

Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna**Motion
to the Shareholder Meeting of PZU SA****In the matter of:**

issuing subordinated bonds on the domestic market

Body of the motion:

The Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (**PZU**) hereby moves for the adoption of a resolution on the issue of subordinated bonds on the domestic market with a total nominal value of no more than PLN 3,000,000,000.00 (say: three billion zloty) whose proceeds would be treated as tier 2 own funds according to the Act of 11 September 2015 on Insurance and Reinsurance Activity and 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 Business (Solvency II).

Justification:

Pursuant to § 18 section 6 of PZU's Articles of Association, the powers of the PZU Shareholder Meeting include the adoption of resolutions on the issue of bonds.

At the same time, pursuant to § 25 section 2 item 19 of PZU's Articles of Association and § 13 section 1 item 22 of the PZU SA Supervisory Board Bylaws, the duties of the PZU Supervisory Board include reviewing and issuing opinions on matters submitted by the PZU Management Board to the PZU Shareholder Meeting.

The proceeds obtained by PZU SA from the issue of subordinated bonds will be classified as tier 2 core own funds in accordance with Article 245 et seq. of the Insurance and Reinsurance Activity Act of 11 September 2015, which in this respect constitute a transposition of the norm arising out of Article 94 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), and in accordance with Article 72 et seq. 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).

In conjunction with the new issue of subordinated bonds, the series A subordinated bonds issued by PZU SA in 2017 will undergo early redemption, which is slated to take place on 29 July 2022.

The term of maturity of the series A subordinated bonds, which are slated to undergo early redemption on 29 July 2022 is 29 July 2027. The market standard for subordinated bonds, however, is for the issuer to exercise the early redemption option. Investors were advised of this when this issue was being arranged in 2017 and they expect the early redemption option to be exercised.

An issue of subordinated bonds on the domestic market with a total value of no more than PLN 3,000,000,000.00 (three billion Polish zloty) is planned to be held. The issue will be held in the form of a public offering under Article 33 Section 1 of the Bonds Act of 15 January 2015 in connection with Article 1 Section 4a of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

Accordingly, a motion is submitted to the PZU Shareholder Meeting to adopt a resolution for PZU SA to issue subordinated bonds on the domestic market.

Submitted on behalf of the PZU Management Board by:

/-/ Tomasz Kulik
Członek Zarządu

/-/ Krzysztof Kozłowski
Członek Zarządu

Attachments:

- 1) resolution no. UZ/20/2022 adopted by the PZU SA Management Board on submitting a motion to the Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna in the matter of issuing subordinated bonds on the domestic market;
- 2) resolution no. URN/8/2022 adopted by the PZU SA Supervisory Board on evaluation of the motion submitted by the Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna in the matter of issuing subordinated bonds on the domestic market;
- 3) draft resolution of the PZU SA Shareholder Meeting on issuing subordinated bonds on the domestic market.



RESOLUTION NO. UZ/20/2022

ADOPTED BY THE MANAGEMENT BOARD OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

of 15 February 2022

on submitting a motion to the Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna in the matter of issuing subordinated bonds on the domestic market

Whereas:

1. on 30 June 2017 Powszechny Zakład Ubezpieczeń Spółka Akcyjna (hereinafter referred to as "PZU SA") issued series A subordinated bonds with a total nominal value of PLN 2,250,000,000.00 (say: two billion two hundred fifty million zloty) with a maturity date of 29 July 2027 (hereinafter referred to as "Series A Bonds");
2. the terms and conditions for the issue of Series A Bonds contemplate PZU SA's early redemption option on 29 July 2022;
3. the issuer's early redemption of subordinated bonds after the elapse of five years from their date of issue is a market standard; accordingly, its execution is expected by investors who purchase these types of securities, including the holders of Series A Bonds;
4. in addressing investors' expectations PZU SA intends to exercise the option of early redemption of the Series A Bonds at its own initiative, and this redemption will transpire in accordance with the terms and conditions of issue of the Series A Bonds;
5. in connection with the planned redemption of the Series A Bonds, PZU SA intends to issue a new issue of subordinated bonds to replace them and their parameters will be similar to the Series A Bonds;

and pursuant to § 4 items 24 and 25 of the Powszechny Zakład Ubezpieczeń Spółka Akcyjna Management Board Bylaws, the following is hereby resolved:

