

During the PZU SA Ordinary Shareholder Meeting held on 26 May 2020, shareholder Jakub Gogolewski submitted the following questions to the PZU SA Management Board, requesting an oral response during the PZU OSM or a reply in writing in the manner provided for in Article 428 § 5 of the Commercial Company Code.

The Management Board chose not to reply in writing. Rather, it presented the following response, and the shareholder did not request any additional information in writing to supplement this response. The applicable laws do not require that a written response must be provided. In accordance with the Commercial Company Code, the management board may choose to reply in writing if there are important reasons justifying it. A shareholder wishing to receive a written reply may exercise the right to ask questions outside the shareholder meeting, as provided for in Article 428 § 6 of the Commercial Company Code.

The shareholder in question did not request any additional information in writing to supplement the response provided to him by the PZU SA Management Board during the PZU SA OSM. However, he requested that his questions be forwarded to the PZU SA Supervisory Board. In accordance with the Commercial Company Code, the management board is the only corporate body required to answer questions asked by shareholders. Accordingly, the Supervisory Board did not address the questions submitted by the shareholder.

In accordance with Rule I.Z.1.19. of the Best Practices of WSE Listed Companies 2016, questions from shareholders addressed to the Management Board pursuant to Article 428 § 1 and § 6 of the Commercial Company Code along with the Management Board's responses, must be published on the Company's website.

Questions from the shareholder:

Climate change poses the most serious challenge facing the global economy in the medium and long term. The need to take resolute action in the financial sector, aiming to cause a dramatic and rapid reduction in greenhouse gas emissions, has been emphasized by the Financial Stability Board, the Central Banks of the United Kingdom and France, the world's largest insurance companies, such as Axa, Allianz, Generali, QBE, and reinsurance companies, such as Swiss Re, Munich Re, SCOR and MAPFRE, as well as the European Commission and the European Parliament.

Since the end of 2017, the world's largest insurance companies, namely AXA, Allianz, Generali, Zurich, QBE, Ergo and Talanx, have been introducing restrictions on the insurance cover provided to new coal projects across the world. In 2019, UNIQA and the Vienna Insurance Group also joined this group of insurers. In parallel, reinsurance companies accounting for 46.4% of global non-life premiums, announced restrictions on the reinsurance of coal projects. This applies, especially, to planned power plants and coal mines. Such policies have already been adopted by Munich Re, Swiss Re, Hannover Re, SCOR and MAPFRE.

Therefore, I have the following questions:

1. What is the management board's assessment of the changing business environment and policy changes implemented by the largest financial institutions, in particular the largest global reinsurance companies whose services have been used by PZU in the past, with regard to high-carbon sectors, in particular the Polish energy and coal mining sectors?
2. To what extent have the decisions made by the largest global reinsurance companies affected PZU's access to reinsurance services for new coal projects and their costs for the

PZU Group? Does PZU anticipate an increase in these costs in 2020 and 2021 due to the COVID19 pandemic?

3. In PZU SA's reports for 2019, there is no information as to whether PZU intends to carry out investment and insurance activities in pursuit of the objectives of the Paris Agreement, the purpose of which is to reduce greenhouse gas emissions in such a manner as to confine the increase in the average temperature on Earth to at most 2 degrees Celsius, preferably 1.5 degrees. In its 2019 reports, PZU did not report any data on emissions generated by its insureds or resulting from activities funded by the PZU Group's banks or investments by PZU OFE or by the PZU mutual funds (SCOPE 3). I request a representative of the Management Board to explain the reasons why PZU does not report any data on emissions generated by entities funded or insured by the Group. I would also like a representative of the PZU Supervisory Board to comment on how the absence of information on the impact of climate change on the PZU Group's business affects the Supervisory Board's assessment of the proper fulfillment of duties by the PZU Management Board in 2019.
4. In particular, in accordance with the legal analysis on the basis of which irregularities in the operation of a supervised entity involving a breach of the obligations imposed by Article 55(2b) in connection with Article 49b of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2019, item 351, as amended) have been reported to the Polish Financial Supervision Authority (KNF), in particular pertaining to the fulfillment of the requirements specified in Article 49b(2)(5) and Article 49b(3) of the Accounting Act, resulting from failure by the PZU Group to include in its statement on non-financial information, prepared for the Group and its parent company PZU, a description of the policies applied to with regard to issues related to the natural environment, in particular with the climate, and the outcomes of the application of these policies, a description of significant risks related to the operations of PZU Group members that may exert an unfavorable impact on the natural environment (especially in terms of climate change and the indirect impact of the PZU Group on their behavior), including risks related to the products offered by PZU Group members or their relations with the external environment, including counterparties, and a description of how these risks are managed, and, as a consequence, failure to provide reliable non-financial information to the extent necessary to assess the entity's development, performance and standing as well as the impact of the PZU Group's business on environmental protection issues, including indirect effects on climate change, I have a question for a representative of the Supervisory Board about his/her opinion on how the said deficiencies affect the assessment of the management board's report, the non-financial report and the preparation of the PZU Group in 2019 for the risk of faster energy and economic transformation toward low-emission solutions than that assumed in the scenarios assumed by the Polish government and by companies with a majority shareholding of the State Treasury that form part of the investment and loan portfolios of PZU Group members and are insured by PZU under TUW PZU?
5. PZU was the leader of the syndicate insuring the construction of the Ostrołęka C coal-fired power plant. This project will be abandoned. PZU also insures companies that extract more than 80% of hard coal and lignite in Poland as well as coal-fired power plants with the achievable capacity of more than 50% of that of Poland's national power system. Why is there no information in the management board's reports and the non-financial report for 2019 concerning PZU's role in insuring the coal mining sector in Poland? Does PZU consider its involvement in this sector to be of no significance for the shareholders of the PZU Group?
6. PZU Życie is experiencing a rapid growth in Poland. At the same time, PZU is responsible for insuring most Polish coal mines and power plants through PZU TUW. The burning of coal

