

Warsaw, 01.06.2022

Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

Motion

to the Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020

Content:

Pursuant to Article 395(2)(2) Commercial Company Code and §18(2) of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, a motion is hereby submitted to the PZU SA Ordinary Shareholder Meeting to distribute the net profit for the year ended 31 December 2021 in the amount of PLN 2,028,334,963.06 (two billion twenty-eight million three hundred thirty-four thousand nine hundred sixty-three and 06/100 Polish zloty), increased by the amount of PLN 949,875,300.00 (nine hundred forty-nine million eight hundred seventy-five thousand three hundred and 00/100 Polish zloty) transferred from the supplementary capital created from the net profit for the year ended 31 December 2020, i.e. in total the amount of PLN 2,978,210,263.06 (two billion nine hundred seventy-eight million two hundred ten thousand two hundred sixty-three and 06/100 Polish zloty) as follows:

- 1) allocate PLN 1,675,234,620.00 (one billion six hundred seventy-five million two hundred thirty-four thousand six hundred twenty and 00/100 Polish zloty), i.e. PLN 1.94 (one and 94/100 Polish zloty) per share, to the payment of a dividend;
- 2) allocate PLN 6,981,000.00 (six million nine hundred eighty-one thousand and 00/100 Polish zloty) to the Company Social Benefit Fund (ZFŚS);
- 3) allocate PLN 1,295,994,643.06 (one billion two hundred ninety-five million nine hundred ninety-four thousand six hundred forty-three and 06/100 Polish zloty) to supplementary capital.

A motion is hereby submitted to set the dividend record date at 29 September 2022 and set the dividend payment date at 20 October 2022.

Justification:

In accordance with the resolution of the PZU SA Management Board on the distribution of PZU SA's net profit for the year ended 31 December 2021, increased by the amount transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020, it is hereby recommended to allocate PLN 1,675,234,620.00 (one billion six hundred seventy-five million two hundred thirty-four thousand six hundred twenty and 00/100 Polish zloty), i.e. PLN 1.94 (one and 94/100 Polish zloty) per share, to the payment of a dividend. This amount consists of:

- 1) PLN 725,359,320.00 (seven hundred twenty-five million three hundred fifty-nine thousand three hundred twenty and 00/100 Polish zloty), or PLN 0.84 (zero and 84/100 Polish zloty) per share, from the net profit generated in the year ended 31 December 2021;
- 2) PLN 949,875,300.00 (nine hundred forty-nine million eight hundred seventy-five thousand three hundred and 00/100 Polish zloty) transferred from the supplementary capital created from the net profit for the year ended 31 December 2020, i.e. PLN 1.10 (one and 10/100 Polish zloty) per share.

The dividend amount accounts for 83% of PZU SA's profit generated in 2021 and 50.2% of the PZU Group's net profit attributable to the parent company's shareholders.

PZU Group's Capital and Dividend Policy ("Policy" adopted by Management Board Resolution No. UZ/75/2021 dated 24 March 2021)

On 24 March 2021, PZU SA adopted a new dividend policy for 2021-2024. The key assumptions of the Policy include:

- PZU SA remains a dividend company which pays out from 50% to 100% of the profits attributable to the equity holders of the parent company,
- PZU SA, PZU Życie SA and the PZU Group maintain the Solvency II solvency ratios at the level not lower than 200%,
- the financial leverage indicator will not exceed 25%,
- we will procure funds for growth and acquisitions.

The dividend of PLN 1,675,234,620, or PLN 1.94 per share, accounts for 50.2% of the net profit of the PZU Group's net

profit attributable to the parent company's shareholders for the year ended 31 December 2021. According to analyses, the dividend payment will not result in a decrease in the solvency ratios of PZU SA or the PZU Group below the level provided for in the Policy as at 31 December 2021, or during the medium-term planning horizon of 2022-2024.

KNF's recommendations regarding distribution of PZU SA's financial result

On 9 December 2021, the Polish Financial Supervision Authority (KNF) announced its stance on the dividend policy in 2022 (KNF Recommendations for 2022") in which KNF permits the disbursement of a dividend:

- in the maximum amount equal to 100% of the amount of profit generated in 2020 (taking into account the dividends disbursed to date from the 2020 profit), and
- up to 50% of the profit generated in 2021,

provided that:

- the insurance undertaking received a good or satisfactory SREP risk score for 2020;
- in no quarter of 2021 did the insurance undertaking experience a shortage of own funds to cover the capital requirement and was not, in 2021, covered by a short-term financial plan or remedial plan;
- the amount of own funds is at least 150% of the amount of capital requirements as at 31 December 2021 (after deducting the expected dividends from own funds) and 150% for the quarter in which the dividend will be paid.

Moreover, in accordance with the KNF Recommendations for 2022, when deciding on the amount of the dividend, account was taken of the capital needs within the period of 12 months from the approval date of the 2021 financial statements, which may result, among others, from changes in the market and legal environment, in particular from the high degree of uncertainty about the future evolution of the coronavirus pandemic.

The analysis has shown that the Company fulfills the conditions set by the KNF and may disburse the dividend in the maximum amount of PLN 1,960,197,210, or PLN 2.27 per share.