§ 1

1. It is hereby resolved to submit a motion to the PZU SA Shareholder Meeting to adopt a resolution for PZU SA to issue subordinated bonds on the domestic market with a total nominal value of no more than PLN 3,000,000,000.00 (say: three billion zloty) whose proceeds would be treated as tier 2 own funds according to the Act of 11 September 2015 on Insurance and Reinsurance Activity and 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).
2. The motion to the PZU SA Shareholder Meeting to adopt the resolution referred to in Section 1 forms attachment no. 1 to the resolution.

§ 2

A motion shall be submitted to the PZU SA Supervisory Board:

- 1) to issue an opinion on the motion referred to in § 1 section 1;
- 2) with information regarding the possibility that the financial leverage ratio specified in § 6 Section 1 Item 3 of the PZU Group's Capital and Dividend Policy in 2021-2024 forming an attachment to resolution no. UZ/75/2021 adopted by the PZU SA Management Board on 24 March 2021, approved by PZU SA Supervisory Board resolution no. URN/33/2021 on 25 March 2021 may be exceeded due to the necessity of conducting the issue of subordinated bonds prior to the date of maturity of the Series A Bonds.

§ 3

1. The information on the adoption of this resolution is regarded as inside information (“Inside Information”) within the meaning of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (hereinafter: “Market Abuse Regulation”).
2. It is hereby resolved to delay the publication of Inside Information according to Article 17 section 4 of the MAR Regulation. The Inside Information forms attachment 2 to the resolution.
3. The Inside Information was identified by PZU SA at the time of adopting this resolution, i.e. 15 February 2022 at 11:00 a.m. Warsaw time; the decision to delay the disclosure of the Inside Information was made at the same time.
4. PZU will disclose the Inside Information immediately after the PZU SA Supervisory Board adopts a resolution on evaluation of the motion submitted by the PZU SA Management Board in the matter of issuing subordinated bonds on the domestic market if the PZU SA Supervisory Board issues a positive opinion on the motion in question, which will transpire no later than on 25 February 2022 by 11:59 p.m. Warsaw time.
5. The specific information on fulfilling the obligations stemming from the Market Abuse Regulation has been stated in the justification to this resolution, which in particular contains an indication of the evidence certifying the original satisfaction of the conditions referred to in article 17 section 4 of the Market Abuse Regulation and an indication of the information obstacles introduced internally and in respect of third parties, as well as the solutions introduced to disclose the pertinent inside information as soon as possible if confidentiality ceases to be procured.

§ 4

This resolution comes into force at the time of its adoption.

The ballot was held in an open procedure.

Number of persons voting: 6

No. of votes “in favor”: 6 No. of votes “against”: 0 No. of abstentions: 0

President of the Management Board

/-/ Beata Kozłowska-Chyła



RESOLUTION NO. URN/8/2022

ADOPTED BY THE SUPERVISORY BOARD OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

on 25 February 2022

on evaluation of the motion submitted by the Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna in the matter of issuing subordinated bonds on the domestic market

Whereas:

