

# PZU (2021)

## - report on the application of corporate governance



We appreciate that the leader's role is to set the highest standards for the entire industry.

We discharge this function not only by observing a number of codes but also by working continuously on their improvement. We believe that this is how we can make sagacious changes to contribute to the world that surrounds us.

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# Corporate governance

## 8.1 Application of corporate governance rules

PZU applies the corporate governance rules laid down by law, in particular the Commercial Company Code and the Insurance and Reinsurance Activity Act, the regulations governing the operation of the capital market and the rules set forth in the documents described below.



PZU applies the Corporate Governance Rules for Regulated Institutions published on 22 July 2014 by the Polish Financial Supervision Authority (KNF). They define the internal and external relations of regulated institutions,

including their relations with shareholders and customers, their organization, the functioning of internal oversight and key internal systems and functions as well as the governing bodies and the rules for their cooperation. The document is available both on the KNF website ([https://www.knf.gov.pl/dla\\_rynku/regulacje\\_i\\_praktyka/zasady\\_ladu\\_korporacyjnego](https://www.knf.gov.pl/dla_rynku/regulacje_i_praktyka/zasady_ladu_korporacyjnego)) and the PZU website (<https://www.pzu.pl/grupa-pzu/spolki/pzu-sa/zasady-ladu-korporacyjnego>).



Since the day when its shares were admitted to trading on a regulated market, PZU has followed the corporate governance rules laid down in the “Best Practices of WSE Listed Companies”. The document entitled Best Practices of WSE Listed

Companies 2016 adopted by the Supervisory Board of the Warsaw Stock Exchange (WSE) on 13 October 2015 was in effect up to 1 July 2021. On 29 March 2021, the Supervisory Board of WSE adopted a resolution introducing the “Best Practices of WSE Listed Companies 2021”, which came into effect on 1 July 2021. It is a collection of corporate governance rules and rules of conduct that affect how public companies interact with their market environment. The document is available both on the Warsaw Stock Exchange website ([www.gpw.pl/dobre-praktyki](http://www.gpw.pl/dobre-praktyki)) and the PZU website (<https://www.pzu.pl/grupa-pzu/o-nas/kultura-compliance-pzu/dobre-praktyki-pzu>).

The set of principles expressed in the Best Insurance Practices adopted on 8 June 2009 by the General Assembly of the Polish Chamber of Insurance (PIU) informs how PZU conducts its business operations and shapes relations with its stakeholders. This document defines the rules of corporate social responsibility in respect to relations between insurance and customers, insurance intermediaries, the regulatory authority and the Financial Ombudsman, the media and in public

securities trading. By applying the Best Insurance Practices, PZU conducts regular efforts to develop insurance awareness in the public at large.

PZU has also developed its own code defining the principal ethical standards governing the Company’s behavior in relations with its stakeholders. The Best Practices of the PZU Group are a set of standards followed by all members of the PZU Group. The values and principles laid down therein must be followed by all employees.

### Application of Corporate Governance Rules for Regulated Institutions

The PZU Management Board and Supervisory Board have declared in their resolutions the Company’s readiness to apply the standards defined by KNF to the broadest possible extent while giving consideration to the rule of proportionality and the rule “comply or explain” stemming from the wording of the Corporate Governance Rules for Regulated Institutions.

Information on the application of the Rules was presented by the PZU Management Board and Supervisory Board during the PZU Ordinary Shareholder Meeting (PZU OSM) held on 30 June 2015. The PZU OSM declared that, acting within its powers, it will be guided by the Corporate Governance Rules in the wording adopted by the KNF on 22 July 2014, except for certain specific rules waived by the PZU OSM.

