

Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna**Proposal
to the Shareholder Meeting of PZU SA****Regarding:**

amendments to the Articles of Association of PZU SA

Content of the proposal:

The Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (PZU SA) requests a resolution to amend the Articles of Association of PZU SA.

Reasons:

Pursuant to Article 430 § 1 of the Commercial Company Code, an amendment to the Articles of Association requires a resolution of the shareholder meeting and an entry in the register. With this in mind, the Management Board of PZU SA hereby submits a proposal to amend the Articles of Association of PZU SA.

The purpose of the proposed amendment to the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (PZU SA, the Company) is to enable the Company, under applicable law, to issue capital bonds that could be classified as own funds. This amendment will allow PZU SA, once all legal and regulatory requirements regarding the solvency of insurance companies have been met, to include the capital raised from the issuance of such bonds as Tier 2 basic own-fund items. Given that in 2017 the Company issued subordinated bonds maturing in July 2027, which currently constitute Tier 2 own funds, the Management Board of PZU SA intends to maintain the option of continuing to use capital bonds in the future to shape an optimal capital structure. The amendment to the Bonds Act made the issuance of such bonds contingent upon the inclusion of appropriate provisions in a company's articles of association.

I. Legal Basis and Reason for the Amendment to the Articles of Association of PZU SA

The possibility of issuing capital bonds was introduced into the Act of 15 January 2015 on Bonds by the Act of 14 April 2023 amending the Act on Investment Funds and the Management of Alternative Investment Funds, the Act on Bonds, the Act on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution, as well as certain other acts. The regulations governing capital bonds entered into force on 1 October 2023. Pursuant to Article 27a of the Bonds Act (the Act), as added by the aforementioned amendment, provided that the issuer's articles of association or bylaws so stipulate, the issuer may issue bonds for the purpose of classifying them, among other things, as own funds – specifically, as Tier 1, Tier 2, or Tier 3 basic own-fund items – in accordance with Article 71, 73 and 77, respectively, of 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 (Solvency II).

This means that the current provisions of the Articles of Association of PZU SA do not currently provide PZU SA with a sufficient legal basis to issue capital bonds. In order for PZU SA to issue capital bonds in the future under the current legal framework, the Articles of Association of PZU SA must explicitly authorize such issuances. The proposed amendment enables PZU SA to meet this necessary condition. At the same time, the inclusion in the Articles of Association of PZU SA of provisions regarding the possibility of issuing such instruments in the proposed form does not imply an automatic decision to carry out such an issuance. Each issuance will require a separate decision of the Shareholders Meeting of PZU SA, following an assessment of current capital needs, market conditions, and compliance with legal and regulatory requirements.

The ability to issue capital bonds is a proven solution used in the market sector by leading insurance companies, one that meets contemporary standards for the operations of large corporate groups and financial institutions operating on a regulated market, such as the PZU Group. This instrument can support the achievement of PZU SA's long-term business and investment goals by enabling the company to raise capital from investors while maintaining the flexibility required in a competitive insurance market.

In recent years, there has been a growing significance of capital instruments qualifying as own funds for the regulatory purposes of financial institutions subject to prudential requirements. The introduction of the proposed amendment is intended to provide PZU SA with a level of flexibility in capital management and business financing comparable to that enjoyed by the largest European financial and insurance groups.

II. Significance of the Proposed Amendment

Adding an appropriate provision to the Articles of Association of PZU SA will expand the available options for raising capital. Capital bonds may constitute a significant element of the Company's management of its own funds and the raising of external financing, if this is justified in the future by the interests of PZU SA and its shareholders. The proposed amendment provides PZU SA with the necessary flexibility in this regard by enabling it to utilize capital bonds as a financial instrument, without predetermining either the timing or value of any potential issuances, nor any other parameters thereof.

The proposed solution is intended to provide the Company with additional financial flexibility to support future business growth, implement strategic initiatives, manage its capital structure, and comply with regulatory requirements.

