

The consolidated text of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna conferred on 23 December 1991, incorporating the amendments approved by the Shareholder Meetings held on 01 March 1993, 23 July 1993, 27 September 1993, 08 July 1994, 29 May 1995, 20 October 1995, 29 May 1996, 29 November 1996, 14 April 1997, 14 August 1997, 27 July 1998, 11 March 1999, 09 November 1999, 30 June 2000, 31 August 2000, 07 May 2001, 31 August 2001, 30 June 2007, 28 August 2009, 02 December 2009, 10 June 2010, 01 June 2011, 08 February 2012, 30 May 2012, 30 June 2015, 29 June 2017, 28 June 2018, 6 September 2019, 26 May 2020, 29 June 2022 and 7 June 2023, established by the PZU SA Supervisory Board in Resolution No. URN/122/2023 of 28 June 2023.

## **ARTICLES OF ASSOCIATION**

### **of Powszechny Zakład Ubezpieczeń Spółka Akcyjna**

#### **I. GENERAL PROVISIONS**

##### **§ 1**

1. The Company operates under the business name of “Powszechny Zakład Ubezpieczeń Spółka Akcyjna”.
2. The Company may also use an abbreviated business name “PZU SA”.

##### **§ 2**

1. The Company’s registered office is Warsaw. The Company operates in the Republic of Poland and abroad.
2. The Company may establish and run its regional branches subject to disclosure in the register of commercial undertakings of the National Court Register in the Republic of Poland and foreign branches.

##### **§ 3**

The Company’s duration is unlimited.

##### **§ 4**

The State Treasury is the Company’s founder.

#### **II. COMPANY’S LINE OF BUSINESS**

##### **§ 5**

1. The Company’s line of business is as follows:
  - 1) insurance activity and other activity directly related thereto;
  - 2) reinsurance activity (inward reinsurance) and other activity directly related thereto.
2. The Company may, directly or indirectly, through insurance intermediaries:
  - 1) intermediate on behalf of or in favor of entities performing banking activities specified in Article 5 Section 1 and 2 of the Act entitled Banking Law of 29 August 1997, in concluding contracts as part of performance of such activities, on the principles defined in the Act entitled Banking Law;
  - 2) intermediate in selling and purchasing participation units in mutual funds or participation titles in foreign funds, open-end mutual funds seated in European Union member states and in open-end mutual funds seated in the countries – OECD members other than European Union member states, in accordance with the rules prescribed by the Mutual Fund Act of 27 May 2004;
  - 3) intermediate for or on behalf of the financial institutions referred to in the Employee Capital Scheme Act of 4 October 2018, other than insurance undertakings, when entering into employee capital scheme management agreements.
3. The insurance and reinsurance business referred to in Section 1 is conducted in the area of other casualty insurance and property insurance (Chapter II), according to the groups defined in an

appendix to the Insurance and Reinsurance Activity Act of 11 September 2015:

- 1) accident insurance, including accident at work and occupational disease: single benefits, recurring benefits, combined single and recurring benefits, transport of persons;
- 2) illness insurance: single benefits, recurring benefits, combined benefits;
- 3) casco (comprehensive/all risks) insurance of land vehicles, excluding rail vehicles, which covers damage to: automobiles and non-self propelled land vehicles;
- 4) casco (comprehensive/all risks) insurance of rail vehicles, which covers damage to rail vehicles;
- 5) casco insurance of aircraft covering damage to aircraft;
- 6) marine and inland water navigation insurance, which covers damage to sea vessels and inland water vessels;
- 7) cargo insurance, which covers damage to transported goods, regardless of the means of transport used;
- 8) natural catastrophe insurance, which covers material loss not included in groups 3-7, and caused by: fire, explosion, storm, other elements, nuclear energy, landslide or sinkholes;
- 9) insurance of other physical damage (if not included in groups referred to in items 3, 4, 5, 6 or 7) caused by hail or frost, or resulting from other causes (such as theft), if these causes are not included in the group referred to in item 8;
- 10) all types of third party liability resulting from the possession and operation of self-propelled land vehicles including a carrier's liability insurance;
- 11) third party liability insurance of any type, related to the ownership and use of aircraft, including a carrier's liability insurance;
- 12) third party liability for marine and inland water navigation, related to the ownership and use of sea vessels and inland vessels, including carrier's liability insurance;
- 13) third party liability (general third party liability), not included in the groups referred to in items 10-12,
- 14) credit insurance, including coverage of general insolvency, export credits, loan amortization payments, mortgage loans, agricultural credit,
- 15) insurance bonds: direct and indirect bonds,
- 16) insurance against various types of financial risks, including: unemployment risk, insufficient income, bad weather conditions, loss of profits, fixed overhead expenses, unforeseen commercial expenses, loss of market value, loss of permanent source of income, indirect commercial losses other than the types listed above, other financial losses,
- 17) legal protection insurance,
- 18) assistance insurance for persons who experience difficulty during travel or during absence from their place of residence.

### III. SHARE CAPITAL

#### § 6

1. The Company's share capital is PLN 86,352,300 (eighty-six million three hundred fifty-two thousand three hundred zloty) and is divided into 863,523,000 (eight hundred sixty-three million five hundred twenty-three thousand) registered and bearer shares with a par value of PLN 0.10 (ten grosz) each.
2. The share capital may be increased by a resolution adopted by the Shareholder Meeting. A share capital increase requires an amendment to the Articles of Association and is accomplished by issuing new shares or by increasing the par value of the existing shares.

