of PZU SA
URN/36/2024	2024-02-23	on the dismissal of Ernest Bejda from the Management Board of PZU SA
URN/37/2024	2024-02-23	on the dismissal of Małgorzata Kot from the Management Board of PZU SA
URN/38/2024	2024-02-23	on the dismissal of Krzysztof Kozłowski from the Management Board of PZU SA
URN/39/2024	2024-02-23	on the dismissal of Piotr Nowak from the Management Board of PZU SA
URN/40/2024	2024-02-23	on the dismissal of Małgorzata Sadurska from the Management Board of PZU SA
URN/41/2024	2024-02-23	on the primary individual suitability assessment prior to the temporary delegation of PZU SA Supervisory Board Member – Anita Elżanowska to serve as President of the PZU SA Management Board
URN/42/2024	2024-02-23	on the primary individual suitability assessment prior to the temporary delegation of PZU SA Supervisory Board Member – Michał Bernaczyk to serve as Member of the PZU SA Management Board
URN/43/2024	2024-02-23	on the delegation of PZU SA Supervisory Board Member – Anita Elżanowska to temporarily perform the functions of the President of the PZU SA Management Board
URN/44/2024	2024-02-23	on the delegation of PZU SA Supervisory Board Member – Michał Bernaczyk to temporarily perform the functions of the Member of the PZU SA

Resolution No.	Resolution date	Subject of the resolution:
		Management Board
URN/45/2024	2024-02-23	on the adoption of the rules for conducting the qualification procedure for Members of the PZU SA Management Board
URN/46/2024	2024-02-24	on initiating and conducting the qualification procedure for the President of the PZU SA Management Board
URN/47/2024	2024-02-24	on initiating and conducting the qualification procedure for Members of the PZU SA Management Board
URN/48/2024	2024-03-14	on paying accommodation costs of the PZU SA Supervisory Board Member, Michał Bernaczyk, delegated to temporarily perform the functions of the Member of the PZU SA Management Board
URN/49/2024	2024-03-20	on the evaluation of the financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2023, prepared in accordance with the Polish Accounting Standards as regards their conformity with the books and documents, as well as with the facts, and the recommendation that the PZU SA Ordinary Shareholder Meeting approve them
URN/50/2024	2024-03-20	on the assessment of the consolidated financial statements of the Powszechny Zakład Ubezpieczeń Spółka Akcyjna Group for the year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards, the recommendation that the PZU SA Ordinary Shareholder Meeting approve them
URN/51/2024	2024-03-20	on the assessment of the Management Board's report on the activity of the PZU Group and PZU SA for the financial year ended 31 December 2023 and the report on non-financial information of the PZU Group and PZU SA for 2023, and the recommendation that the PZU SA Ordinary Shareholder Meeting approve them
URN/52/2024	2024-03-20	on the adoption of the content of the statements of the PZU SA Supervisory Board in connection with the publication by PZU SA of the separate and consolidated annual report for 2023
URN/53/2024	2024-03-27	on changing the date of setting Management Objectives for the financial year 2024 for the Members of the PZU SA Management Board and on adopting a model agreement for the Management Services Provision Agreement
URN/54/2024	2024-03-27	on the individual suitability assessment of the candidate for the President of the PZU SA Management Board – Artur Olech
URN/55/2024	2024-03-27	on the individual suitability assessment of the candidate for the Member of the PZU SA Management Board – Bartosz Grześkowiak
URN/56/2024	2024-03-27	on the individual suitability assessment of the candidate for the Member of the PZU SA Management Board – Elżbieta Häuser-Schöneich
URN/57/2024	2024-03-27	on the individual suitability assessment of the candidate for the Member of the PZU SA Management Board – Jan Zimowicz
URN/58/2024	2024-03-27	on the appointment of the President of the PZU SA Management Board – Artur Olech
URN/59/2024	2024-03-27	on the appointment of the Member of the PZU SA Management Board – Bartosz Grześkowiak
URN/60/2024	2024-03-27	on the appointment of the Member of the PZU SA Management Board – Elżbieta Häuser-Schöneich
URN/61/2024	2024-03-27	on the appointment of the Member of the PZU SA Management Board – Jan Zimowicz
URN/62/2024	2024-03-27	on closing the qualification procedure for the President of the PZU SA Management Board and on accepting the minutes
URN/63/2024	2024-04-04	on the approval of the solvency and financial condition report of Powszechny Zakład Ubezpieczeń Spółka Akcyjna as at 31 December 2023

Resolution No.	Resolution date	Subject of the resolution:
		and for the financial year ended on that date
URN/64/2024	2024-04-15	on granting consent to Artur Olech, acting President of the PZU SA Management Board, to serve on the Supervisory Board of Bank Pekao S.A. with its registered office in Warsaw, Poland
URN/65/2024	2024-04-15	on granting consent to Bartosz Grześkowiak, Member of the PZU SA Management Board, to serve on the Supervisory Board of Bank Pekao S.A. with its registered office in Warsaw, Poland
URN/66/2024	2024-04-18	on granting consent to Bartosz Grześkowiak, Member of the PZU SA Management Board, to serve on the Supervisory Board of Towarzystwo Ubezpieczeń Wzajemnych Polskiego Zakładu Ubezpieczeń Wzajemnych with its registered office in Warsaw, the Supervisory Board of Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych with its registered office in Warsaw, and the Supervisory Board of Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych na Życie with its registered office in Warsaw
URN/67/2024	2024-04-25	on the approval of the report on Powszechny Zakład Ubezpieczeń Spółka Akcyjna Group Solvency and financial condition report as at 31 December 2023 and for the financial year ended on the date
URN/68/2024	2024-04-25	on granting consent to Jan Zimowicz, Member of the PZU SA Management Board, to serve on the Supervisory Board of Alior Bank Spółka Akcyjna with its registered office in Warsaw, Poland
URN/69/2024	2024-04-25	on revoking the delegation of PZU SA Supervisory Board Member, Michał Bernaczyk, to temporarily perform the functions of the Member of the PZU SA Management Board
URN/70/2024	2024-04-25	on granting consent to Maciej Rapkiewicz, Member of the PZU SA Management Board, to serve on the Supervisory Board of PTE PZU SA with its registered office in Warsaw, Poland, for the next term of office
URN/71/2024	2024-04-25	on establishing Management Objectives for the PZU SA Management Board Members for the year 2024
URN/72/2024	2024-04-25	on incurring or refinancing the costs of individual training of Management Board Members in calendar year 2024 and on adopting a model agreement for the Management Services Provision Agreement
URN/73/2024	2024-05-10	amending Resolution No. URN/71/2024 on defining the Management Objectives for the PZU SA Management Board Members for 2024
URN/74/2024	2024-05-13	on commissioning a legal opinion to be prepared by the law firm M. Romanowski i Wspólnicy sp.k. as advisor to the Supervisory Board
URN/75/2024	2024-05-17	on granting consent to Artur Olech, acting President of the PZU SA Management Board, to serve as a Member of the Audit Committee of the Polish Chamber of Insurance, with its registered office in Warsaw, Poland
URN/76/2024	2024-05-17	on granting consent to Bartosz Grześkowiak, Member of the PZU SA Management Board, to serve as a Member of the Audit Committee of the Polish Chamber of Insurance, with its registered office in Warsaw, Poland
URN/77/2024	2024-05-20	on the approval of the report on compensation of the PZU SA Management Board Members and Supervisory Board Members for 2023
URN/78/2024	2024-05-20	on the approval of the PZU Group's Risk Management Strategy
URN/79/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the President of the PZU SA Supervisory Board – Marcin Kubicza
URN/80/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Vice-President of the PZU SA Supervisory Board – Małgorzata Kurzynoga
URN/81/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Secretary of the PZU SA Supervisory Board – Anna