Detailed information is provided on PZU’s website on the application of the Corporate Governance Rules, including rules that are partially applied, namely:

- in reference to the rule laid down in § 8 sec. 4. of the Corporate Governance Rules concerning the enabling of all shareholders to participate in the Shareholder Meeting, including by procuring the possibility of actively participating electronically in the Shareholder Meeting, it should be noted that, presently, PZU shareholders may follow the broadcast of the Shareholder Meeting, however the Issuer decided not to introduce the so-called e-Shareholder Meeting, because, in PZU’s opinion, there are a number of factors of a technological and legal nature which may affect the proper conduct of the Shareholder Meeting; legal concerns include the possibility of identifying the shareholders and verifying their legitimacy; the risk of the occurrence of technical difficulties, e.g. with the Internet connection or possible external interference in the IT systems, may disrupt the work of the Shareholder Meeting



and evince doubts concerning the efficacy of the resolutions adopted during its course; the materialization of the above risks may affect the proper application of this rule to its full extent;

- in reference to the rule laid down in § 21 sec. 2. of the Corporate Governance Rules stating that the supervising body should have a separate chairperson function in charge of managing the work of the supervising body, and the selection of the chairperson of the supervising body should be accomplished on the basis of experience and team management skills while giving consideration to the criterion of independence; it should be emphasized that, in accordance with the Commercial Company Code and PZU's Articles of Association, the Chairperson function has been established in the PZU Supervisory Board; the PZU Supervisory Board's composition and the Chairperson function are shaped using the independence criteria in the Statutory Auditor Act; the Supervisory Board Chairperson is selected using the criterion of knowledge, experience and skills confirming the competences required to discharge duly the duties of supervision; applying the independence criterion to the Chairperson according to the KNF Office's explanation of this rule may evince doubts concerning a possible collision with the legal regulations pertaining to shareholder rights;
- in respect of the rule laid down in § 49 section 3 of the Corporate Governance Rules concerning the appointment and dismissal, in a regulated institution, of the person managing the internal audit cell and the person managing the compliance cell with the consent of the supervising body or the Audit Committee, it should be pointed out that PZU applies the rules laid down in § 14 of the Rules to their full extent, which means that the PZU Management Board is the sole body empowered to, and responsible for, managing the Company's activity; moreover, according to the labor law regulations, the managing body exercises labor law activities; on account of the foregoing, PZU has adopted a solution that anticipates that the selection and dismissal of the person managing the internal audit cell is accomplished while taking into account the opinion of the Audit Committee; the person managing the compliance cell is appointed and dismissed in an identical manner; in making these decisions, the Management Board obtains the Audit Committee's opinions.

In accordance with the resolution of 30 June 2015, the PZU OSM has waived the following rules:

- the rule laid down in § 10 section 2 of the Corporate Governance Rules reading as follows: "The implementation of personal rights or other special rights for shareholders of the regulated institution should be justified and serve the accomplishment of the regulated institution's material operating goals. The possession of such rights by shareholders should be reflected in the wording of the primary governing document of the regulated institution." – according to the substantiation presented by the shareholder along with the draft resolution of the OSM, the waiving of this rule is due to the unfinished process of the Company's privatization by the State Treasury;
- the rule laid down in § 12 section 1 reading as follows: "Shareholders are responsible for recapitalizing without delay a regulated institution in a situation in which it is necessary to maintain the regulated institution's equity at the level required by the legal regulations or oversight regulations as well as when the security of the regulated institution so requires." – according to the substantiation presented by the shareholder along with the draft resolution of the OSM, the waiving of this rule is due to the unfinished process of the Company's privatization by the State Treasury;
- the rule laid down in § 28 section 4 reading as follows: "The decision-making body assesses whether the implemented compensation policy fosters the regulated institution's development and operating security." – according to the substantiation presented by the shareholder along with the draft resolution, the waiving of this rule is due to the overly broad scope of the subject matter of the compensation policy subject to assessment by the decision-making body; the compensation policy in respect of persons who discharge key functions but are not members of the supervising body or the managing body should be subject to assessment by such persons' employer or principal, i.e. the Company represented by the Management Board and supervised by the Supervisory Board.