#### § 7

1. Registered shares which will be recorded electronically in accordance with the Act on Trading in Financial Instruments of 29 July 2005 shall be converted into bearer shares at the time when they are recorded electronically.
2. Shareholders may not request that bearer shares be converted into registered shares when these shares are recorded electronically.

#### § 8

1. The Company's shares may be retired only upon shareholder's consent through their acquisition by

- the Company. A resolution adopted by the Shareholder Meeting shall be required for the Company to acquire treasury shares for the purpose of retiring.
2. Retirement of shares requires a decrease in the Company's share capital. Shares are retired for consideration.
  3. The Shareholder Meeting resolution shall specify the share retirement procedure and the amount of consideration for the shares being retired.

#### IV. COMPANY'S CORPORATE BODIES

##### § 9

The Company's corporate bodies are:

- 1) Shareholder Meeting,
- 2) Supervisory Board,
- 3) Management Board.

#### SHAREHOLDER MEETING

##### § 10

1. The Ordinary Shareholder Meeting should be held within six months after the end of each financial year.
2. The Management Board convenes an Extraordinary Shareholder Meeting at its own initiative or in response to a written motion submitted by the Supervisory Board, a shareholder or shareholders representing at least 1/20th of the share capital. A motion can be filed electronically.
3. The Supervisory Board convenes:
  - 1) an Ordinary Shareholder Meeting if the Management Board fails to convene an Ordinary Shareholder Meeting by the prescribed deadline;
  - 2) an Extraordinary Shareholder Meeting if it deems that to be necessary;
  - 3) an Extraordinary Shareholder Meeting if the Management Board fails to convene an Extraordinary Shareholder Meeting in response to a motion submitted by an eligible shareholder, eligible shareholders or the Supervisory Board within fourteen days after the motion is filed.
4. Shareholders representing at least one-half of the share capital or at least one-half of the total number of votes in the Company may convene an Extraordinary Shareholder Meeting. These shareholders designate the Chair of this meeting.
5. The Shareholder Meeting shall be convened by an announcement made twenty six days before the Shareholder Meeting's date, on the Company's website and in the manner specified for publication of current information according to the Act of 29 July 2005 on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies.

##### § 11

1. The Supervisory Board and a shareholder or shareholders representing at least 1/20th of the share capital may request certain items be put on the agenda of a Shareholder Meeting. Such request should include a justification or a draft resolution regarding the proposed agenda item. The request should be filed with the Management Board in writing or in electronic form.
2. The request mentioned in section 1 should be submitted to the Management Board no later than twenty one days before the set date of the Shareholder Meeting.
3. The Management Board shall announce any changes in the agenda of the meeting, made upon request of the Supervisory Board, a shareholder or shareholders, immediately, but no later than eighteen days before the set date of the Shareholder Meeting. The announcement shall be made in the manner specified in § 10 section 5.

##### § 12

1. During a Shareholder Meeting each one of the shareholders may propose draft resolutions on matters introduced in the agenda.
2. A shareholder or shareholders of the Company representing at least one twentieth of the share capital

may, before the date of the Shareholder Meeting, file with the Company in writing or electronic form draft resolution regarding items introduced or to be introduced in the agenda of the Shareholder Meeting. The Company shall immediately announce draft resolutions on its website.

#### § 13

All matters brought by the Management Board for deliberation at the Shareholder Meeting should first be presented to the Supervisory Board for examination and opinion. The Supervisory Board's opinions are presented to the Shareholder Meeting no later than prior to opening its meeting along with the other documents transmitted to the shareholders participating in the Shareholder Meeting and made available on the Company's website.

#### § 14

Shareholder Meetings are held in Warsaw.

#### § 15

The Shareholder Meeting may adopt resolutions notwithstanding the number of shareholders in attendance or the shares represented.

#### § 15a

The person convening the Shareholder Meeting may decide on participation in the Shareholder Meeting using means of electronic communication.

#### § 16

1. Shareholder Meeting resolutions concerning the following issues require a three-fourths majority of votes cast:
  - 1) amendments to the Articles of Association,
  - 2) reduction of the share capital, subject to section 2,
  - 3) transfer or lease of a business or an organized part thereof or establishing a limited right in rem thereon;
2. Shareholder Meeting resolutions in the matter of introducing the preference of shares and in the matter of the Company's merger by transferring all of its assets to another company or merger by establishing a new company, dissolution of the Company (also as a result of moving the Company's registered office or its main establishment abroad), its liquidation, transformation and reduction of its share capital by retirement of a portion of shares without its simultaneous increase, require the majority of 90% of votes cast.
3. Shareholder Meeting resolutions on other business than stated in sections 1 and 2 above shall be adopted by an absolute majority of votes unless the Articles of Association or a statute stipulates otherwise.
4. The resolution to abolish dematerialization of the Company's shares shall be adopted with the majority of 4/5 of votes cast when at least half of the share capital is represented.
5. The shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, except that, for the purposes of determining the obligations of the buyers of large blocks of shares according to the Act of 29 July 2005 on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies and the Insurance and Reinsurance Activity Act of 11 September 2015, such restriction of the voting right will be deemed non-existent.
6. The voting right restriction mentioned in section 5 shall not apply to the shareholders specified in § 37 section 1.
7. For the purposes of restricting the voting right according to section 5, the votes of the shareholders connected by a parent or subsidiary relationship are added up according to the principles described below.
8. A shareholder within the meaning of section 5 is any person, including its parent company and subsidiary, which holds a direct or indirect voting right at the Shareholder Meeting under any legal title; this also applies to a person holding no shares in the Company, in particular a user, lien holder, beneficiary under a depositary receipt within the meaning of the Act of 29 July 2005 on Trading in

Financial Instruments, and a person authorized to take part in the Shareholder Meeting despite selling the shares after the date when the right to participate in the Shareholder Meeting was determined.