Resolution No.	Resolution date	Subject of the resolution:
		Machnikowska
URN/82/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Member of the PZU SA Supervisory Board – Michał Bernaczyk
URN/83/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Member of the PZU SA Supervisory Board – Anita Elżanowska
URN/84/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Member of the PZU SA Supervisory Board – Filip Gorczyca
URN/85/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Member of the PZU SA Supervisory Board – Michał Jonczynski
URN/86/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Member of the PZU SA Supervisory Board – Andrzej Kaleta
URN/87/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Member of the PZU SA Supervisory Board – Wojciech Olejniczak
URN/88/2024	2024-05-20	on the approval of the proposal for the secondary individual suitability assessment of the Member of the PZU SA Supervisory Board – Adam Uszpolewicz
URN/89/2024	2024-05-20	on the secondary individual suitability assessment of the Chairman of the Audit Committee of the PZU SA Supervisory Board – Adam Uszpolewicz
URN/90/2024	2024-05-20	on the secondary assessment of the individual suitability of the Audit Committee Member of the PZU SA Supervisory Board – Filip Gorczyca
URN/91/2024	2024-05-20	on the secondary assessment of the individual suitability of the Audit Committee Member of the PZU SA Supervisory Board – Michał Jonczynski
URN/92/2024	2024-05-20	on the secondary assessment of the individual suitability of the Audit Committee Member of the PZU SA Supervisory Board – Andrzej Kaleta
URN/93/2024	2024-05-20	on the approval of the proposal for collective suitability assessment of the PZU SA Supervisory Board
URN/94/2024	2024-05-20	on the assessment of the proposal of the PZU SA Management Board to the Ordinary Shareholder Meeting of PZU SA on the distribution of net profit of PZU SA for the year ended 31 December 2023 increased by the amount transferred from the reserve capital created from net profit for the year ended 31 December 2022
URN/95/2024	2024-05-20	on reviewing and issuing an opinion on the Management Board's report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services for the year 2023
URN/96/2024	2024-05-20	on the approval of the report on proposals for assessing the suitability of the PZU SA Supervisory Board
URN/97/2024	2024-05-20	on amending the rules for assessment of suitability of the PZU SA Supervisory Board and Audit Committee
URN/98/2024	2024-05-20	on the approval to conclude annexes, place orders or submit requests under framework agreements for the provision of strategic consulting services
URN/99/2024	2024-05-20	on recommendation to grant discharge to Ernest Bejda for the performance of his duties on the PZU SA Management Board in 2023
URN/100/2024	2024-05-20	on recommendation to grant discharge to Małgorzata Kot for the performance of her duties on the PZU SA Management Board in 2023
URN/101/2024	2024-05-20	on recommendation to grant discharge to Beata Kozłowska-Chyla for the performance of her duties on the PZU SA Management Board in 2023

Resolution No.	Resolution date	Subject of the resolution:
URN/102/2024	2024-05-20	on recommendation to grant discharge to Krzysztof Kozłowski for the performance of his duties on the PZU SA Management Board in 2023
URN/103/2024	2024-05-20	on recommendation to grant discharge to Tomasz Kulik for the performance of his duties on the PZU SA Management Board in 2023
URN/104/2024	2024-05-20	on recommendation to grant discharge to Piotr Nowak for the performance of his duties on the PZU SA Management Board in 2023
URN/105/2024	2024-05-20	on recommendation to grant discharge to Maciej Rapkiewicz for the performance of his duties on the PZU SA Management Board in 2023
URN/106/2024	2024-05-20	on recommendation to grant discharge to Małgorzata Sadurska for the performance of her duties on the PZU SA Management Board in 2023
URN/107/2024	2024-05-20	on the adoption of the Report of the PZU SA Supervisory Board for 2023
URN/108/2024	2024-05-20	on closing the qualification procedure for the Members of the PZU SA Management Board and on accepting the minutes
URN/109/2024	2024-05-22	on recommendation to grant discharge to Przemysław Dąbrowski for the performance of his duties on the PZU SA Management Board in 2015
URN/110/2024	2024-05-22	on recommendation to grant discharge to Rafał Grodzicki for the performance of his duties on the PZU SA Management Board in 2015
URN/111/2024	2024-05-22	on the recommendation to grant discharge to Witold Jaworski for the performance of his duties on the PZU SA Management Board in 2015
URN/112/2024	2024-05-22	on recommendation to grant discharge to Andrzej Klesyk for the performance of his duties on the PZU SA Management Board in 2015
URN/113/2024	2024-05-22	on recommendation to grant discharge to Dariusz Krzewina for the performance of his duties on the PZU SA Management Board in 2015
URN/114/2024	2024-05-22	on recommendation to grant discharge to Tomasz Tarkowski for the performance of his duties on the PZU SA Management Board in 2015
URN/115/2024	2024-05-22	on recommendation to grant discharge to Ryszard Trepczyński for the performance of his duties on the PZU SA Management Board in 2015
URN/116/2024	2024-05-28	on granting consent to Tomasz Kulik, Member of the PZU SA Management Board, to serve on the Supervisory Board of Towarzystwo Funduszy Inwestycyjnych PZU SA with its registered office in Warsaw, Poland
URN/117/2024	2024-06-06	on the approval to place orders with KPMG Advisory sp. z o.o. sp. k. and Deloitte Advisory sp. z o.o. sp. k. for the provision of consulting services for the preparation of a report on the verification of selected areas of PZU SA's operations in the period from 1 January 2016 to 24 February 2024, and to increase the maximum amount of compensation for the group of contracts referred to in Resolution No. URN/98/2024
URN/118/2024	2024-06-17	on granting consent to Artur Olech, acting President of the PZU SA Management Board, to serve on the Board of the Insurance Guarantee Fund with its registered office in Warsaw, Poland
URN/119/2024	2024-06-17	on the approval to conclude framework agreements with suppliers serving PZU SA in the field of marking, to place orders with them and to set the maximum amount of compensation for these orders
URN/120/2024	2024-06-17	on the approval to conclude framework agreements with suppliers serving PZU SA in the field of BTL services, to place orders with them and to set the maximum amount of compensation for these orders
URN/121/2024	2024-06-17	on the approval to conclude framework agreements with suppliers providing audio-video materials for the internal and external communication of PZU SA, to place orders with them and to set the maximum amount of compensation for these orders
URN/122/2024	2024-06-17	on the approval to conclude framework agreements for tax consulting services, to place orders thereunder and to set the maximum amount of compensation for these orders
URN/123/2024	2024-06-17	on the collective suitability assessment of the PZU SA Management Board