1. on 30 June 2017 Powszechny Zakład Ubezpieczeń Spółka Akcyjna (hereinafter referred to as "PZU SA") issued series A subordinated bonds with a total nominal value of PLN 2,250,000,000.00 (say: two billion two hundred fifty million zloty) with a maturity date of 29 July 2027 (hereinafter referred to as "Series A Bonds");
2. the terms and conditions for the issue of Series A Bonds contemplate PZU SA's early redemption option on 29 July 2022;
3. the issuer's early redemption of subordinated bonds after the elapse of five years from their date of issue is a market standard; accordingly, its execution is expected by investors who purchase these types of securities, including the holders of Series A Bonds;
4. in addressing investors' expectations PZU SA intends to exercise the option of early redemption of the Series A Bonds at its own initiative, and this redemption will transpire in accordance with the terms and conditions of issue of the Series A Bonds;
5. in connection with the planned redemption of the Series A Bonds, PZU SA intends to issue a new issue of subordinated bonds to replace them and their parameters will be similar to the Series A Bonds;

and pursuant to § 13 and § 25 section 2 item 19 of PZU SA's Articles of Association and § 13 section 1 item 22 of the PZU SA Supervisory Board's Bylaws, the following is hereby resolved:

§ 1

The PZU SA Supervisory Board hereby issues a positive opinion on the motion submitted by the PZU SA Management Board to the PZU SA Shareholder Meeting to adopt a resolution for PZU SA to issue subordinated bonds on the domestic market with a total nominal value of no more than PLN 3,000,000,000.00 (say: three billion zloty) whose proceeds would be treated as tier 2 own funds according to the Act of 11 September 2015 on Insurance and Reinsurance Activity and 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).

§ 2

The Supervisory Board acknowledges the Management Board's information regarding the possibility that the financial leverage ratio specified in § 6 Section 1 Item 3 of the PZU Group's Capital and Dividend Policy in 2021-2024 approved by PZU SA Supervisory Board resolution no. URN/33/2021 on 25 March 2021 may be exceeded in connection with the necessity of conducting the issue of subordinated bonds on the domestic market prior to the date of maturity of the Series A Bonds.

§ 3

This resolution comes into force at the time of its adoption.

The ballot was held in an open procedure.

Number of attendees: 9 Number of votes in favor: 9 Number of votes against: 0 Number of abstentions: 0

Chairperson
of the PZU SA Supervisory Board

Paweł Mucha

RESOLUTION NO. ... /2022

ADOPTED BY THE EXTRAORDINARY SHAREHOLDER MEETING

OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

of 25 March 2022

on the issue of subordinated bonds on the domestic market

Whereas:

1. on 30 June 2017 Powszechny Zakład Ubezpieczeń Spółka Akcyjna (hereinafter referred to as "PZU SA") issued series A subordinated bonds with a total nominal value of PLN 2,250,000,000.00 (say: two billion two hundred fifty million zloty) with a maturity date of 29 July 2027 (hereinafter referred to as "Series A Bonds");
 2. the terms and conditions for the issue of Series A Bonds contemplate PZU SA's early redemption option on 29 July 2022;
 3. the issuer's early redemption of subordinated bonds after the elapse of five years from their date of issue is a market standard; accordingly, its execution is expected by investors who purchase these types of securities, including the holders of Series A Bonds;
 4. in addressing investors' expectations PZU SA intends to exercise the option of early redemption of the Series A Bonds at its own initiative, and this redemption will transpire in accordance with the terms and conditions of issue of the Series A Bonds;
 5. in connection with the planned redemption of the Series A Bonds, PZU SA intends to issue a new issue of subordinated bonds to replace them and their parameters will be similar to the Series A Bonds;
- and acting pursuant to § 18 Item 6 of the PZU SA Articles of Association, the Extraordinary Shareholder Meeting of PZU SA hereby resolves as follows:

§ 1

Consent is hereby given for PZU SA to issue subordinated bonds on the domestic market with a total nominal value of no more than PLN 3,000,000,000.00 (say: three billion zloty) whose proceeds would be treated as tier 2 own funds according to the Act of 11 September 2015 on Insurance and Reinsurance Activity and 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).

§ 2

The Shareholder Meeting hereby authorizes the PZU SA Management Board to take all factual and legal actions necessary to effect the issue of bonds in accordance with § 1.

§ 3

This resolution comes into force at the time of its adoption.

Chairperson
of the Extraordinary Shareholder Meeting of PZU SA