9. The parent company and the subsidiary shall mean, respectively, a person:
  - 1) meeting the prerequisites enumerated in Article 4 § 1 item 4) of the Commercial Company Code, or
  - 2) having the status of a parent company, subsidiary company or a parent and subsidiary company simultaneously, within the meaning of the Competition and Consumer Protection Act of 16 February 2007, or
  - 3) having the status of a parent, higher-level parent, a subsidiary or a lower-level subsidiary or a co-subsidiary or an entity which is both parent (including a higher-level parent) and subsidiary (including a lower-level subsidiary and co-subsidiary) within the meaning of the Accounting Act of 29 September 1994, or
  - 4) exerting decisive influence (parent) or on which such decisive influence is exerted (subsidiary) within the meaning of the Act of 22 September 2006 on Transparency of Financial Relationships between Public Authorities and Public Companies and on Financial Transparency of Certain Companies, or
  - 5) whose votes under the Company's shares held directly or indirectly are subject to aggregation with votes of another person or other persons according to the principles set forth in the Act of 29 July 2005 on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies, in connection with the holding, selling or purchasing significant blocks of the Company's shares.
10. The shareholders whose votes are aggregated and reduced according to the provisions of sections 7-9 are jointly referred to as a Grouping. The aggregation of votes involves adding up the votes of the respective shareholders comprising a Grouping. The reduction of votes involves reducing the overall number of votes in the Company to which the shareholders comprising the Grouping are entitled to at the Shareholder Meeting. The votes shall be reduced according to the following principles:
  - 1) the number of votes of the shareholder holding the largest number of votes in the Company among all of the shareholders comprising the Grouping shall be reduced by the number of votes equal to the surplus over 10% of the total number of votes in the Company to which all the shareholders comprising the Grouping are entitled,
  - 2) if the total number of votes at the Shareholder Meeting to which the shareholders comprising the Grouping continues to exceed the threshold specified in section 5, despite the reduction mentioned in item 1) above, the votes held by the remaining shareholders comprising the Grouping shall be reduced. The votes held by the respective shareholders shall be further reduced following the order determined by the number of votes held by the shareholders comprising the Grouping (from the highest to the lowest number of votes). Further reduction is performed until a situation is achieved in which the overall number of votes held by the shareholders comprising the Grouping no longer exceeds 10% of the overall number of votes in the Company,
  - 3) if the vote reduction order cannot be determined for the purpose of the reduction mentioned in item 1) or item 2), due to the fact that two or more shareholders hold the same number of votes, then the votes held by the shareholders with the same number of votes shall be reduced pro rata, while any fractions shall be rounded down to a full share. The principles set forth in item 1) or item 2) shall be applied accordingly,
  - 4) in any case, a shareholder whose exercise of its voting rights has been restricted, shall keep the right to exercise at least one vote,
  - 5) the restriction of exercise of the voting right shall also apply to shareholders absent from the Shareholder Meeting.
11. In order to determine the basis for the aggregation and reduction of votes, each Company shareholder, the Management Board, the Supervisory Board and the individual members of those bodies as well as the Shareholder Meeting Chairman may request that a Company shareholder subject to the voting right restriction principle provide information whether it is a parent or subsidiary, within the meaning of section 9, to any other shareholder of the Company. The right mentioned in the previous sentence shall also apply to the right to demand disclosure of the number of votes held by the Company shareholder individually or jointly with other Company shareholders, for which it is a parent or a subsidiary within the meaning of section 9. Until the default on the

information duty is remedied, a person failing to perform or duly perform the information duty mentioned in the first sentence may exercise its voting right on a single share only and exercise of the voting right on the remaining shares by such a person shall be ineffective.

12. In the event of doubts, the provisions regarding the restriction of the voting right shall be subject to interpretation according to Article 65 § 2 of the Civil Code.
13. From the moment the stake of the shareholder defined in § 37 section 1 item 1) in the Company's share capital drops below the 5% level, the restrictions on the shareholders' voting rights set forth in section 5 shall expire.

#### § 17

1. The voting at a Shareholder Meeting is by open ballot. A secret ballot is ordered in elections or on motions to dismiss members of the Company's corporate bodies or liquidators, in matters concerning their personal liability to the Company as well as in other personal matters or, excluding cases when voting by open ballot ensues from a statute, at the request of at least one of the shareholders attending or represented at a Shareholder Meeting.
2. The Supervisory Board Chairman or Deputy Chairman opens the Shareholder Meeting, after which the Chairman of the Shareholder Meeting is elected from among the persons authorized to vote. The President of the Management Board or a person designated by the Management Board opens the Meeting if the Supervisory Board Chairman and Deputy Chairman are absent.