Resolution No.	Resolution date	Subject of the resolution:
URN/124/2024	2024-06-17	repealing Resolutions Nos. URN/99/2024, URN/100/2024, URN/101/2024, URN/102/2024, URN/103/2024, URN/104/2024, URN/105/2024 and URN/106/2024 on recommendation to discharge the Members of the PZU SA Management Board for the performance of their duties on the PZU SA Management Board in 2023
URN/125/2024	2024-06-17	amending Resolution No. URN/107/2024 on the adoption of the Report of the PZU SA Supervisory Board for 2023
URN/126/2024	2024-06-20	on granting consent to Elżbieta Häuser-Schöneich, Member of the PZU SA Management Board, to serve in the Polish Motor Insurers' Bureau, with its registered office in Warsaw, Poland
URN/127/2024	2024-07-03	on the approval of orders necessary for the implementation of the advertising campaign regarding the PZU's comprehensive offer
URN/128/2024	2024-07-15	on recommendation not to grant discharge to Małgorzata Sadurska for the performance of her duties on the PZU SA Management Board in 2023
URN/129/2024	2024-07-15	on recommendation not to grant discharge to Maciej Rapkiewicz for the performance of his duties on the PZU SA Management Board in 2023
URN/130/2024	2024-07-15	on recommendation not to grant discharge to Piotr Nowak for the performance of his duties on the PZU SA Management Board in 2023
URN/131/2024	2024-07-15	on recommendation not to grant discharge to Tomasz Kulik for the performance of his duties on the PZU SA Management Board in 2023
URN/132/2024	2024-07-15	on recommendation not to grant discharge to Krzysztof Kozłowski for the performance of his duties on the PZU SA Management Board in 2023
URN/133/2024	2024-07-15	on recommendation not to grant discharge to Małgorzata Kot for the performance of her duties on the PZU SA Management Board in 2023
URN/134/2024	2024-07-15	on recommendation not to grant discharge to Ernest Bejda for the performance of his duties on the PZU SA Management Board in 2023
URN/135/2024	2024-07-15	on recommendation not to grant discharge to Beata Kozłowska-Chyła for the performance of her duties on the PZU SA Management Board in 2023
URN/136/2024	2024-07-15	on initiating and conducting the qualification procedure for the Member of the PZU SA Management Board responsible for supervising the area of operations and the area of claims and benefits
URN/137/2024	2024-07-18	on payment to Krzysztof Kozłowski of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/138/2024	2024-07-18	on payment to Beata Kozłowska-Chyła of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/139/2024	2024-07-18	on payment to Ernest Bejda of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/140/2024	2024-07-18	on payment to Krzysztof Szypula of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/141/2024	2024-07-18	on payment to Małgorzata Kot of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/142/2024	2024-07-18	on payment to Maciej Rapkiewicz of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/143/2024	2024-07-18	on payment to Małgorzata Sadurska of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/144/2024	2024-07-18	on payment to Piotr Nowak of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/145/2024	2024-07-18	on payment to Tomasz Kulik of the first part (tranche) of the Deferred Variable Compensation for the financial year 2022
URN/146/2024	2024-07-26	on the approval to place an order with The Boston Consulting Group sp. z o.o. for the provision of consulting services in the field of developing a new PZU Group Bancassurance Strategy
URN/147/2024	2024-07-26	on the approval to place an order with The Boston Consulting Group sp. z o.o. for the provision of consulting services in the field of developing a new

Resolution No.	Resolution date	Subject of the resolution:
		PZU Group Strategy for Bank Synergies, and to increase the maximum amount of compensation for the group of contracts referred to in Resolution No. URN/98/2024
URN/148/2024	2024-07-26	on the approval to place an order with McKinsey & Company Polska sp. z o.o. sp.k. for the provision of consulting services in the field of developing a new PZU Group Strategy for Corporate Business
URN/149/2024	2024-07-29	on the approval to place an order with McKinsey & Company Polska sp. z o.o. sp.k. for the provision of consulting services in the field of developing a new PZU Group Strategy for Mass Insurance, and to submit additional requests under this order
URN/150/2024	2024-08-09	on granting consent to Elżbieta Häuser-Schöneich, Member of the PZU SA Management Board, to serve on the Supervisory Board of Link4 Towarzystwo Ubezpieczeń SA, with its registered office in Warsaw, Poland
URN/151/2024	2024-08-28	on the approval to conclude agreements on the use of Google Marketing Platform by PZU SA, to place orders thereunder and to set the maximum amount of compensation for these orders
URN/152/2024	2024-08-28	on the approval to conclude – with Ernst&Young sp. z o.o. Consulting sp.k. – Annex No. 1 to Order 3/2023 of 19 May 2023 for consulting services in the field of underwriting support following the implementation of IFRS 17
URN/153/2024	2024-08-28	on the individual suitability assessment of the candidate for the Member of the PZU SA Management Board – Tomasz Tarkowski
URN/154/2024	2024-08-28	on the primary individual suitability assessment prior to the temporary delegation of PZU SA Supervisory Board Member – Wojciech Olejniczak to serve as Member of the PZU SA Management Board
URN/155/2024	2024-08-28	on the collective suitability assessment of the PZU SA Management Board
URN/156/2024	2024-08-28	on the appointment of the Member of the PZU SA Management Board – Tomasz Tarkowski
URN/157/2024	2024-08-28	on the delegation of PZU SA Supervisory Board Member – Wojciech Olejniczak to temporarily perform the functions of the Member of the PZU SA Management Board
URN/158/2024	2024-08-28	on the dismissal of Maciej Rapkiewicz from the Management Board of PZU SA
URN/159/2024	2024-08-28	on initiating and conducting the qualification procedure for Members of the PZU SA Management Board in particular responsible for supervising the areas of risks and finance
URN/160/2024	2024-08-28	on closing the qualification procedure for the Member of the PZU SA Management Board and on accepting the minutes
URN/161/2024	2024-09-04	on the approval to increase the value of the contract with Google Ireland Limited, with its registered office in Dublin, for the period until 31 December 2024
URN/162/2024	2024-09-06	on the appointment of Michał Jonczynski to the Nomination and Compensation Committee of the PZU SA Supervisory Board
URN/163/2024	2024-09-06	on the selection of an advisor to the PZU SA Supervisory Board to prepare an analysis of the potential of the current management team and to produce development recommendations with respect to new business challenges;
URN/164/2024	2024-09-17	on commissioning Egon Zehnder sp. z o.o. to support the PZU SA Supervisory Board in the selection of a candidate for the PZU SA Management Board Member
URN/165/2024	2024-09-20	on payment to Aleksandra Agatowska of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/166/2024	2024-09-20	on payment to Adam Brzozowski of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/167/2024	2024-09-20	on payment to Beata Kozłowska-Chyla of the third part (tranche) of the Deferred Variable Compensation for financial year 2020