III. Proposed Amendments

In light of the foregoing, it is proposed that a paragraph 3 be added after paragraph 2 of § 32 of the Articles of Association of PZU SA, with the following wording:

“3. The Company may issue capital bonds within the meaning of Article 27a of the Act of 15 January 2015 on Bonds.”.

Tiers 1, 2, and 3, as referred to in Article 27a of the Act of 15 January 2015 on Bonds, correspond to the levels of own funds recognized for regulatory purposes under the Solvency II regime. The ability to classify certain financial instruments as own funds is important for assessing an insurance company's capital strength and its compliance with the prudential requirements set forth in the law.

The addition of the relevant provisions to the Articles of Association of PZU SA precisely sets forth the legal basis for the potential use of this instrument at an appropriate time in PZU SA's operations and under appropriate economic conditions, provided that its use is justified by the interests of the Company and its shareholders. This will enable PZU SA to respond effectively to changing economic conditions, capital requirements, and the expectations of the financial market.

Any decision to issue capital bonds will require the approval of the shareholders assembled at a Shareholder Meeting of PZU SA and the adoption of an appropriate resolution specifying the parameters of the issuance, including its value, terms, and purpose. This means that shareholders will retain full control over the decision to use this instrument and the terms of its application.

This was ensured by a proposal to clarify the list of matters falling within the jurisdiction of the Shareholder Meeting of PZU SA in such a way that:

§ 18(6) with the following current wording:

„6) issue of bonds;”,

is replaced by the following wording:

“6) issue of bonds, including the bonds referred to in § 32(3);”;

IV. Impact on Shareholders

Adoption of the proposed amendment to the Articles of Association does not result in the issuance of capital

bonds and, in and of itself, does not directly affect the rights of shareholders. However, it allows PZU SA to carry out such an issuance in the future, after obtaining the required approvals and subject to the conditions set forth in a separate decision regarding that specific issuance.

The proposed amendment to the Articles of Association of PZU SA is therefore intended to expand PZU SA's financial and organizational capabilities and strengthen its potential to pursue a stable, long-term capital policy. Access to a broader range of financial instruments may, in the future, contribute to enhancing PZU SA's financial security, optimizing the cost of raising capital, and supporting the further development of its business, to the benefit of shareholders.

An amendment to the Articles of Association of PZU SA in this regard requires, prior to its registration, approval by the supervisory authority (the Polish Financial Supervision Authority) pursuant to Article 79(2)(7) of the Act on Insurance and Reinsurance Activity, as it would concern the management of the insurance company's property and assets, including the definition of the powers of its governing bodies.

Pursuant to § 25(2)(19) of the Articles of Association of PZU SA, prior to submission to the Shareholder Meeting, the Management Board's proposal on the issue in question was favorably reviewed by the Supervisory Board.

Presented on behalf of the PZU SA Management Board by:

/Bogdan Benczak/

/Tomasz Tarkowski/

Attachments:

- 1) draft resolution of the Shareholder Meeting of PZU SA on amending the Articles of Association of PZU SA.

RESOLUTION NO./2026

ADOPTED BY THE EXTRAORDINARY SHAREHOLDER MEETING

OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

dated 3 November 2026

on amending the Articles of Association of PZU SA

Pursuant to § 18 of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna and Article 430 § 1 of the Commercial Company Code, the Extraordinary Shareholder Meeting resolves as follows:

§ 1

The Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna are amended as follows:

- 1) § 18(6) with the following current wording:

“6) issue of bonds;”,

is replaced by the following wording:

“6) issue of bonds, including the bonds referred to in § 32(3);”;

- 2) in § 32, paragraph 3 is added after paragraph 2, with the following wording:

“3. The Company may issue capital bonds within the meaning of Article 27a of the Act of 15 January 2015 on Bonds.”.

§ 2

The resolution shall become effective upon adoption, subject to entry of the amendment to the Articles of Association of PZU SA in the Register of Entrepreneurs of the National Court Register.