#### § 18

Apart from other matters stipulated as being within the powers of the Shareholder Meeting in accordance to a statute or the Articles of Association, the Shareholder Meeting's powers shall include adoption of resolutions in the following matters:

- 1) examination and approval of the Management Board's report on the Company's activity and the Management Board's report on the activity of the PZU Group and the Company's financial statements and consolidated financial statements of the PZU Group for the previous financial year and granting a discharge to individual members of the Company's corporate bodies on the performance of their duties;
- 1a) reviewing the Management Board report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services;
- 1b) to issue an opinion on the report on compensation for Management Board and Supervisory Board members;
- 1c) examination and approval of the annual written Supervisory Board Report for the previous financial year;
- 2) distribution of profits or coverage of losses;
- 3) decisions on claims to remedy damages incurred during the incorporation of the Company or in its administration or oversight;
- 4) transfer or lease of a business or an organized part thereof or establishing a limited right in rem thereon;
- 5) retirement of shares;
- 6) issue of bonds;
- 7) establishing reserve capital accounts and making decisions on their allocation or manner of allocation;
- 8) split of the Company, merger of the Company with another company, winding up or dissolving the Company;
- 9) appointment and dismissal of Supervisory Board members, without prejudice to § 20;
- 10) establishing the rules for remunerating members of the Supervisory Board;
- 11) acquisition or disposal by the Company of real property, perpetual usufruct or share in real property or in perpetual usufruct with a value exceeding the equivalent of the gross amount of EUR 30,000,000 (thirty million euros);
- 12) setting the rules for shaping the compensation of Management Board members;
- 13) establishing and making amendments to the rules for assessment of suitability of the Supervisory Board and the Supervisory Board Audit Committee;
- 14) making assessment of individual suitability of candidates for members of the Supervisory

- Board, excluding the candidate appointed by the State Treasury, by means of the written statement referred to in § 20 sec. 7 of the Articles of Association, members of the Supervisory Board and the collective assessment of the Supervisory Board;
- 15) determining the maximum total cost of the compensation for all Supervisory Board advisors that the Company may incur during the financial year.

§ 18a  
(repealed)

§ 19

The Shareholder Meeting shall ratify its own Rules and Regulations.

SUPERVISORY BOARD

§ 20

1. Subject to sec. 2, the Supervisory Board consists of seven to eleven members. Subject to § 37 sec. 5, the number of Supervisory Board members is always odd; the number of Supervisory Board members is specified by the Shareholder Meeting in a separate resolution. Supervisory Board members are appointed for a joint term of office, which encompasses three consecutive full financial years.
- 1a. The Supervisory Board elects the Supervisory Board Chairperson and Supervisory Board Deputy Chairperson from among its members. The Supervisory Board Chairperson manages the work of the Supervisory Board. In the absence of the Chairperson of the Supervisory Board, his/her absence or a temporary obstacle preventing him/her from exercising his/her function, all the rights and duties of the Chairperson of the Supervisory Board are exercised by the Deputy Chairperson of the Supervisory Board, with the exception of the right to cast the deciding vote in the event of an equal number of votes when voting on a resolution of the Supervisory Board.
- 1b. The Supervisory Board may elect the Supervisory Board Secretary from among its members. The Supervisory Board Secretary supports the Supervisory Board Chairperson in discharging his/her duties.
2. At least one Supervisory Board Member must hold knowledge and skills in accounting or audit of financial statements within the meaning of and in accordance with the requirements of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.
3. The Supervisory Board elected by group voting consists of five members.
4. Subject to section 7, Supervisory Board members are appointed and dismissed by the Shareholder Meeting.
5. Half of the Supervisory Board members appointed based on the procedure set forth in section 4 shall be selected from among the persons named by the shareholder specified in § 37 section 2.
6. A motion to appoint a Supervisory Board member shall be submitted to the Management Board, however, if this motion is submitted at the Shareholder Meeting whose object is to elect the Supervisory Board, then this motion, to be valid, should be submitted to the Chairman of the Shareholder Meeting immediately upon his election, however, not later than before commencing the voting to elect Supervisory Board members. Each one of these motions shall be put to a separate vote.
7. The State Treasury shall have the right, in line with Article 354 § 1 of the Commercial Company Code, to appoint and dismiss one Supervisory Board member by way of a written statement submitted to the Company's Management Board. Such appointment or dismissal shall be effective from the moment of delivering the pertinent representation to the Management Board and shall not require a Shareholder Meeting resolution. The State Treasury's right shall expire at the time when it ceases to be a shareholder in the Company.
- 7a. A candidate for a Supervisory Board member named by the State Treasury should meet the requirements set forth in Article 19 of the Act of 16 December 2016 on Rules for Managing State Property.
8. At least two Supervisory Board members meet the independence criteria set forth in the "Best Practices of WSE Listed Companies" adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange).
9. Independent Members of the Supervisory Board will submit written representations to the Company on meeting all the independence criteria referred to in sec. 8 or 10 along with an obligation to notify

- the Company immediately about ceasing to meet the independence criteria.
- 9a. The Supervisory Board may delegate its members to independently perform certain supervisory activities, the scope of which is determined by a resolution of the Supervisory Board on delegation of the Supervisory Board member, and appoint, from among the Supervisory Board members, standing or ad hoc committees to discharge specific supervisory activities. The scope of activities of a standing committee is determined by the committee's rules of procedure adopted by resolution of the Supervisory Board. The scope of activities of an ad hoc committee is specified in a resolution of the Supervisory Board.
  - 9b. Members of the Supervisory Board delegated to perform certain supervisory activities independently, as well as standing or ad hoc committees, are obliged to provide the Supervisory Board with information on the supervisory activities undertaken and their results at least once in each quarter of the financial year.
  10. The Supervisory Board appoints the audit committee. The Supervisory Board shall specify the detailed tasks and rules of appointment and operation of the audit committee, where the Supervisory Board when electing the members of the audit committee shall take into consideration the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and knowledge and skills of the candidates within the scope of affairs with which the committee deals, accounting or review of financial statements and the insurance industry.
  - 10a. The audit committee shall include at least three members. Most of the audit committee members, including the chairperson, shall satisfy the independence criteria referred to in section 10. At least one audit committee member must hold knowledge and skills in accounting or audit of financial statements referred to in section 2. The audit committee members must have knowledge and skills pertaining to the insurance industry, which is construed as at least one audit committee member having knowledge and skills in the field of insurance or various audit committee members having knowledge of specific branches within this field.
  11. The Supervisory Board may appoint a nomination and compensation committee. The detailed rules for the appointment and operation of the nomination and compensation committee shall be defined by a Supervisory Board resolution. The nomination and compensation committee shall comprise at least one member satisfying the independence criteria referred to in section 8. In the event that the Supervisory Board elected by group voting is composed of 5 members, the nomination and compensation committee shall not be appointed, while the Supervisory Board in its full composition shall perform its tasks.
  12. In that event that as a result of the expiration of the mandate of a Supervisory Board member, the number of Supervisory Board members falls below the minimum number prescribed by section 1 above, the Management Board shall convene a Shareholder Meeting immediately to supplement the Supervisory Board's composition. In the event of the expiration of the mandate of even one Supervisory Board member elected by group voting, the State Treasury shall regain the individual right referred to in section 7.

