

Attachment to resolution no. URN/24/2015
Adopted by the PZU SA Supervisory Board on 21 May 2015

PZU SA SUPERVISORY BOARD REPORT ON ITS ASSESSMENT OF PZU SA'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014, THE
MANAGEMENT BOARD REPORT ON PZU SA'S ACTIVITY IN 2014 AND THE
MANAGEMENT BOARD'S MOTION ON DISTRIBUTION OF PZU SA'S NET PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2014



This document constitutes a report of the Supervisory Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna and concerns the following:

- 1) assessment of PZU SA's financial statements for the year ended 31 December 2014;
- 2) assessment of the Management Board's report on PZU SA's activity in 2014;
- 3) assessment of the Company's Management Board's motion on distribution of profit.

I. Assessment of PZU SA's financial statements for the year ended 31 December 2014 and the Management Board's report on PZU SA's activity in 2014

Pursuant to article 382 § 3 of the Commercial Company Code, the special duties of the Supervisory Board include assessing the management board report on the company's activity and the financial statements for the previous financial year in terms of their compliance with the ledgers, documents and the facts and of the management board's motion on distribution of profit, and submitting to the shareholder meeting an annual written report on the outcome of the above assessment.

Pursuant to the Company's Articles of Association and the Supervisory Board Bylaws the PZU SA Supervisory Board selected KPMG Audyt Sp. z o.o., ("auditor") as an entity authorized to audit financial statements, to audit in particular the annual financial statements of PZU SA and the annual consolidated financial statements of the PZU Group and review the interim stand-alone financial statements of PZU SA and interim consolidated financial statements of the PZU Group for three consecutive financial years ending on 31 December 2014, 31 December 2015 and 31 December 2016, respectively with an option to extend cooperation for two more financial years ending on 31 December 2017 and 31 December 2018, respectively.

The Company's Management Board is responsible for the preparation of the PZU SA financial statements and the Management Board report on PZU SA's activity compliant with prevailing regulations. In turn, the Supervisory Board and the Management Board are obligated to ensure that the aforementioned financial statements and report satisfy the requirements stipulated by Article 4 of the Accounting Act of 29 September 1994 (Journal

of Laws of 2013, Item 330, as amended) and the executive regulations issued on its basis.

PZU SA's financial statements for the year ended 31 December 2014 and the Management Board report on PZU SA's activity in 2014 were assessed in detail by the PZU SA Supervisory Board Audit Committee at the meeting held on 16 March 2015 and discussed with the Management Board and the Company's auditor at the PZU SA Supervisory Board meeting on 16 March 2015.

In its opinion the auditor warranted that the audit of the financial statements had been planned and conducted in such a manner as to obtain reasonable certainty allowing it to express an opinion on PZU SA's standalone financial statements. In particular, the audit included checking the correctness of the accounting standards (policy) used by the Company and material estimates, verification - mostly by random sample - of accounting evidence and accounting records, from which the figures and information included in the financial statements originate, as well as the overall assessment of the financial statements. The audit provided sufficient basis to express an opinion. In the opinion of the independent auditor, PZU SA's audited standalone financial statements, in all material aspects:

- accurately and clearly depict information of material importance for the assessment of the Company's assets and financial standing as at 31 December 2014, as well as its financial result for the financial year from 1 January 2014 to 31 December 2014,
- were drawn up in accordance with the applicable accounting principles (policy) prescribed by the Accounting Act and the executive regulations duly issued on its basis, based on properly kept accounting ledgers,
- comply with the provisions of the law and the provisions of the Company's Articles of Association affecting the financial statements.

The auditor's opinion on the audit of PZU SA's standalone financial statements was issued without qualification on 16 March 2015.

In addition the auditor emphasized that:

- the financial statements have been drawn up under the assumption that PZU SA will be a going concern for the foreseeable future, i.e. for a period of at least 12 months after the balance sheet date, i.e. 31 December 2014,
- as at the date of signing the financial statements, there are no facts or circumstances that would indicate a threat to PZU SA's ability to continue its activity over the 12 months after the balance sheet date as a result of intentional or an induced discontinuation or material curtailment of its hitherto activity,
- after the balance sheet date to the date of signing the financial statements, there were no material events impacting PZU SA's assets and financial standing and audited subsidiaries that have not been reflected in these financial statements,
- the level of technical provisions ensures appropriate coverage of current and future liabilities and satisfies the requirements set for insurance undertakings.