Resolution No.	Resolution date	Subject of the resolution:
URN/168/2024	2024-09-20	on payment to Ernest Bejda of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/169/2024	2024-09-20	on payment to Elisabeth Häuser-Schöneich of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/170/2024	2024-09-20	on payment to Krzysztof Szypula of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/171/2024	2024-09-20	on payment to Marcin Eckert of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/172/2024	2024-09-20	on payment to Małgorzata Kot of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/173/2024	2024-09-20	on payment to Maciej Rapkiewicz of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/174/2024	2024-09-20	on payment to Małgorzata Sadurska of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/175/2024	2024-09-20	on payment to Pavel Surówka of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/176/2024	2024-09-20	on payment to Tomasz Kulik of the third part (tranche) of the Deferred Variable Compensation for the financial year 2020
URN/177/2024	2024-09-20	on payment to Beata Kozłowska-Chyla of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/178/2024	2024-09-20	on payment to Ernest Bejda of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/179/2024	2024-09-20	on payment to Krzysztof Kozłowski of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/180/2024	2024-09-20	on payment to Krzysztof Szypula of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/181/2024	2024-09-20	on payment to Marcin Eckert of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/182/2024	2024-09-20	on payment to Małgorzata Kot of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/183/2024	2024-09-20	on payment to Maciej Rapkiewicz of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/184/2024	2024-09-20	on payment to Małgorzata Sadurska of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/185/2024	2024-09-20	on payment to Tomasz Kulik of the second part (tranche) of the Deferred Variable Compensation for the financial year 2021
URN/186/2024	2024-10-04	on the acquisition of shares in the increased share capital of Link4 TU S.A. with its registered office in Warsaw
URN/187/2024	2024-10-15	amending Resolution No. URN/156/2024 dated 28 August 2024 on the appointment of the Member of the PZU SA Management Board – Tomasz Tarkowski
URN/188/2024	2024-10-30	on the approval to place orders under the framework agreement with Sigma Bis S.A. which are necessary for the implementation of the non-life insurance advertising campaign
URN/189/2024	2024-11-13	on granting consent to Tomasz Tarkowski, Member of the PZU SA Management Board, to serve on the PZU Życie SA Management Board with its registered office in Warsaw, Poland
URN/190/2024	2024-11-15	amending Resolution No. URN/106/2022 on the procedure for periodic assessment of transactions concluded by PZU SA with related parties in the ordinary course of business
URN/191/2024	2024-11-20	on the conclusion of an annex with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. ("PwC") for the attestation of the PZU Group's Sustainability Reporting for 2024 to the contract dated 15 December 2023 for the audit and review of financial statements and the



Resolution No.	Resolution date	Subject of the resolution:
		audit of solvency and financial condition reports
URN/192/2024	2024-11-20	on the approval of amendments to the Rules and Regulations of the Management Board of Powszechny Zakład Ubezpieczeń Spółki Akcyjna
URN/193/2024	2024-11-26	on establishing cooperation with the Great Orchestra of Christmas Charity Foundation in 2025–2027
URN/194/2024	2024-11-28	on revoking the delegation of PZU SA Supervisory Board Member, Wojciech Olejniczak, to temporarily perform the functions of the Member of the PZU SA Management Board
URN/195/2024	2024-11-28	on the collective suitability assessment of the PZU SA Management Board
URN/196/2024	2024-11-28	on the individual suitability assessment of the candidate for the Member of the PZU SA Management Board – Maciej Fedyna
URN/197/2024	2024-11-28	on the collective suitability assessment of the PZU SA Management Board
URN/198/2024	2024-11-28	on the appointment of the Member of the PZU SA Management Board – Maciej Fedyna
URN/199/2024	2024-11-28	on closing the qualification procedure for the Members of the PZU SA Management Board and on accepting the minutes
URN/200/2024	2024-12-02	on the approval of the multi-year plan for the development and operation of the PZU Group and PZU SA Company contained in the document entitled “PZU Group Strategy 2025-2027”
URN/201/2024	2024-12-02	on the approval of the PZU Group’s Capital and Dividend Policy for 2025–2027
URN/202/2024	2024-12-05	on the specific authorization of the President of the PZU SA Supervisory Board
URN/203/2024	2024-12-17	on the evaluation and approval of the interim assessment report for 2023 on significant transactions concluded by PZU SA and PZU SA subsidiaries with related parties

**Appendix No. 2**  
**to the PZU SA Supervisory Board Report for 2024**

Name of a PZU SA Supervisory Board Member	24.01	14.02	15.02	23- 24.02	14, 19- 20.03	20.03	21, 22, 25, 27.03	04.04	25.04	20.05	17- 18.06	15, 18.07	20, 27- 28.08	28.08 06.09	20.09	3-4.10	15.10	30.10	20, 28.11	13.12, 13.01.
Michał Bernaczyk			✓	✓						✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Marcin Chłodziński	✓	✓																		
Anita Elżanowska			✓	✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Filip Gorczyca			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paweł Górecki	✓																			
Agata Górnicka	✓	✓																		
Robert Jastrzębski	✓	✓																		
Michał Jonczynski			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Andrzej Kaleta			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Marcin Kubicza	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Małgorzata Kurzynoga			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Anna Machnikowska			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wojciech Olejniczak			✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	X						✓
Krzysztof Opolski	✓	✓																		

<b>Radostaw Sierpiński</b>	✓	✓																		
<b>Adam Uszpolewicz</b>			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Józef Wierzbowski</b>	✓	✓																		
<b>Maciej Zaborowski</b>	✓	X																		

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appendix to Resolution No. UKA/5/2025  
Audit Committee of the Supervisory Board of PZU SA dated 24 March 2025.



(Appendix 3 to the 2024 Report of the Supervisory Board of PZU SA)

## **REPORT OF THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA ON ITS ACTIVITIES IN 2024**

Warsaw, 24 March 2025

## I. Appointment and composition of the Audit Committee of the Supervisory Board of PZU SA

The Audit Committee of the Supervisory Board of PZU SA was established on 3 June 2008, under Resolution No. URN/20/2008 of the Supervisory Board of PZU SA on the appointment of the Audit Committee of the Supervisory Board of PZU SA.

As of 1 January 2024, the Audit Committee of the Supervisory Board of PZU SA operated in the following composition:

- 1) Krzysztof Opolski - Chairman of the Committee,
- 2) Marcin Chludzinski - Committee Member,
- 3) Paweł Górecki - Committee Member,
- 4) Marcin Kubicza - Committee Member.

All Audit Committee Members met the criteria for independence within the meaning of Article 129(3) of the Act on Statutory Auditors, Audit Firms and Public Oversight dated 11 May 2017 (**UoBR**). Marcin Chludziński and Krzysztof Opolski were qualified in accounting or auditing financial statements. Marcin Chludziński, Paweł Górecki and Krzysztof Opolski had knowledge and skills in the industry in which the Company operates.