Guidelines of the Office of the Prime Minister of September 2021 for companies in which the State Treasury has an equity stake that prepare financial statements for 2021 ("KPRM Guidelines")

According to the KPRM Guidelines, for insurance institutions, the dividend level should be set, taking into consideration the ratio of coverage of capital requirements defined by the Polish Financial Supervision Authority as well as other regulatory requirements concerning the capital standing of insurance institutions.

The allowance to the Company Social Benefit Fund in the amount of PLN 6,981,000 results from the limit set in the KPRM Guidelines.

PZU has earmarked part of net profit to the Company Social Benefit Fund every year since 2012. The practice to date and the high net profit earned in 2021 could raise justified expectations of third parties (in particular the company's employees) that the company will do the same thing in 2022. The cash earmarked for the Company Social Benefit Fund will be used, among others, for activities supporting PZU employees and their families, injured by the coronavirus pandemic, partly relieving the State itself in its measures.

Therefore, it is recommended to make the allowance to the Company Social Benefit Fund.

Summary

The solvency of PZU SA and the PZU Group is high. According to analyses, the dividend payment in the range from PLN 1.94 per share to PLN 2.27 per share does not threaten the Company's or PZU Group's financial stability as at 31 December 2021 or in the medium-term planning horizon of 2022-2024. Considering the observed volatility of the market environment, the increase in interest rates, the variability of asset valuations, the high inflation rate, the uncertainty related to the war in Ukraine and the evolution of the coronavirus pandemic, the disbursement of a dividend of PLN 1.94 per share is recommended.

The motion is submitted by:

/Maciej Rapkiewicz/

/Piotr Nowak/

Attachments:

- 1) Resolution No. UZ/152/2022 of the PZU SA Management Board of 01.06.2022 to approve the motion to the PZU SA Ordinary Shareholder Meeting regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020;
- 2) Resolution No. URN/77/2022 of the PZU SA Supervisory Board of 01.06.2022 to evaluate the motion of the PZU SA Management Board to the PZU SA Ordinary Shareholder Meeting regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated in the year ended 31 December 2020;
- 3) draft resolution of the PZU SA Shareholder Meeting regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020.



RESOLUTION NO. UZ/152/2022

ADOPTED BY THE MANAGEMENT BOARD OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

on 1 June 2022

to approve the motion to the PZU SA Ordinary Shareholder Meeting regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020

Pursuant to § 4 item 9 in conjunction with § 4 items 24 and 25 of the Rules and Regulations of the Powszechny Zakład Ubezpieczeń Spółka Akcyjna Management Board, the following is hereby resolved:

§ 1

1. It is hereby resolved to submit a motion to the PZU SA Ordinary Shareholder Meeting to distribute the net profit generated in the year ended 31 December 2021 in the amount of PLN 2,028,334,963.06 (two billion twenty-eight million three hundred thirty-four thousand nine hundred sixty-three and 06/100 Polish zloty), increased by the amount of PLN 949,875,300.00 (nine hundred forty-nine million eight hundred seventy-five thousand three hundred and 00/100 Polish zloty) transferred from the supplementary capital created from the net profit for the year ended 31 December 2020, i.e. in total the amount of PLN 2,978,210,263.06 (two billion nine hundred seventy-eight million two hundred ten thousand two hundred sixty-three and 06/100 Polish zloty) as follows:
 - 1) allocate PLN 1,675,234,620.00 (one billion six hundred seventy-five million two hundred thirty-four thousand six hundred twenty and 00/100 Polish zloty), i.e. PLN 1.94 (one and 94/100 Polish zloty) per share, to the payment of a dividend;
 - 2) allocate PLN 6,981,000.00 (six million nine hundred eighty-one thousand and 00/100 Polish zloty) to the Company Social Benefit Fund (ZFŚS);
 - 3) allocate PLN 1,295,994,643.06 (one billion two hundred ninety-five million nine hundred ninety-four thousand six hundred forty-three and 06/100 Polish zloty) to supplementary capital.
2. It is hereby resolved to submit a motion to the PZU SA Ordinary Shareholder Meeting to set the dividend record date at 29 September 2022 and set the dividend payment date at 20 October 2022.
3. The motion referred to in sec. 1 and 2 forms an attachment to this resolution.

§ 2

The dividend amount referred to in §1(1)(1), includes:

- 1) PLN 725,359,320.00 (seven hundred twenty-five million three hundred fifty-nine thousand three hundred twenty and 00/100 Polish zloty), or PLN 0.84 (zero and 84/100 Polish zloty) per share, from the net profit generated in the year ended 31 December 2021;
- 2) PLN 949,875,300.00 (nine hundred forty-nine million eight hundred seventy-five thousand three hundred and 00/100 Polish zloty) transferred from the supplementary capital created from the net profit for the year ended 31 December 2020, i.e. PLN 1.10 (one and 10/100 Polish zloty) per share.

§ 3

It is hereby resolved to submit a motion to the PZU SA Supervisory Board to evaluate and issue an opinion on the motion referred to in §1(3).