#### § 21

1. The Supervisory Board Chairperson convenes Supervisory Board meetings through an invitation sent not later than 7 days before the planned meeting of the Supervisory Board and presides over them. Promptly, but not later than 14 days after appointing the Supervisory Board for a new term of office, the Chairman of the Shareholder Meeting at which the election of the Supervisory Board takes place shall convene and open its first meeting and he shall preside over the Supervisory Board meeting until the time when the Supervisory Board Chairman is elected.
2. The deadline referred to in the first sentence of section 1 may be shortened by the Supervisory Board Chairman in justified circumstances.
3. The subject matter of discussion at the first Supervisory Board meeting is the formation of the Supervisory Board, in particular election of the Supervisory Board Chairman and Deputy Chairman. The subject matter of the first Supervisory Board meeting may not be the adoption of resolutions on the matters referred to in § 25 section 2 item 5 with the exception of resolutions to appoint a Management Board member or members in the event that the composition of the Company's Management Board consists of a smaller number of members than required in accordance with the provisions of the Articles of Association. The next Supervisory Board meeting may be held no earlier than 7 days after the first Supervisory Board meeting; until that time the Supervisory Board may adopt



resolutions under the procedure designated in § 24 section 2 or 4 without prejudice to the limitations designated in those provisions.

4. The convener of a Supervisory Board meeting shall have the right to cancel it prior to the scheduled date of the Supervisory Board meeting, subject to observance of the deadline for convening the first meeting of the Supervisory Board of a new term of office. The cancellation shall be made in the same form as the convening and shall include a justification.

#### § 22

Supervisory Board members perform their duties in person.

#### § 23

1. The Supervisory Board holds meetings as needed but no less frequently than once per quarter.
2. The Management Board or a Supervisory Board member may request that a Supervisory Board meeting be convened, providing the proposed agenda. The Supervisory Board Chairperson convenes the meeting at a date no later than two weeks after receipt of the request. If the Supervisory Board Chairperson does not convene the meeting according to this provision, the requesting party may convene it acting alone. The business presented in the motion forms the subject matter of the meeting. The Supervisory Board member who has exercised the right to convene the Supervisory Board presides over the meeting.
3. The convener referred to in sec. 2 has the right to cancel the meeting of the Supervisory Board. § 21 sec. 4 shall apply accordingly.
4. The Supervisory Board may also hold meetings without being formally convened, if all members agree and do not object to the inclusion of individual matters on the agenda.

#### § 24

1. Without prejudice to Sections 1a, 2, 4 and 5, for Supervisory Board resolutions to be valid, it is required to invite all Supervisory Board members and to have the presence at the meeting of at least one half of the Supervisory Board members, including the Supervisory Board Chairperson or Deputy Chairperson. Supervisory Board Members may participate in the Supervisory Board meeting using means of direct remote communication.
  - 1a. During the meeting, the Supervisory Board may also adopt resolutions on matters not included in the proposed agenda, if all members of the Supervisory Board attend the meeting and none of them objects.
  2. Supervisory Board resolutions may be adopted using means of direct remote communication if all the Supervisory Board members have been notified of the wording of the draft resolution and at least half of the Supervisory Board members took part in the adoption of the resolution.
  3. Supervisory Board resolutions adopted under the procedure referred to in sections 2 and 4 shall be presented at the next Supervisory Board meeting with the result of the vote.
  4. A Supervisory Board resolution may be adopted by written procedure if all the Supervisory Board members have been notified of the wording of the draft resolution and at least half of the Supervisory Board members took part in the adoption of the resolution.
  5. Supervisory Board members may participate in adopting Supervisory Board resolutions by voting in writing with intermediation of another Supervisory Board member. Voting in writing cannot apply to matters introduced in the agenda at a Supervisory Board meeting.
  6. The Supervisory Board adopts its resolutions by an absolute majority of votes. In the event of a tie vote, the Supervisory Board Chairperson has the casting vote.
  7. The Supervisory Board adopts its resolutions in an open ballot. Secret balloting should be held at the request of even a single Supervisory Board member.
  8. The Supervisory Board shall ratify Supervisory Board Rules and Regulations specifying its organization and method of performing its actions.
  9. (repealed)

#### § 25

1. The Supervisory Board exercises permanent supervision over the Company's operations in all areas of its activity.
2. Apart from other matters stipulated as being within its powers in accordance with a statute or the

Articles of Association, the Supervisory Board's powers shall include the following:

- 1) evaluating the Management Board's report on the Company's activity and the Management Board's report on the activity of the PZU group and the Company's financial statements and consolidated financial statements of the PZU group for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;
  - 1a) approving the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU group;
  - 1b) preparing an annual report on compensation for Management Board and Supervisory Board members;
  - 1c) selecting an auditor to evaluate the report on compensation for Management Board and Supervisory Board members
- 2) evaluating the Management Board's motions to distribute the profit or cover the loss;
- 3) submitting the annual written Supervisory Board Report for the previous financial year, taking into account in particular the results of the assessment referred to in items 1 and 2;
- 4) concluding, terminating and amending agreements with Management Board members and setting the rules for their compensation, giving consideration to the rules defined by the Shareholder Meeting, in accordance with § 18 item 12;
- 5) appointing, suspending and dismissing the President of the Management Board, Management Board members or the entire Management Board and making decisions to discontinue such a suspension;
- 6) granting consent to transferring an insurance portfolio in its entirety or in part;
- 7) giving consent to the acquisition, subscription for or disposal of ownership interests and shares in companies and on the Company's participation in other entities – the Supervisory Board may define the maximum amount, the terms and conditions and the procedure that the Management Board may use to conduct the foregoing activities without the obligation to obtain an approval from the Supervisory Board, except that the following require approval of the Supervisory Board:
  - a) subscribing for or acquiring shares or ownership interests in another company, with the value exceeding:
    - PLN 100,000,000, or
    - 10% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements,
  - b) disposal of shares or ownership interests in another company, with the market value exceeding:
    - PLN 100,000,000, or
    - 10% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements;
- 8) seconding members of the Supervisory Board to perform temporarily the functions of members of the Management Board who have been dismissed, resigned or cannot perform their functions for other reasons,
- 9) giving consent to the Company to the specific manner of exercising the voting right at Shareholder Meetings of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna ("PZU Życie SA") in the following matters: increasing and decreasing the share capital, issuing bonds, selling and leasing PZU Życie SA's enterprise and establishing a usufruct right on the enterprise, splitting PZU Życie SA, merging PZU Życie SA with another company, liquidating or dissolving PZU Życie SA;
- 10) selecting the audit firm to carry out the mandatory audit of the financial statements, including the annual financial statements of the Company and the annual consolidated financial statements of the PZU Group and the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU Group, and reviews of the financial statements in accordance with the obligations following from the prevailing laws;
- 11) deciding on the consolidated text of the revised Articles of Association;
- 12) granting consent to purchase or sell real property, perpetual usufruct or share in real property or in perpetual usufruct, whose gross value exceeds the equivalent of EUR 3,000,000 (three million EUR);
- 13) granting consent for the Company to enter with a related party into a material transaction

referred to in Article 90i section 3 of the Act of 29 July 2005 on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies, taking into account the exclusions and specific regulations in this respect laid down in Chapter 4b of this act;

- 14) granting consent for the Company to conclude an agreement with an underwriter referred to in Article 433 § 3 of the Commercial Company Code;
- 15) granting consent to pay out an interim dividend towards an expected dividend;
- 16) granting consent to establish and close the regional branches referred to in § 2 section 2 and foreign branches;
- 17) approving the Company's long-term development plans and annual financial plans prepared by the Management Board;
- 18) approving the Bylaws of the Management Board;
- 18a) performing tasks resulting from the guidelines or recommendations of regulatory authorities, including the Polish Financial Supervision Authority, adopted in the Company, in particular:
  - a) adopting and amending the rules for assessing the Management Board's suitability,
  - b) conducting an individual suitability assessment of Management Board member candidates, Management Board members, and a collective assessment of the Management Board,
  - c) conducting an individual suitability assessment of Supervisory Board Audit Committee member candidates and Supervisory Board Audit Committee members, and a collective suitability assessment of the Supervisory Board Audit Committee,
  - d) conducting a regular assessment of the application of the Corporate Governance Rules for Regulated Institutions issued by the Polish Financial Supervision Authority;
- 19) examining and consulting matters submitted by the Management Board for deliberation at the Shareholder Meeting.

#### § 25a

The following require approval of the Supervisory Board:

- 1) executing an agreement to provide legal, marketing, public relations and public communication services or management consulting services if the total net fee to be paid for such services under this agreement or other agreements executed with the same entity is greater than PLN 500,000 annually;
- 2) amendment to an agreement to provide legal, marketing, public relations and public communication services and management consulting services, which increases the remuneration above and beyond the amount set referred to in item 1,
- 3) execution of an agreement to provide legal, marketing, public relations and public communication services and management consulting services which do not specify the maximum remuneration amount,
- 4) execution of the following agreements:
  - a) donation or another agreement having a similar effect, the value of which exceeds PLN 20,000 or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements;
  - b) debt forgiveness or another agreement having a similar effect, the value of which exceeds PLN 50,000 or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements;
- 5) subject to § 18 item 11, the disposal of non-current assets within the meaning of the Accounting Act of 29 September 1994 classified as intangible assets, property, plant and equipment or long-term investments, including contribution to a company or a cooperative – if the market value of those assets exceeds 5% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements; and also handing those assets over for use to another entity for a period longer than 180 days in a calendar year based on a legal act, if the market value of the subject matter of the legal act exceeds 5% of total assets, whereas the handing over of assets for use in the case of:
  - a) lease, rental and other agreements to hand over an asset for use to other entities against payment, the market value of the subject matter of a legal act is defined as the value of benefits for:

- one year if the asset is handed over on the basis of contracts entered into for an unspecified term,
- the full duration of the term of validity in the case of contracts entered into for an unspecified term,
- b) lending for use agreements and other agreements to hand over an asset to other entities for gratuitous use, the market value of the subject matter of a legal act is defined as the value of benefits that would be due if a lease or rental agreement was executed instead, for:
  - one year if the asset is to be handed over on the basis of a contract entered into for an unspecified term,
  - the full duration of the term of validity in the case of contracts executed for an unspecified term,
- 6) subject to § 18 item 11, the acquisition of non-current assets within the meaning of the Accounting Act of 29 September 1994, with the value exceeding:
  - a) PLN 100,000,000, or
  - b) 5% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements.