Chair

of the PZU SA Extraordinary Shareholder Meeting

REASONS

for the draft resolution on amending the Articles of Association of PZU SA

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The purpose of the proposed amendment to the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (PZU SA, the Company) is to enable the Company, under applicable law, to issue capital bonds that could be classified as own funds. This amendment will allow PZU SA, once all legal and regulatory requirements regarding the solvency of insurance companies have been met, to include the capital raised from the issuance of such bonds as Tier 2 basic own-fund items. Given that in 2017 the Company issued subordinated bonds maturing in July 2027, which currently constitute Tier 2 own funds, the Management Board of PZU SA intends to maintain the option of continuing to use capital bonds in the future to shape an optimal capital structure. The amendment to the Bonds Act made the issuance of such bonds contingent upon the inclusion of appropriate provisions in a company's articles of association.

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This means that the current provisions of the Articles of Association of PZU SA do not currently provide PZU SA with a sufficient legal basis to issue capital bonds. In order for PZU SA to issue capital bonds in the future under the current legal framework, the Articles of Association of PZU SA must explicitly authorize such issuances. The proposed amendment enables PZU SA to meet this necessary condition. At the same time, the inclusion in the Articles of Association of PZU SA of provisions regarding the possibility of issuing such instruments in the proposed form does not imply an automatic decision to carry out such an issuance. Each issuance will require a separate decision of the Shareholders Meeting of PZU SA, following an assessment of current capital needs, market conditions, and compliance with legal and regulatory requirements.

The ability to issue capital bonds is a proven solution used in the market sector by leading insurance companies, one that meets contemporary standards for the operations of large corporate groups and financial institutions operating on a regulated market, such as the PZU Group. This instrument can support the achievement of PZU SA's long-term business and investment goals by enabling the company to raise capital from investors while maintaining the flexibility required in a competitive insurance market.

In recent years, there has been a growing significance of capital instruments qualifying as own funds for the regulatory purposes of financial institutions subject to prudential requirements. The introduction of the proposed amendment is intended to provide PZU SA with a level of flexibility in capital management and business financing comparable to that enjoyed by the largest European financial and insurance groups.

II. Significance of the Proposed Amendment

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The proposed solution is intended to provide the Company with additional financial flexibility to support future business growth, implement strategic initiatives, manage its capital structure, and comply with regulatory requirements.

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The addition of the relevant provisions to the Articles of Association of PZU SA precisely sets forth the legal basis for the potential use of this instrument at an appropriate time in PZU SA's operations and under appropriate economic conditions, provided that its use is justified by the interests of the Company and its shareholders. This will enable PZU SA to respond effectively to changing economic conditions, capital requirements, and the expectations of the financial market.

Any decision to issue capital bonds will require the approval of the shareholders assembled at a Shareholder Meeting of PZU SA and the adoption of an appropriate resolution specifying the parameters of the issuance, including its value, terms, and purpose. This means that shareholders will retain full control over the decision to use this instrument and the terms of its application.

This was ensured by a proposal to clarify the list of matters falling within the jurisdiction of the Shareholder Meeting of PZU SA in such a way that:

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The proposed amendment to the Articles of Association of PZU SA is therefore intended to expand PZU SA's financial and organizational capabilities and strengthen its potential to pursue a stable, long-term capital policy. Access to a broader range of financial instruments may, in the future, contribute to enhancing PZU SA's financial security, optimizing the cost of raising capital, and supporting the further development of its business, to the benefit of shareholders.

An amendment to the Articles of Association of PZU SA in this regard requires, prior to its registration, approval by the supervisory authority (the Polish Financial Supervision Authority) pursuant to Article 79(2)(7) of the Insurance and Reinsurance Activity Act, as it would concern the management of the insurance company's property and assets, including the definition of the powers of its governing bodies.

A detailed description of the amendments was also included in the proposal of the Management Board of PZU SA to the Extraordinary Shareholder Meeting of PZU SA on the subject.

Pursuant to § 25(2)(19) of the Articles of Association of PZU SA, prior to submission to the Extraordinary Shareholder Meeting, the Management Board's proposal on the issue in question was favorably reviewed by the Supervisory Board.