from these mines (both hard coal and lignite) by households is one of the main causes of smog and the air quality in Poland that is among the worst across the EU. In turn, the burning of coal by coal-fired power plants contributes to the exacerbation of the frequency and intensity of extreme weather phenomena such as agricultural droughts, floods, intense and hurricane winds and fires. The largest global insurance companies say that a world in which the average global temperature increases by 4 degrees Celsius is non-insurable. In 2019, how did PZU manage the reputation risk arising from the fact that the Company simultaneously insures entities that are responsible for intensifying climate change and victims of extreme weather phenomena exacerbated by the involvement of the PZU Group in insuring companies and installations of the Polish coal mining sector on making investment decisions in 2019 based on the complete picture of risks associated with the activities of the PZU Group?

7. Article 56(1)(2) in conjunction with Article 61 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 (consolidated text: Journal of Laws of 2019, item 623, as amended) requires public disclosure of current and periodic information in a manner that enables investors to assess the economic, asset and financial standing of the issuer. Due to the absence of disclosure of information related to climate change and its impact on the activities of PZU Group members, including in respect of the quantity and extent of property insurance contracts executed by PZU and other PZU Group members with entities whose business model is based on the mining or burning of fossil fuels, including hard coal and lignite, or an indication of whether such contracts carry any considerable insurance risk or what the risk appetite is in respect of such contracts, which prevents investors from making informed decisions, bearing in mind the actual assessment of the economic standing of the PZU Group and PZU in light of the increasing costs and risks to the mining and energy businesses based on fossil fuels, a breach has been committed 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. In the opinion of the PZU Management Board, did institutional and retail investors, in 2019, have sufficient information about the involvement of the PZU Group in insuring companies and installations of the Polish coal mining sector to make investment decisions in 2019 based on the complete picture of risks associated with the activities of the PZU Group?

Response by Ms. Beata Kozłowska-Chyła, President of the PZU SA Management Board:

In its Non-Financial Report for 2019, the PZU Group presented its impact on the natural environment. The Report included data on the PZU Group's Emissions classified under "Scope 1", "Scope 2" and partially "Scope 3". Due to the scale of the PZU Group's operations, collecting such data presented a major challenge but demonstrated that the PZU Group treats environmental issues seriously. The Report for 2019 contains much more information than its predecessor.

PZU is in the process of developing a new strategy for the coming years, where ESG issues, including the reduction of the Group's adverse impact on the environment, are also being addressed. We are wrapping up our work on Environmental Policy, Human Rights Policy and Sustainable Investment Policy. In this context, we were involved last year in endeavors aimed at identifying the best strategy to reduce or offset the PZU Group's CO₂ emissions.

The PZU Group participates in the dialog on sustainable development and sustainable finance. A PZU representative chairs the Task Force on Sustainable Finance at the Polish Insurance Association. PZU also participates in the work of the Financial Market Development Council for Sustainable Finance.

The PZU Group is the insurer of Poland's largest wind farms and hydroelectric power plants. Furthermore, PZU's offer covers insurance programs for townships which co-finance RES installations and upgrades in conventional power plants (resulting in a reduction of exhaust emissions by desulfurization or denitrification installations or filter systems) and thermal waste neutralization installations. The PZU Group supports also activities aimed to increase electrification in transport.

The PZU Group is acting in accordance with and upholds its commitments made in 2019 regarding the pursuit of direct zero emissions. To this end, the Group has taken the following steps, among others:

1. since 1 January 2020, we have been purchasing energy only with a guarantee of origin from renewable sources;
2. thermal modernization of buildings: insulating walls and roofs, replacement of window joinery and central heating installation; in 2019, 13 properties were thermally modernized;
3. the replacement of depleted heating boilers with modern and highly efficient devices with an option to adjust their operation to atmospheric conditions (weather controllers). Modern boilers produce heat while at the same time they save thermal and electrical energy and reduce the emissions of gases into the atmosphere. In 2019, new boilers were installed in 14 buildings;
4. in 2018, faucets in the head office buildings and in office buildings with more than 10 users were fitted with faucet aerators. In total, over 1,000 such devices were installed. In 2019, additional 1,296 faucet aerators were installed. The installation of aerators will also be continued in 2020. In 2019, water consumption in PZU and PZU Życie decreased by a total of 1,033 m³;

PZU is a signatory of the United Nations Environment Programme Finance Initiative established between the United Nations Environment Program and the financial sector.