On 14 February 2024, Paweł Górecki, was dismissed from the PZU SA Supervisory Board by a letter from the State Treasury.

On 15 February 2024, the Extraordinary Shareholder Meeting dismissed the following persons from the PZU SA Supervisory Board: Robert Jastrzębski, Agata Górnicka, Marcin

Chludzinski, Krzysztof Opolski, Radosław Sierpiński, Józef Wierzbowski and Maciej Zaborowski. At the same time, the following persons were appointed to the Supervisory Board of PZU SA: Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Małgorzata Kurzynoga, Anna Machnikowska, Wojciech Olejniczak and Adam Uszpolewicz.

On 23 February 2024 the Supervisory Board established the following composition of the Audit Committee:

- 1) Adam Uszpolewicz – Chairman of the Committee,
- 2) Filip Gorczyca – Committee Member,
- 3) Michał Jonczynski – Committee Member,
- 4) Andrzej Kaleta - Committee Member.

Members of the Audit Committee: Adam Uszpolewicz, Michał Jonczynski and Andrzej Kaleta met the criteria for independence within the meaning of Article 129(3) of the UoBR. Adam Uszpolewicz, Filip Gorczyca and Michał Jonczynski held qualifications in accounting or auditing financial statements. Adam Uszpolewicz and Michał Jonczynski had knowledge and skills in the industry in which the Company operates.

As of 31 December 2024, the composition of the Audit Committee of the Supervisory Board of PZU SA has remained unchanged.

## II. Appointment of the Audit Committee of the Supervisory Board of PZU SA

During the reporting period, the legal basis for the Audit Committee of the Supervisory Board of PZU SA was as follows:

- Articles of Association,
- Rules of Procedure of the Supervisory Board of PZU SA,
- Rules of Procedure of the Audit Committee of the Supervisory Board of PZU SA,
- Procedure for the selection of an audit firm,
- Policy for the selection of an audit firm to perform the audit,
- Policy for the provision of permitted services by the audit firm performing the statutory audit, by related parties thereof,

and by a member of the audit firm of permitted non-audit services,

- Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision,
- Act of 29 September 1994 on Accounting,
- Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, repealing Commission Decision 2005/909/EC (hereinafter: Regulation 537/2014),
- other provisions of generally applicable law.



In the course of its work, the Audit Committee of the Supervisory Board of PZU SA took into account the “Good Practices for Public Interest Entities on the Principles of Appointment, Composition and Functioning of the Audit Committee” published by the Office of the Financial Supervision Authority.

Meetings of the Committee were convened by its Chairman upon written notice to all Committee Members of the proposed agenda, date and place of the meeting.

During the reporting period, i.e. from 1 January 2024 to 31 December 2024, the Committee held seventeen meetings on the following dates:

- 24 January 2024,
- 14 February 2024,
- 13 March 2024,
- 20 March 2024,
- 3 April 2024,
- 4 April 2024,
- 22 April 2024,
- 25 April 2024,
- 17 May 2024,
- 20 May 2024,
- 17 June 2024,
- 26 August 2024,
- 28 August 2024,

- 29 October 2024,
- 19 November 2024,
- 20 November 2024,
- 12 December 2024.

During the same period, the Supervisory Board of PZU SA held twenty meetings.

Audit Committee meetings were attended by the Managing Director of Audit, who oversees the Internal Audit Office, and the Managing Director of Regulatory Affairs, who oversees the Compliance Office. Members of the Management Board of PZU SA, Directors of the PZU Group, the Director of the Accounting Office and representatives of auditing firms – KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. (audit firm auditing the 2023 financial statements) (**KPMG Audyt**) and PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. (audit firm auditing 2024 financial statements) (**PWC Poland**), among others, were also invited to the Audit Committee meetings, depending on the subject of the matters discussed.

The Audit Committee’s decisions were expressed in the form of opinions and resolutions, which were each time forwarded to the Company’s Supervisory Board.

In 2024, the Audit Committee of the Supervisory Board of PZU SA operated in the following composition:

Full name of Audit Committee Member	24.01	14.02	13.03	20.03	03.04	04.04	22.04	25.04	17.05	20.05	17.06	26.08	28.08	29.10	19.11	20.11	12.12
<b>Marcin Chludziński</b>	√	√															
<b>Filip Gorczyca</b>			√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
<b>Paweł Górecki</b>	√																
<b>Michał Jonczyński</b>			√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
<b>Andrzej Kaleta</b>			X	√	√	√	√	√	√	√	√	√	√	√	√	√	√
<b>Marcin Kubicza</b>	√	√															
<b>Krzysztof Opolski</b>	√	√															
<b>Adam Uszpolewicz</b>			√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

√ – presence

X – absence

### III. Significant issues dealt with by the Audit Committee of the Supervisory Board of PZU SA

In accordance with the Rules of Procedure of the Audit Committee of the Supervisory Board of PZU SA, adopted by a resolution of the Supervisory Board of PZU SA, the Audit Committee performs an advisory and consultative function to the Supervisory Board and was established to increase the effectiveness of the Supervisory Board's supervisory activities in monitoring the Company's financial reporting process, the Company's auditing activities and the effectiveness of the Company's internal control, internal audit and risk management systems.

In order to carry out the activities of **monitoring the effectiveness of the systems of internal control, internal audit and risk management**, the Audit Committee, during the period from 1 January to 31 December 2024, dealt in particular with the following issues:

- discussion of the risk report for Q4 2023 and Q1-Q3 2024, including information on compliance risk management at PZU SA and PZU Group Companies;
- discussion of the report on the use of limits and concentration thresholds in the PZU Financial Conglomerate as of the end of 2023 and Q1-Q3 2024;
- discussion of the 2023 annual report on the activities of the Internal Audit Office, including an assessment of the internal control system and risk management system;
- discussion of the results of external audits conducted at PZU SA in 2023;
- discussion of the report on the activities of the Internal Audit Office in Q4 2023 and Q1-Q3 2024;
- discussion of information on the status of implementation of recommendations resulting from the 2020 independent evaluation of the internal audit function at PZU conducted by PwC Advisory spółka z ograniczoną odpowiedzialnością sp.k.;
- issuing a recommendation to the Supervisory Board of PZU SA on the approval of the Risk Management Strategy;
- discussing information concerning the implementation of the Risk Area Strategy for the years 2021-2024;
- discussion of the draft internal audit plan for 2024;

- discussing the results of the annual Own Risk and Solvency Assessment (ORSA), including a summary of the annual risk identification and analysis process and identification of key risks;
- information on capital adequacy for the PZU Group and PZU SA for Q4 2023 and Q1-Q3 2024,
- information on the update of the PZU Group's Recovery Action Plan and quarterly monitoring of indicators as of the end of 2023 and Q1-Q3 2024.
- discussion of information on BION assessment for 2022 and 2023;
- discussion of the amendment to the internal audit plan for 2024.