The auditor also warranted that the report on PZU SA's activity in the 2014 financial year is complete within the meaning of Article 49 sec. 2 of the Accounting Act and the provisions of the Finance Minister's Regulation of 19 February 2009 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent (Journal of Laws of 2009 No. 33, Item 259, as amended) and the information contained therein is consistent with the audited financial statements from which it originated.

The PZU SA Management Board also represented that PZU SA's financial statements for 2014 were prepared in an accurate manner and correctly reflect the business events in the Company and are free of irregularities resulting from intentional actions or errors.

The PZU SA Supervisory Board, having reviewed the following documents submitted by the Management Board:

- 1) financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2014, consisting of the following:

- a) balance sheet drawn up as at 31 December 2014, showing total assets and liabilities of PLN 34,629,778 thousand (thirty-four billion six hundred twenty-nine million seven hundred seventy-eight thousand Polish zloty),
 - b) technical non-life insurance account for the period from 1 January to 31 December 2014, showing a technical result to be transferred to the non-technical profit and loss account in the amount of PLN 564,429 thousand (five hundred sixty-four million four hundred twenty-nine thousand Polish zloty),
 - c) non-technical profit and loss account for the period from 1 January to 31 December 2014, showing a net profit of PLN 2,636,733 thousand (two billion six hundred thirty-six million seven hundred thirty-three thousand Polish zloty),
 - d) statement of changes in equity showing an increase in equity during the financial year ended 31 December 2014 by PLN 68,963 thousand (sixty-eight million nine hundred sixty-three thousand Polish zloty),
 - e) cash flow statement showing a decrease in cash during the financial year ended 31 December 2014 by PLN 28,008 (twenty-eight million eight thousand Polish zloty),
 - f) notes to the financial statements for the financial year ended 31 December 2014;
- 2) auditor's opinion and report dated 16 March 2015;
 - 3) Management Board report on PZU SA's activity in 2014;

made a positive evaluation of the foregoing documents with respect to their consistency with the Company's underlying ledgers and documents and the facts.

Consequently, the PZU SA Supervisory Board resolves to submit this assessment to the PZU SA Ordinary Shareholder Meeting.

The Supervisory Board recommends that the PZU SA Shareholder Meeting approve:

- PZU SA's financial statements for the financial year ended 31 December 2014,
- Management Board report on PZU SA's activity in 2014 pursuant to § 18 item 1 of PZU SA's Articles of Association and Article 395 § 2 Item 1 of the Commercial Company Code.

II. Assessment of the Management Board's motion to distribute PZU SA's net profit for the year ended 31 December 2014

The Supervisory Board hereby issues a positive opinion on the PZU SA Management Board's motion to the PZU SA Ordinary Shareholder Meeting on distributing PZU SA's net profit for the year ended 31 December 2014 presented in PZU SA Management Board resolution no. UZ/133/2015 of 12 May 2015 on accepting the motion to distribute PZU SA's net profit for the year ended 31 December 2014 and recommending to the Ordinary Shareholder Meeting that the profit of PLN 2,636,733,011.44 (two billion six hundred thirty-six million seven hundred thirty-three thousand eleven Polish zloty and 44 grosz) be distributed as follows:

- 1) allocate PLN 2,590,569,000.00 (two billion five hundred ninety million five hundred sixty-nine thousand Polish zloty and 00 grosz), i.e. PLN 30.00 (say: thirty Polish zloty) per share to pay a dividend;
- 2) allocate PLN 36,164,011.44 (thirty-six million one hundred sixty-four thousand eleven Polish zloty and 44 grosz) reserve capital;
- 3) allocate PLN 10,000,000.00 (ten million Polish zloty) to the Company Social Benefits Fund (ZFŚS).

The Supervisory Board recommends to the PZU SA Ordinary Shareholder Meeting that the record date be set at 30 September 2015 and the dividend payment date be set at 21 October 2015.

Chairwoman
PZU SA Supervisory Board

Aleksandra Magaczewska

Warsaw, 21 May 2015