

State Treasury Ministry
Wojciech Kowalczyk
State Secretary

DSK.5220.11.2015

**POWSZECHNY ZAKŁAD UBEZPIECZEŃ
SPÓŁKA AKCYJNA
Management Board**

SHAREHOLDER'S REQUEST

SUBMITTING A DRAFT RESOLUTION ON THE SCOPE OF MATTERS
ENTERED IN THE AGENDA OF THE ORDINARY SHAREHOLDER
MEETING OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA
AKCYJNA CONVENED FOR 30 JUNE 2015

Acting on behalf of the State Treasury, a shareholder of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, pursuant to Article 401 § 4 in conjunction with Article 402 § 2 of the Commercial Company Code, I submit to item 20) of the amended agenda of the Ordinary General Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna convened for 30 June 2015, the following draft resolution.

RESOLUTION NO 27/2015

ADOPTED BY

ORDINARY GENERAL MEETING OF
POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA
OF 30 JUNE 2015

on adoption of Corporate Governance Principles for the Supervised Institutions defined by the Polish Financial Supervisory Authority

In connection with the determination by the Polish Financial Supervisory Authority by way of Resolution No. 218/2014 of 22 July 2014 of the Corporate Governance Principles for Supervised Institutions ("Corporate Governance Principles"), the Company's Shareholder Meeting hereby resolves as follows:

§1.

The Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna declares that the Shareholder Meeting, acting within its powers is to be guided by the

"Corporate Governance Principles" in the version attached to this resolution, subject to § 2.

§2.

The Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna hereby withdraws from the application of the principles laid down:

- 1) in §10 section 2 in the area of implementation of personal rights or other special privileges for shareholders;
- 2) §12 section 1 in the area of liability of shareholders for immediate recapitalization of the supervised institution;
- 3) in §28 section 4 in the area of the decision-making body's evaluation whether the established remuneration policy promotes the development and security of the supervised institution.

§3.

The resolution comes into force as of the date of its adoption.

Justification:

The Corporate Governance Principles for Supervised Institutions ("Corporate Governance Policy") issued by the Polish Financial Supervision Authority ("KNF") on 22 July 2014 are addressed to the supervised institution acting through its bodies, which in the area of their autonomous decisions, give their opinion about the application of the Corporate Governance Principles.

The Management Board and the Supervisory Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna ("PZU SA"), respecting applicable laws, expressed their willingness to apply the Corporate Governance Principles within the broadest objectively possible scope, taking into account the principle of proportionality and the principle of "comply or explain", arising from the content of the principles, adopting relevant resolutions.

With regard to the application of Corporate Governance Principles, the Management Board of PZU SA, on 12 December 2014, adopted Resolution No. UZ/375/2014 and the Supervisory Board of PZU SA, on 19 December 2014, adopted Resolution No. URN/49/2014.

Information on the willingness to apply the Corporate Governance Principles was sent to the Polish Financial Supervision Authority (letter ref. no. BCM4/AS/W-372/2014) on 30 December 2014, and made available on 29 December 2014 on PZU SA's website. The Management Board of PZU SA, in accordance with the Corporate Governance Principles, provides on its website information on application or notification of its decision not to apply certain rules addressed to the managing body and the supervisory body of the company.

In addition, it should be noted that KNF's position contained in the document "Questions and Answers to the Corporate Governance Principles for Supervised Institutions" was posted on the website of the KNF Office. According to this document, the Corporate Governance Principles, referring to such values such as honesty, loyalty and responsibility for the supervised institution, assist the supervised institution in achieving its statutory objectives. In KNF's opinion modern corporate governance seeks to strengthen the role of shareholders, and therefore shareholders' comments on the application of the Corporate Governance Principles are justified. Consequently, KNF indicates that in the case of convening the Ordinary Shareholder Meeting, an item concerning implementation of the Corporate Governance Principles by the shareholders should be put on the agenda.

Given that part of the Corporate Governance Principles is addressed to the shareholders of PZU SA and taking into account KNF's position, the adoption of a resolution on application of the Corporate Governance Principles by the Ordinary Shareholder Meeting of PZU SA should be regarded as justified.

At the same time, a decision not to apply the principle set out in §10 section 2 and §12 section 1 is justified by the unfinished process of privatization of the Company by the State Treasury.

A decision not to apply the principle set out in §28 section 4 is justified by too broad subjective scope of the remuneration policy subject to assessment by the decision-making body. The policy regulating remuneration of persons discharging key functions who are not members of the supervisory body or governing body, should be subject to assessment of their employer or principal, which is the Company represented by the Management Board and controlled by the Supervisory Board.

Government Plenipotentiary on
Coal-Mining Restructuring
Secretary of State
Wojciech Kowalczyk