During the reporting period, as part of the monitoring of the risk management system, key developments in PZU SA's regulatory environment were presented to the Audit Committee, resulting in analysis and discussion of challenges and risks in PZU SA's regulatory environment. Among other things, the Audit Committee dealt with the following issues of changes in the legal and regulatory environment of PZU SA:

- revision of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II);
- Directive of the European Parliament and of the Council on establishing a framework for the recovery and resolution of insurance and reinsurance undertakings;
- draft act on protection of whistleblowers;
- Regulation of the European Parliament and of the Council on the operational digital resilience of the financial sector and amending Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014 and (EU) No. 909/2014 (DORA);
- Act of 21 November 2024 on amendment to the Electronic Delivery Act;
- Act of 26 May 2023 on the mObywatel application;
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 2019 on sustainability-related disclosures in the financial services sector;

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 on regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’,
  - Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU (CSRD);
  - Directive on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (CSDD);
  - a draft act amending the act on compulsory insurance, the Insurance Guarantee Fund and the Polish Motor Insurers’ Bureau, as well as the act on insurance and reinsurance business;
  - the European Commission’s draft regulation establishing harmonized rules on artificial intelligence (the Artificial Intelligence Act “AI Act”);
  - Regulation (EU) 2022/868 of the European Parliament and of the Council of 30 May 2022 on European data governance (Data Governance Act);
  - Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonized rules on fair access to and use of data (Data Act);
  - package adopted by the European Commission on retail investment (functioning as the Retail Investment Strategy “RIS”, including amendments to the IDD, revision of the PRIIPs Regulation, as well as amendments to the MIFiD);
- European Commission’s legislative package on the Financial Data Access (FIDA) framework.

Following review of the materials discussed during the reporting period, the Audit Committee positively assessed the Company’s internal control, internal audit and risk management systems.

In order to carry out the activities of **monitoring the financial reporting process and monitoring the performance of the Company’s auditing activities**, the Audit Committee, during the period from 1 January to 31 December 2024, dealt in particular with the following issues:

- evaluation of the financial statements of PZU SA and the consolidated financial statements of the PZU Capital Group for the year ended 31 December 2023, as well as the report of the Management Board on the activities of the PZU Capital Group and PZU SA for 2023, together with a report on non-financial information;
- discussion of preliminary results of PZU SA and the PZU Group for 2023, H1 2024 and Q1 and Q3 2024;
- evaluation of the proposal of the PZU SA Management Board to the PZU SA Ordinary Shareholder Meeting on the distribution of PZU SA net profit for the year ended 31 December 2023;
- discussion of the additional report for the Audit Committee;
- adoption of the report of the Audit Committee of the Supervisory Board of PZU SA on its activities in 2023;
- issuing a recommendation to the Supervisory Board on the Financial Plan of PZU SA and PZU Group for 2025;
- issuing a recommendation to the Supervisory Board on the approval of the report on solvency and financial condition of PZU SA for the year ended 31 December 2023;
- issuing a recommendation to the Supervisory Board on the approval of the report on solvency and financial condition of PZU Group for the year ended 31 December 2023;
- issuing a recommendation to the Supervisory Board regarding the conclusion of an annex with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. for the attestation of the PZU Group's Sustainability Reporting for 2024 to the contract for the audit and review of financial statements and the audit of solvency and financial condition reports;
- review of the 2024–2026 investment strategy for PZU SA and PZU Życie SA's own risk portfolio.
- review of regulations for investment activities of PZU SA;

- discussion, in accordance with Good Practices, of the process of changes in PZU SA's financial reporting regarding: the accounting principles (policies) used, the IT systems in which the company's books of accounts are maintained and how they are linked, reporting obligations with an indication of the dates on which these obligations are performed, the schedules for closing the books of accounts and the control procedures in place at the company.

As part of the process of selecting PWC Polska as an audit firm to conduct audits and reviews of financial statements and reports on solvency and financial condition of PZU SA and PZU Group for the period of five fiscal years 2024–2028 with an option to extend for two more fiscal years 2029–2030, the subject of interest of the Audit Committee, in particular, issues related to:

- the organization of the audit process, particularly the approach to managing the time and resources required to conduct the audit;
- the internal control system used by the audit firm to ensure the quality of the audit.

These issues were discussed with representatives of the audit firm, as well as with representatives of PZU SA, respectively.

In addition, as part of the advisory and opinion activities imposed on the Committee by Regulation 537/2014 and the UoBR, the Audit Committee met with representatives of the auditing firm KPMG Audyty and representatives of PWC Polska.

The meetings with representatives of KPMG Audyty discussed, among other things, issues related to the basis, results and key areas of the audit of the standalone and consolidated financial statements and solvency and financial condition reports of the Company and the PZU Group for the year ended 31 December 2023. During all meetings, Committee members reviewed key audit matters and had the opportunity to ask detailed questions about the audit process and the financial statements themselves. Additional questions focused on issues related to identified adjustments, in particular whether material adjustments affecting the integrity of the preparation of the financial statements have been identified, and whether areas have been identified where increased oversight or recommendations will be necessary.

In addition, KPMG Audit submitted a supplementary report to the Committee on 20 March 2024, meeting the scope referred to in Article 11 of Regulation 537/2014. As such, the Committee forwarded to the Supervisory Board a positive recommendation for the evaluation of the 2023 financial statements.

Among the issues discussed during the meetings with representatives of PWC Polska were the plan and methodological approach, the basis and assumptions and key areas of the statutory audit and audit of the report on solvency and financial condition of PZU SA for the year ending 31 December 2024, as well as potential risks related to the Company's operations. During all meetings, Committee members reviewed key audit matters and had the opportunity to ask specific questions about the audit process and the financial statements themselves.

After analyzing the financial data contained in the cyclical information about financial results and financial statements, the Audit Committee assessed that the Company's economic and financial situation is safe and poses no threats to continued operations in the foreseeable future.

In order to carry out the activities of **monitoring the independence of the auditor and audit firm**, representatives of KPMG Audyty, the auditor of PZU SA, presented to the Committee the results of the audit of the financial statements for financial year 2023 and made declarations of their independence. In addition, each time the Audit Committee passed resolutions on approval of permitted services provided by KPMG Audyty to PZU Group entities. Committee members were assured that:

- KPMG Audyty, the key auditor, partners, senior management and managers conducting the audit of the individual financial statements of PZU SA and the consolidated financial statements of the PZU Group for the year ended 31 December 2023, are independent within the meaning of the UoBR, within the meaning of the principles set forth in the International Code of Ethics for Professional Accountants (including International Standards on Independence), adopted by Resolution No. 3431/52a/2019 of the National Council of Statutory Auditors dated 25 March 2019 on the Principles of Professional Ethics for Certified Public Accountants and in accordance with Regulation 537/2014;



- KPMG Audyt confirmed compliance with applicable regulations related to key auditor rotation and mandatory grace periods;
- KPMG Audyt confirmed that no prohibited services were provided in accordance with Article 5(1) of Regulation 537/2014 and Article 136 of the UoBR;
- during the course of the audit work, no impediments were encountered by PZU SA employees preventing the issuance of an independent opinion as well as, no fraud, violations of law or regulations were identified;
- during the audit, there was no significant disagreement between members of the team involved in the audit and the management, and there were no limitations on the scope of the audit.