Furthermore, the following rules are not applicable to PZU:

- the rule laid down in § 11 section 3 reading as follows: "In the event that the decision-making body makes a decision concerning a transaction with a related party, all shareholders should have access to all information required to assess the conditions on which it is implemented and its impact on a regulated institution's standing." – in PZU,

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the Shareholder Meeting does not make decisions on transactions with related parties;

- the rule laid down in § 49 section 4 reading as follows: “In a regulated institution in which there is no audit or compliance cell, the rights ensuing from sections 1-3 are vested in the persons responsible for performing these functions.” – audit and compliance cells operate in PZU;
- the rule laid down in § 52 section 2 reading as follows: “In a regulated institution in which there is no audit or compliance cell or no cell responsible for this area has been designated, the information referred to in section 1 shall be conveyed by the persons responsible for performing these functions.” – audit and compliance cells operate in PZU;
- the rules laid down in Chapter 9 entitled “Exercising rights from assets acquired at a client’s risk” – PZU does not offer products entailing asset management at a client’s risk.

## Application of “Best Practices of WSE Listed Companies”

Until 1 July 2021, PZU complied with all recommendations and principles set forth in the Best Practices of WSE Listed Companies 2016, except for recommendation IV.R.2., which allowed shareholders to participate in a Shareholder Meeting using means of electronic communication, in particular via the following:

- real-time transmission of the Shareholder Meeting;
- bilateral communication in real time where shareholders may take the floor during a Shareholder Meeting from a location other than the shareholder meeting;
- exercising, in person or by proxy, voting rights during a Shareholder Meeting.

PZU shareholders may follow the broadcast of the Shareholder Meeting in real time, however the Company has refrained from adopting the so-called e-Shareholder Meeting, that is the option to cast electronic votes. According to PZU, this is due to the existence of a number of legal, technical and organizational factors that may affect the proper course of the Shareholder Meeting. Legal doubts pertain to the inability to identify shareholders and check their right to participate in the shareholder meeting. The risk of technical difficulties may

disrupt the work of the Shareholder Meeting and evince doubts concerning the efficacy of the resolutions adopted during its course. PZU has a stable majority shareholder structure, and a large portion of the minority shareholder structure attends every shareholder meeting.

Furthermore, the following rules and recommendations of the Best Practices of WSE Listed Companies 2016 are not applicable to PZU:

- rule I.Z.1.10, providing for posting financial projections on the corporate website, insofar as the company has decided to publish them, published for at least the last 5 years, including information about their execution because, as at the date of publication of this report, PZU has not published any financial projections or estimates;
- rule III.Z.6., concerning cases of non-separation of the internal audit function within the Company’s organizational structure, because this function has been separated in PZU’s organizational structure;
- recommendation IV.R.3, concerning situations where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, because PZU securities are traded only on the Polish market.

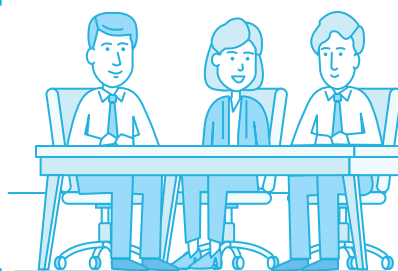
In connection with the coming into force of the “Best Practices of WSE Listed Companies 2021” on 1 July 2021, PZU applies all the rules included in that document, with the exception of:

- Rule 2.1., according to which the Company should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals; with regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.
- Rule 2.2., according to which decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according



3

Supervisory Board committees: audit committee, nomination and compensation committee, strategy committee



18%



Women constitute 18% of the PZU Supervisory Board

45%

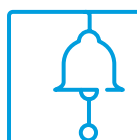
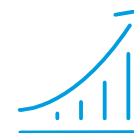
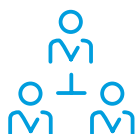
Women constitute 45% of the Management Boards in PZU and PZU Życie

PZU has been a signatory of the diversity charter

since 2013

863,523,000

ordinary shares with a nominal value of PLN 0.10 each forming PZU's share capital



Long-term and stable shareholder

34.19%

the percentage of the PZU shareholder structure held by the State Treasury

In the face of the war in Ukraine

**the Crisis Management Team in the Polish PZU HQ**

was monitoring the situation and decided on preventive actions and aid for the employees of the Ukrainian PZU companies and the Ukrainian citizens.