#### MANAGEMENT BOARD

##### § 26

1. The Management Board consists of three to eight members, including the President of the Management Board.
2. Management Board members, including the President of the Management Board, are appointed by the Supervisory Board following a recruitment procedure to verify and evaluate the qualifications of the candidates and to select the best candidate, for a joint term of office of three consecutive full financial years.
3. If the number of members of the Management Board decreases below the minimum referred to in sec. 1, the Supervisory Board shall immediately take action to supplement the composition of the Management Board.

##### § 26a

Position of a Management Board member:

- 1) is available to a person, who satisfies all of the following conditions:
  - a) holds a graduate degree or a graduate degree received abroad and recognized in the Republic of Poland pursuant to separate regulations;
  - b) has at least 5-year employment period based on an employment agreement, appointment, selection, nomination, cooperative employment agreement or provision of services on the basis of another contract or conducting business activity on one's own account,
  - c) has at least 3 years of experience on managerial or independent positions or arising from conducting business activity on one's own account,
  - d) in addition to the requirements in a-c above, meets other requirements arising from separate regulations, in particular does not breach any restrictions or prohibitions for holding an executive position in commercial companies,
- 2) is not available to a person who meets at least one of the following conditions:
  - a) acts as a social associate or is an employee of an MP's office, senator's office, MP-senator's office or office of a member of European Parliament pursuant to an employment agreement or provides work on the basis of a mandate agreement or other similar agreement,
  - b) is a member of a body of a political party that represents the political party externally and is authorized to incur liabilities,
  - c) is employed by a political party pursuant to an employment agreement or provides work on the basis of a mandate agreement or other similar agreement,
  - d) is an elected official of a company trade union or a company trade union in a group company,
  - e) his/her public or business activity raises conflict of interest with the Company's business.

##### § 27

1. The Management Board shall exercise all the rights to manage the Company with the exception of the rights reserved by the law or these Articles of Association to the Company's other governing bodies. The President of the Management Board directs the work of the Management Board.
2. The Management Board shall prepare and present to the Company's pertinent governing bodies, along with the Management Board's report on the Company's activity:
  - 1) report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services;
  - 2) report on the application of best practices, as defined by the Prime Minister pursuant to the Act on Rules for Managing State Property, addressed to companies in which the State Treasury holds an equity stake.
3. Subject to sections 4 and 5, for Management Board resolutions to be valid, invitation of all its members shall be required and the presence at the meeting of at least half of the Management Board members, including the President of the Management Board or a person designated to head the work of the Management Board during the President's absence. Management Board members may participate in the Management Board meeting using means of direct remote communication.
4. Management Board members may participate in adopting Management Board resolutions by voting in writing with intermediation of another Management Board member. Casting a vote in writing cannot apply to matters introduced to the agenda at the Management Board meeting.
5. With the consent of the President of the Management Board, Management Board resolutions may be adopted using means of direct remote communication or by written procedure, if all the Management Board members have received the draft resolution with justification and at least half of the Management Board members took part in the adoption of the resolution.
6. The Management Board adopts its resolutions by an absolute majority of votes. In the event of a voting tie, the President of the Management Board has the casting vote.
7. The procedure of conduct of the Management Board and the matters that may be entrusted to its individual members and matters which require a Management Board resolution are defined in detail in the Rules and Regulations of the Management Board. The Management Board ratifies, and the Supervisory Board approves, the Management Board Rules and Regulations.

#### § 27a

1. The Management Board is obliged, without further request, to provide the Supervisory Board with information on:
  - 1) Management Board resolutions and their subject matter;
  - 2) the standing of the Company, including with regard to its assets, as well as important circumstances in the conduct of the Company's affairs, in particular in the operational, investment and personnel areas;
  - 3) progress in the implementation of the set directions for the development of the Company's activity, while indicating deviations from the previously set directions, providing at the same time justification for the deviations;
  - 4) transactions and other events or circumstances that materially affect or may affect the Company's financial position, including its profitability or liquidity;
  - 5) changes to information previously provided to the Supervisory Board, if such changes materially affect or may affect the Company.
2. The fulfillment of the obligations referred to in sec. 1 also applies to information held by the Management Board about subsidiaries, to the extent that such information is relevant from the Company's point of view.
3. The Supervisory Board shall determine by way of resolution the detailed scope, form and timing of submission of the information referred to in sec. 1

#### § 28

1. Two Management Board members acting jointly or one Management Board member acting jointly with a commercial proxy are entitled to submit declarations of will and to sign on behalf of the Company.
2. Attorneys in fact acting alone or jointly within the scope of their authorization may be appointed to perform actions of a specific type or specific actions.