§ 4

1. 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 of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (“Market Abuse Regulation”).
2. PZU SA will publish the Inside Information after the adoption by the PZU SA Supervisory Board of a resolution on the assessment of the Management Board’s motion referred to in §3.

§ 5

This resolution shall come into force on the date of its adoption.

The ballot was held in an open procedure.

Number of attendees: 6 Number of votes in favor: 6 Number of votes against: 0 Number of abstentions: 0

President of the Management Board

Beata Kozłowska-Chyła



RESOLUTION NO. URN/77/2022

ADOPTED BY THE SUPERVISORY BOARD OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

on 1 June 2022

to evaluate the motion of the PZU SA Management Board to the PZU SA Ordinary Shareholder Meeting regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated in the year ended 31 December 2020

Pursuant to § 13 sec. 1 items 4 and 22 of the Rules and Regulations of Powszechny Zakład Ubezpieczeń Spółka Akcyjna Supervisory Board, the following is hereby resolved:

§ 1

1. The PZU SA Supervisory Board hereby issues a positive opinion on the PZU SA Management Board's motion to the PZU SA Ordinary Shareholder Meeting to distribute PZU SA's net profit for the year ended 31 December 2021 in the amount of PLN 2,028,334,963.06 (two billion twenty-eight million three hundred thirty-four thousand nine hundred sixty-three and 06/100 Polish zloty) increased by PLN 949,875,300.00 (nine hundred forty-nine million eight hundred seventy-five thousand three hundred and 00/100 Polish zloty) transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020, as presented in Resolution No. UZ/152/2022 adopted by the PZU SA Management Board on 01.06.2022 on approving the motion to the PZU SA Ordinary Shareholder Meeting regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020, i.e. in the total amount of PLN 2,978,210,263.06 (two billion nine hundred seventy-eight million two hundred ten thousand two hundred sixty-three and 06/100 Polish zloty), as follows:
 - 1) allocate PLN 1,675,234,620.00 (one billion six hundred seventy-five million two hundred thirty-four thousand six hundred twenty and 00/100 Polish zloty), i.e. PLN 1.94 (one and 94/100 Polish zloty) per share, to the payment of a dividend;
 - 2) allocate PLN 6,981,000.00 (six million nine hundred eighty-one thousand and 00/100 Polish zloty) to the Company Social Benefit Fund (ZFŚS);
 - 3) allocate PLN 1,295,994,643.06 (one billion two hundred ninety-five million nine hundred ninety-four thousand six hundred forty-three and 06/100 Polish zloty) to supplementary capital.
2. The PZU SA Supervisory Board issues a favorable opinion on the motion of the PZU SA Management Board to the PZU SA Ordinary Shareholder Meeting to set the dividend record date at 29 September 2022 and set the dividend payment date at 20 October 2022.

§ 2

This resolution shall come into force on the date of its adoption.

The ballot was held in an open procedure.

Number of attendees: 11 Number of votes in favor: 11 Number of votes against: 0 Number of abstentions: 0

Chairman
of the PZU SA Supervisory Board

Paweł Mucha

RESOLUTION NO. ... /2022

ADOPTED BY THE ORDINARY SHAREHOLDER MEETING

OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

on 2022

regarding the distribution of PZU SA's net profit for the year ended 31 December 2021 and the amount transferred from supplementary capital created from the net profit generated for the year ended 31 December 2020

Pursuant to Article 395 § 2 Item 2 of the Commercial Company Code and § 18 Item 2 and § 36 of the PZU SA Articles of Association, the Ordinary Shareholder Meeting of PZU SA hereby resolves as follows:

§ 1

PZU SA's net profit for the year ended 31 December 2021 in the amount of PLN 2,028,334,963.06 (two billion twenty-eight million three hundred thirty-four thousand nine hundred sixty-three and 06/100 Polish zloty), increased by the amount of PLN 949,875,300.00 (nine hundred forty-nine million eight hundred seventy-five thousand three hundred and 00/100 Polish zloty) transferred from the supplementary capital created from the net profit for the year ended 31 December 2020, i.e. in total the amount of PLN 2,978,210,263.06 (two billion nine hundred seventy-eight million two hundred ten thousand two hundred sixty-three and 06/100 Polish zloty) shall be distributed as follows:

- 1) allocate PLN 1,675,234,620.00 (one billion six hundred seventy-five million two hundred thirty-four thousand six hundred twenty and 00/100 Polish zloty), i.e. PLN 1.94 (one and 94/100 Polish zloty) per share, to the payment of a dividend;
- 2) allocate PLN 6,981,000.00 (six million nine hundred eighty-one thousand and 00/100 Polish zloty) to the Company Social Benefit Fund (ZFŚS);
- 3) allocate PLN 1,295,994,643.06 (one billion two hundred ninety-five million nine hundred ninety-four thousand six hundred forty-three and 06/100 Polish zloty) to supplementary capital.

§ 2

The date as at which the list of shareholders entitled to a dividend referred to in § 1 item 1 (dividend record date) is hereby set for 29 September 2022. The dividend payment date is hereby set for 20 October 2022.

§ 3

This resolution shall come into force at the time of its adoption.

Chairman

of the Ordinary Shareholder Meeting of PZU SA