**PZU Group's Code of Best Practices**

is a set of ethical standards and standards of conduct according to which all PZU



Group employees should conduct themselves

15

Supervisory Board meetings

11

Audit Committee meetings in 2021



Daily application of

**ETYKA**

**The Best Insurance Practices**

laying down the principles according to which insurance sector companies as institutions of social trust should conduct themselves

Endorsement and application of

**Corporate Governance Rules for Regulated Institutions**

in accordance with the 2015 declaration



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to the goals of the established diversity policy referred to in principle 2.1.

- Rule 2.11.6, according to which the supervisory board report should contain information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in rule 2.1.

In respect to the above rules, PZU notes that it has no diversity policy in place in respect to age and gender for the Company's Management Board and Supervisory Board, adopted by the Company's Supervisory Board and Shareholder Meeting, respectively, however it plans to take action to develop and adopt such documents in the future.

PZU also points to the following issues:

- the gender diversity condition for the minority share of no less than 30% is satisfied in the PZU Management Board;
- PZU has applied best practices promoting diversity and is committed to equal treatment of its employees; moreover, the issues related to activities aimed at ensuring gender equality, appropriate working condition and respect for employee rights are regulated in the Human Rights Policy in the PZU Group adopted by a resolution of the PZU Management Board;
- as regards qualifications and requirements for those occupying positions in management and supervisory bodies, PZU in particular takes into account the statutory criteria for education and professional experience adequate to the functions discharged on such positions in the entity conducting insurance activity;
- Management Board and Supervisory Board Members are selected for the new term of office in compliance with the principles of equal access of men and women to positions in the company's statutory bodies. the composition of the PZU Management Board and Supervisory Board also addresses the need of age diversification among their Members.
- implementation of this rule in respect to criteria such as: education, knowledge and experience, is effected pursuant to the Rules for assessment of suitability of the PZU Supervisory Board and Audit Committee adopted by the PZU Shareholder Meeting and the Rules for assessment of suitability of PZU Management Board members adopted by resolution of the PZU Supervisory Board. Information on the assessment of PZU Supervisory Board members and candidates for

PZU Supervisory Board members is presented to the PZU Shareholder Meeting.

- Rule 4.1. according to which the Company should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

With respect to this rule, PZU notes that the shareholders of PZU have not notified the Company of any expectations regarding the need and rationale for organizing an e-Shareholder Meeting. Moreover, PZU believes that there are many technical and legal factors that may affect the proper course of the shareholder meeting if an e-Shareholder Meeting is introduced. The legal doubts pertain to the ability to identify shareholders and check the legitimacy of participants in the shareholder meeting. The risk of the occurrence of technical difficulties, e.g. with the internet connection or possible external interference in the IT systems may disrupt the work of the shareholder meeting and evince doubts concerning the efficacy of the resolutions adopted during its course. The appearance of these risks may affect the proper application of this rule to a full extent.

Detailed information on the status of PZU's application of the rules laid down in the Best Practices of WSE Listed Companies 2021 is available on the Company's website in the Investor Relations section at: <https://www.pzu.pl/relacje-inwestorskie/o-grupie/lad-korporacyjny>.