§ 29

1. A Supervisory Board resolution is required to conclude, amend or terminate an employment contract or other agreement between the Company and a Management Board member and to set the rules for remunerating a Management Board member and the amount of his remuneration, without prejudice to § 25 section 2 item 4 of the Articles of Association. In such agreements the Supervisory Board, on whose behalf the Supervisory Board Chairman or Deputy Chairman acts, represents the Company.
2. The provisions of section 1 shall not exclude the capacity of the Shareholder Meeting to establish an attorney to perform the actions prescribed in the text of a power of attorney.

V. ORGANIZATION OF THE COMPANY

§ 30

The internal organization of the Company's enterprise is specified by the Company's Organizational Rules and Regulations ratified by the Management Board.

VI. FINANCIAL MANAGEMENT

§ 31

The Company's financial year is the calendar year.

§ 32

1. The Company may form the following capital, provisions and special-purpose funds:
  - 1) share capital,
  - 2) supplementary capital,
  - 3) revaluation reserve,
  - 4) reserve capital to purchase treasury shares in the cases mentioned in Article 362 § 1 items 1, 2 and 8 of the Commercial Company Code,
  - 5) reserve capital to finance the payment of interim dividends against an expected dividend, which may be disposed of by the Management Board for that purpose,
  - 6) reserve capital to finance a share capital increase using the Company's funds,
  - 7) technical provisions,
  - 8) prevention fund.
2. The Shareholder Meeting may contribute to the capital accounts specified in section 1 items 4 and 5 by making an allocation thereto from annual profit or by making transfers from the supplementary capital account or among reserve capital accounts, except for the revaluation reserve while taking into account the limitations ensuing from the provisions of the Commercial Company Code or other provisions of law.

§ 33

The supplementary capital account is set up to cover losses and to be earmarked for other purposes pursuant to the provisions of law. At least 8% of the profit for a given financial year shall be transferred to the supplementary capital account until this capital account is at least equal to one-third of the share capital.

§ 34

1. Technical provisions are designated to cover the current and future liabilities that may result from concluded insurance agreements.
2. The following make up the technical provisions:
  - 1) provision for unearned premiums,
  - 2) provision for unexpired risk,
  - 3) provision for outstanding claims and benefits, including provision for the capitalized value of annuities,
  - 4) loss ratio (risk) equalization provision,
  - 5) provision for catastrophic losses and exceptional risks,
  - 6) provision for expenses, including claims and recognition of technical provisions,
  - 7) provision for bonuses and discounts (rebates) for insureds.
3. The Company's Management Board specifies the rules for creating, using and releasing technical

provisions.

#### § 35

Within three months after the elapse of the financial year the Management Board is obligated to draw up and submit to the Supervisory Board the financial statements for the financial year and a written report on the Company's activity in this period.

#### § 36

1. The Company's profit may be allocated in particular to the following:
  - 1) supplementary capital,
  - 2) reserve capital,
  - 3) dividend for the shareholders,
  - 4) other purposes defined by a Shareholder Meeting resolution.
2. The Shareholder Meeting shall set the date as at which the list of shareholders entitled to a dividend for the relevant financial year is compiled (the dividend record date) and the dividend payment date. The dividend record date should be set as at the date of adoption of the profit distribution resolution or the date no later than within 3 months of adopting the resolution.
3. An Ordinary Shareholder Meeting resolution preventing distribution of the dividend within no more than 15 business days after the dividend record date should contain a detailed justification in this respect.
4. The Management Board is authorized to distribute an interim dividend to shareholders against a dividend expected at the end of the financial year if the Company has sufficient funds to make the disbursement. The disbursement of an interim dividend requires the Supervisory Board's consent.

#### § 36a

1. Disposal by the Company of non-current assets within the meaning of the Accounting Act of 29 September 1994 is effected in a tender or auction procedure in the case of assets whose market value is greater than 0.1% of total assets determined on the basis of the most recent approved financial statements, unless the market value of the asset sold is less than or equal to PLN 20,000.
2. The Company may dispose of the non-current assets referred to in section 1 without a tender or auction:
  - 1) if the assets are the subject matter of the investment activity pursuant to the Insurance and Reinsurance Activity Act of 11 September 2015;
  - 2) in justified cases, after the Management Board gives such consent in a resolution to which the Supervisory Board issues a positive opinion.

### VII. FINAL PROVISIONS

#### § 37

1. The voting right restriction referred to in § 16 section 5 shall not apply to:
  - 1) the shareholders holding the voting rights under shares representing over 10% of the overall number of votes in the Company on the date of adopting the Shareholder Meeting resolution introducing the restriction,
  - 2) shareholders acting with the shareholders specified in item 1 pursuant to executed agreements pertaining to jointly exercising the voting rights attached to shares.
2. The right specified in § 20 section 5 shall only be vested in the shareholder who holds the biggest stake in the Company's share capital on the date of adopting the Shareholder Meeting resolution introducing this right.
3. The right specified in § 20 section 5 shall only be vested in the shareholder referred to in section 2 until the shareholder's stake in the Company's share capital drops below 20%.
4. Upon expiration of the right vested in the shareholder mentioned in section 2 pursuant to section 3, the right set forth in § 20 section 5 shall be vested in a different shareholder with the biggest stake in the Company's share capital, provided that the shareholder holds at least 20% of the share capital.
5. Should the shareholder fail to exercise the right mentioned in § 20 section 7, the Supervisory Board may operate in the composition appointed pursuant to § 20 section 4. The above does not prevent the possibility of supplementing the Supervisory Board's composition following the procedure of §

20 section 7.

§ 38

Should the prerequisites referred to in § 37 sections 2 – 4 fail to occur, the Supervisory Board, subject to § 20 section 7, shall be appointed by the Shareholder Meeting on general terms.