Based on an analysis of the representations made by the representatives of the auditing entity, KPMG Audyt, the Audit Committee of the Supervisory Board of PZU SA made a positive assessment of the independence of the auditor and the audit firm, and confirmed that the auditor and the Company comply with the regulatory requirements regarding the rotation of the key auditor and the audit firm performing the audit of the individual and consolidated financial statements and the report on solvency and financial condition of PZU SA and the PZU Group, respectively.

In addition, in connection with the selection of PWC Polska as the audit firm to audit and review the financial statements and reports on solvency and financial condition of PZU SA and the PZU Group for the five financial years 2024–2028 with an option to extend for another two financial years 2029–2030, the Audit Committee adopted resolutions on approval of the provision by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. permitted services to PZU Group companies. The Committee members were assured that, in light of the requirements of Articles 69–73 of the AOB, the provision of the aforementioned services does not pose a threat to the independence of PWC Polska, as an audit firm, or the auditor auditing the financial statements of PZU SA and the PZU Group on its behalf.

The Audit Committee, based on information and documents provided by the Management Board of PZU SA and analyses conducted during its meetings, assessed the risks of the monitored processes and areas. The work did not identify any areas where the actions taken by the PZU SA Management Board were inadequate. The risk assessment of the areas and processes subject to the Audit Committee's oversight was positive and did not result in the need for additional action.

#### **IV. Performance of reporting obligations to the Supervisory Board of PZU SA**

In accordance with the provisions of § 17(2) of the Rules of Procedure of the Audit Committee of the Supervisory Board of PZU SA, during the meetings of the Supervisory Board of PZU SA, the Chairman of the Audit Committee presented information to the Supervisory Board on the course of the Committee's work.

Accordingly, the Audit Committee of the Supervisory Board of PZU SA provided the Supervisory Board of PZU SA with information on supervisory activities undertaken and their results.

Chairman  
of the Audit Committee of the Supervisory Board of  
PZU SA

/Adam Uszpolewicz/



# Review of the application of the Diversity Policy for Members of

## PZU SA Bodies

(from 01.01.2024 to 31.12.2024)

Warsaw, May 2025.

# The Diversity Policy for Members of PZU SA Bodies



The Diversity Policy for Members of PZU SA Bodies (“the Policy”) was adopted by Resolution No. 47/2022 of the Ordinary Shareholder Meeting of PZU SA of 29 June 2022.

The Policy was implemented to comply with the requirements of section 2.1 in conjunction with section 2.2 of the Best Practices of WSE Listed Companies 2021.

Pursuant to § 4(2) of the Policy, the Nomination and Compensation Committee of the PZU SA Supervisory Board conducts an annual review of the Policy, and the results of this review are discussed with the PZU SA Management Board and Supervisory Board and presented to the Shareholder Meeting.

The current review covers the period from 01.01.2024 to 31.12.2024, i.e. a full financial year.

# Diversity of the Management Board and Supervisory Board at PZU SA – legal basis



With regard to the requirements for persons holding positions in the management and supervisory bodies of PZU SA, the criteria specified in particular in:

- the Act of 15 September 2000 – Commercial Company Code,
- the Act of 11 September 2015 on Insurance and Reinsurance Activities,
- the Act of 16 December 2016 on the principles of state assets management (implemented in the Company's Articles of Association),
- the rules for assessing the suitability of the PZU Supervisory Board and Audit Committee (Resolution No. 33/2021 of the Ordinary Shareholder Meeting, as amended) – implementing the KNF's Methodology of assessment of suitability at PZU SA,
- the rules for assessing the suitability of the PZU SA Management Board (Resolution No. URN/129/2020 of the Supervisory Board, as amended) – implementing the KNF's Methodology of assessment of suitability at PZU SA

# Publication of information on the Diversity Policy at PZU SA

## Wiek i płeć

	Rada Nadzorcza PZU							
	31.12.2023				31.12.2024			
	liczba osób		%		liczba osób		%	
	kobiety	mężczyźni	kobiety	mężczyźni	kobiety	mężczyźni	kobiety	mężczyźni
<30 lat	0	0	0%	0%	0	0	0%	0%
30-40 lat	1	2	11%	22%	0	0	0%	0%
41-50 lat	0	2	0%	22%	2	4	20%	40%
>50 lat	0	4	0%	45%	1	3	10%	30%
<b>Ogółem w podziale na płeć</b>	<b>1</b>	<b>8</b>	<b>11%</b>	<b>89%</b>	<b>3</b>	<b>7</b>	<b>30%</b>	<b>70%</b>

Information on the diversity policy applied at PZU SA has been included, as in previous years, in the Management Board's report on the activity of the PZU Group and PZU SA, in accordance with the regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by securities issuers and on conditions under which information required by the legislation of a non-Member State may be recognized as equivalent.

The report was published by the Company together with the annual report on 27 March 2025.

	Zarząd							
	31.12.2023				31.12.2024			
	liczba osób		%		liczba osób		%	
	kobiety	mężczyźni	kobiety	mężczyźni	kobiety	mężczyźni	kobiety	mężczyźni
<30 lat	0	0	0%	0%	0	0	0%	0%
30-40 lat	0	1	0%	12,5%	0	0	0%	0%
41-50 lat	2	3	25%	37,5%	0	4	0%	57%
>50 lat	1	1	12,5%	12,5%	1	2	14%	29%
<b>Ogółem w podziale na płeć</b>	<b>3</b>	<b>5</b>	<b>37,5%</b>	<b>62,5%</b>	<b>1</b>	<b>6</b>	<b>14%</b>	<b>86%</b>



# Knowledge, professional experience, qualifications required by regulations – Rules for the suitability assessment of the Supervisory Board, Audit Committee and the Management Board



The educational direction, specialized knowledge and professional experience referred to in the Policy are verified in accordance with the Rules for the suitability assessment of the Supervisory Board, Audit Committee and the Management Board of PZU SA, adopted by resolutions of the Shareholder Meeting and the Supervisory Board of PZU SA, respectively (the “Rules”).

Suitability assessments are carried out by the Shareholder Meeting with respect to the Supervisory Board Members and by the Supervisory Board with respect to Management Board Members.

According to the Rules, the assessment is carried out each time before a person is appointed as a member of the body (**primary individual assessment**) and during the term of office, in cases specified in the Rules (**secondary individual assessment**).

The individual suitability assessment takes into account the following criteria, among others:

- competence (education, knowledge, experience and skills),
- guarantee, including reputation and reliability,
- independent judgment, including no conflict of interest, and sufficient time dedication to the position,
- in the case of the Supervisory Board Members, also the criteria for independence.

The rules further stipulate that the body’s **collective suitability assessment** must be carried out in terms of meeting the suitability prerequisites collegially.