PZU constantly monitors the degree and manner of compliance with the rules laid down in the Best Practices of WSE Listed Companies 2021 and, if necessary, takes steps on an as-needed basis to ensure compliance with the Best Practices to the fullest extent and in an unquestionable manner. In particular:

- The Company is committed to proper communication with stakeholders, conducting a transparent and reliable information policy, which includes posting all information of importance for investors on its website. It regularly contacts investors and analysts, enabling them to ask questions and obtain clarification on matters of interest to them, in consideration of the prohibitions arising from the applicable laws. Such contacts take place either using modern electronic communication channels or take the form of direct meetings or telephone conversations;

- The Company makes it possible to review its financial results included in the interim report as soon as possible after the end of the reporting period;
- The Company posts information on the goals of its strategy, including the ESG strategy, on its website;
- The Company sets aside administrative and financial resources required to ensure efficient operation of the Company's Supervisory Board;
- Members of the PZU Management Board and Supervisory Board strive to apply the rules applicable to them to the fullest possible extent, which include:
  - in 2021, functions on the PZU Management Board were the main area of the professional activity of PZU Management Board Members,
  - a consent from the PZU Supervisory Board is required for PZU Management Board Members to hold positions in corporate bodies outside of the PZU Group,
  - Supervisory Board members devoted the time necessary to perform their duties.
  - The PZU Supervisory Board Chairman does not combine this function with that of chairperson of the Audit Committee operating within the PZU Supervisory Board,
  - the required number of PZU Supervisory Board Members meet the independence criteria laid down in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision and have no actual and material relations with any shareholder holding at least 5% of the total vote in the Company;
- The Company maintains effective internal control, risk management and compliance systems as well as an effective internal control function, corresponding to its size and type and scale of operations, operating in accordance with the requirements of Chapter 3 of the Best Practices of WSE Listed Companies 2021;
- PZU makes every effort to ensure that the Company's Shareholder Meetings are held in compliance with the requirements set forth in Chapter 4 of the Best Practices of WSE Listed Companies 2021, except for recommendation 4.1, as described above;
- PZU has internal regulations in place that guarantee compliance with the rules contained in Chapter 5 of the Best Practices of WSE Listed Companies 2021 regarding conflicts of interest and transactions with related parties.
- PZU complies with the rules on remuneration as set forth in chapter 6 of the Best Practices of WSE Listed Companies 2021.

## 8.2 Financial statements control system

### Internal control system

PZU has an internal control system (ICS) in place, adjusted to the scale of its operations and its organizational structure. Its purpose is to ensure the effectiveness and efficiency of operations within the organization, reliability of financial reporting and compliance of the Company's operations with the applicable laws and internal regulations.

The ICS comprises supervision, overall administrative and accounting procedures, organizational structures, reporting systems, solutions implemented in IT systems, the compliance function and other control mechanisms contributing to the security and stability of the Company's operations by ensuring:

- efficiency and effectiveness of the operating activity;
- reliability of information communicated inside and outside the Company and assurance of availability and reliability of such information, in particular pertaining to financial statements;
- adequacy and effectiveness of risk controls (control operations should be commensurate with the level of risk involved in the operations and processes under control);
- responsible and transparent management of the Company;
- compliance of the Company's activity with internal regulations and the standards of conduct adopted by the Company.

The following elements are distinguished within the ICS:

- control function aiming at ensuring compliance with control mechanisms concerning, in particular, risk management in the Company;
- independent compliance cell (Compliance Department – BCM) whose purpose is to execute the compliance function and to ensure systemic solutions with regard to efficiency and effectiveness of the ICS;
- independent internal audit cell (Internal Audit Department – BAW) whose purpose is to carry out independent and objective assessment and evaluation of adequacy and effectiveness of the internal control system and other elements of the system of governance.

The ICS is built on the basis of the said elements and is based on a model of three independent and complementary levels, i.e. three lines of defense, where:

- the first line of defense is comprised of activities of business processes owners, encompassing the operational management of risk associated with the Company's

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operations and processes carried out as part of those operations;

- the second line of defense is comprised of activities of the Compliance Department and risk management by other specialized business units specified in internal regulations on risk management and dealing with risk identification, measurement, monitoring and reporting and controlling the limits;
- the third line of defense is provided by activities of the Internal Audit Department.

Supervision over the internal control system within the Company is exercised by:

- oversight exercised by the Supervisory Board;
- activities of the Management Board, including the establishment of an adequate and effective internal control system and periodic assessment of the functioning of the ICS;
- oversight exercised by the managers of functional divisions, specialist units and organizational cells in their subordinated organizational units/cells;
- oversight exercised by the Compliance Department in the area of system solutions aimed at ensuring adequacy and effectiveness of risk control in the business processes covered by the ICS.