# Shaping the composition of the Company's bodies in 2024 – Supervisory Board of PZU SA



The current term of office of the PZU SA Supervisory Board began with the appointment of the Supervisory Board at the Regular Shareholder Meeting of PZU SA convened on 7 June 2023, and covers three consecutive full financial years 2024–2026. In the period from 1 January 2024 to 31 December 2024, the following changes were made to the PZU SA Supervisory Board:

- From 1 January 2024, the composition of the Supervisory Board of PZU SA was as follows: Marcin Chludziński, Paweł Górecki, Agata Górnicka, Robert Jastrzębski, Marcin Kubicza, Krzysztof Opolski, Radosław Sierpiński, Józef Wierzbowski, Maciej Zaborowski;
- On 14 February 2024, the Deputy Chairman of the Supervisory Board of PZU SA, Paweł Górecki, was dismissed by a letter from the State Treasury;
- On 15 February 2024, the Extraordinary Shareholder Meeting of PZU SA dismissed the following persons from the Company's Supervisory Board: Robert Jastrzębski, Agata Górnicka, Marcin Chludziński, Krzysztof Opolski, Radosław Sierpiński, Józef Wierzbowski and Maciej Zaborowski; at the same time, it appointed the following persons to the PZU SA Supervisory Board, effective 15 February 2024: Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Małgorzata Kurzynoga, Anna Machnikowska, Wojciech Olejniczak and Adam Uszpolewicz;
- On 23 February 2024, the PZU SA Supervisory Board delegated – for a period of no more than three months – two of its members, Anita Elżanowska and Michał Bernaczyk, to temporarily perform the duties of President of the Management Board (until the appointment of the President) and Member of the Management Board, respectively;
- on 25 April 2024, the PZU SA Supervisory Board revoked the delegation of Supervisory Board Member Michał Bernaczyk to temporarily perform the function of Management Board Member, effective 15 May 2024;
- on 28 August 2024, the PZU SA Supervisory Board delegated from 2 September 2024 – for a period of no more than 3 months – Wojciech Olejniczak to temporarily perform the function of the Management Board Member;
- On 18 November 2024, the Supervisory Board revoked the delegation of Supervisory Board Member Wojciech Olejniczak to temporarily perform the function of Management Board Member.



The Shareholder Meeting of PZU SA, in appointing members of the Supervisory Board, in accordance with the wording of the Diversity Policy, ensured the selection of persons with diverse knowledge, experience, skills and qualifications and qualities required of members of these bodies by common and internal laws.

As a result of the assessments, the Shareholder Meeting of PZU SA confirmed that the Supervisory Board as a body met the suitability criteria, as did the individual members of the Supervisory Board subjected to individual suitability assessments.

# Shaping the composition of the Company's bodies in 2024 – Management Board of PZU SA



The current term of office of the Management Board of PZU SA began on 1 January 2023 and covers three full financial years 2023–2025. From 1 January to 31 December 2024, the following changes occurred in the PZU SA Management Board:

- from 1 January 2024, the composition of the PZU SA Management Board was as follows: Beata Kozłowska-Chyła, Ernest Bejda, Małgorzata Kot, Krzysztof Kozłowski, Tomasz Kulik, Piotr Nowak, Maciej Rapkiewicz, Małgorzata Sadurska;
- On 23 February 2024, the Supervisory Board of PZU SA removed the following individuals from the Management Board: Beata Kozłowska-Chyła, Ernest Bejda, Małgorzata Kot, Krzysztof Kozłowski, Piotr Nowak, Małgorzata Sadurska. At the same time, the Supervisory Board of PZU SA seconded two of its members, Anita Elżanowska and Michał Bernaczyk, to temporarily perform the functions of the President and the Member of the Management Board, respectively (for no more than three months).
- On 27 March 2024, the Supervisory Board of PZU SA appointed the following persons, by assessing individual suitability, effective 12 April 2024:
  - Artur Olech as President of the Management Board of PZU SA, subject to approval by the KNF;
  - Bartosz Grześkowiak, Elżbieta Häuser-Schöneich i Jan Zimowicz as Members of the Management Board;
- on 25 April 2024, the PZU SA Supervisory Board revoked the delegation of Supervisory Board Member Michał Bernaczyk to temporarily perform the function of Management Board Member, effective 15 May 2024;
- on 28 August 2024, upon the adoption of the resolution, the PZU SA Supervisory Board dismissed Maciej Rapkiewicz from the Management Board; in addition, as of 2 September 2024, the PZU SA Supervisory Board seconded Supervisory Board Member Wojciech Olejniczak to temporarily discharge the duties of a Management Board Member, and appointed Tomasz Tarkowski to sit in the Management Board of PZU SA effective as of 2 December 2024;
- on 15 October 2024, the PZU SA Supervisory Board amended its resolution on the appointment of Tomasz Tarkowski to the PZU SA Management Board of PZU in such a way as for him to take office on 4 November 2024;
- On 28 November 2024, the PZU SA Supervisory Board revoked the secondment of its Member Wojciech Olejniczak to temporarily discharge the duties of a Member of the Management Board; at the same time, it appointed Maciej Fedyna to the Management Board of PZU SA, effective as of 16 December 2024, entrusting him with the function responsible for risk management, subject to the approval of KNF.

## Shaping the composition of the Company's bodies in 2024 – Management Board of PZU SA (continuation)



Conducted in 2024 by the PZU SA Supervisory Board individual suitability assessments of the PZU SA Management Board Members confirmed that all members of the Management Board have adequate knowledge and skills and meet all the suitability criteria necessary to perform their functions.

The Supervisory Board PZU SA, in appointing members of the Management Board, in accordance with the wording of the Diversity Policy, ensured the selection of persons with diverse knowledge, experience, skills and qualifications and qualities required of members of these bodies by common and internal laws.

As a result of the assessments, the Supervisory Board of PZU SA confirmed that the Management Board as a body met the suitability criteria, as did the individual members of the Management Board subjected to individual suitability assessments.

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# Diversity criteria set out in the Policy – gender



In line with the policy, the bodies appointing the members of the Supervisory Board and the Management Board strive to ensure gender parity in the governing bodies of the Company, with the minimum gender minority participation at 30%.



	Supervisory Board			
	number of people		%	
	women	men	women	men
< 30 years of age	0	0	0	0
30-40 years	0	0	0	0
41-50 years	2	4	20%	40%
> 50 years of age	1	3	10%	30%
<b>Total number per gender</b>	<b>3</b>	<b>7</b>	<b>30%</b>	<b>70%</b>

Women's representation of at least 30% on the PZU SA Supervisory Board was ensured.



	Management Board			
	number of people		%	
	women	men	women	men
< 30 years of age	0	0	0	0
30-40 years	0	0	0	0
41-50 years	0	4	0	57%
> 50 years of age	1	2	14%	29%
<b>Total number per gender</b>	<b>1</b>	<b>6</b>	<b>14%</b>	<b>86%</b>

With regard to the PZU SA Management Board, the minimum 30% minority shareholding was not met, as allowed by the rule adopted in the Policy, according to which the formation of the composition of the Company's bodies should not take place solely to increase diversity at the expense of the functioning and suitability of the Management Board or Supervisory Board as a whole or the suitability of individual members of the Company's bodies.