The head of the respective organizational division/unit/cell is responsible for the deployment of an effective Internal Control System in the supervised area of the Companies' activity, in particular for designing and ensuring efficient operation of control actions as integral components of operating processes.

An element of the ICS adopted by PZU is the compliance function supervised by the Director of the Compliance Department. The appointment and dismissal of the Director of the Compliance Department must be consulted with the Audit Committee. The Director of the Compliance Department has direct access to the Company's Management Board Members and Supervisory Board Members, and representatives of the Compliance Department participate in meetings of selected committees established within the Company's structure.

The PZU Group's internal control system has been developed at the leading entity (i.e. PZU) level and is applicable to all members of the PZU Group, in consideration of their distinct nature, proportionality and adequacy. With regard to regulated entities existing within banking groups, the internal control

system has been designed at the level of each of these groups, taking into account the applicable sectoral regulations.

As part of its cooperation with PZU Group entities, PZU analyzes information that it receives regularly from these entities concerning the organization of the internal control system, internal control conducted and evaluation of the internal control system, in order to improve unified standards for the operation of an effective internal control system.

## Control mechanisms applied during the preparation of the financial statements

Financial statements are prepared in the Finance Division and central units operating based on the applicable regulations.

The Finance Division is supervised by a Management Board Member, and the financial statements require approval by the Management Board.

The process is conducted in compliance with:

- accounting principles (accounting policy) adopted by the Management Board;
- chart of accounts with a commentary;
- other detailed internal regulations approved by the PZU Management Board specifying key rules for recording business events in PZU, the valuation of assets and liabilities and the calculation of the financial result;
- method of keeping the accounting ledgers;
- dedicated reporting systems.

Data are prepared in the source systems using formal operating and acceptance procedures which specify the powers of specific persons.

The reporting process is carried out by qualified, skilled and experienced staff.

PZU monitors changes in external regulations concerning, without limitation, the accounting policy and reporting requirements applicable to insurers and carries out appropriate adaptation processes in these areas. The accounting records are closed and financial statements are prepared in accordance with schedules, including the key activities and control points with assigned liability for timely and correct completion.



The key controls during preparation of the financial statements include:

- controls and permanent monitoring of the quality of input data, supported by financial systems with defined rules of data correctness, in accordance with PZU's internal regulations governing the control of accuracy of accounting data;
- data mapping from the source systems to financial statements supporting the proper presentation of data;
- analytical review of financial statements by specialists to compare them with the business knowledge and business transactions;
- formal review of the financial statements to confirm compliance with the applicable legal regulations and market practice in terms of required disclosures.

Activities within the consolidated financial reporting processes are coordinated through a shared organizational structure of the Finance Division in the PZU and PZU Życie Head Offices, which is organized based on a personal union. PZU controls all its consolidated subsidiaries through these companies' management boards and supervisory boards.

The consolidated financial reporting process is governed by a number of internal acts defining the principles of accounting policy adopted by the PZU Group and accounting standards. Moreover, it is subject to detailed schedules including the key activities and control points with assigned liability for timely and correct completion.

Consolidation packages forwarded by subsidiaries are subjected to:

- verification procedures by a statutory auditor scrutinizing the PZU Group's consolidated financial statements;
- analytical reviews by specialists.

Consolidation packages forwarded by banks are also reconciled with their published stock exchange disclosures.

The organization and the process of preparing the financial statements are regularly reviewed by the internal audit function.

### Internal audit

The internal audit function is run in a manner ensuring its unbiased nature and independence from operational functions, and its purpose is to add value and enhance the PZU Group's operational performance. The activity of the audit function involves a regular and orderly assessment of the adequacy and effectiveness of the internal control system and other components of the management system. The internal audit function supports the PZU Group in the pursuit of its objectives by providing – also through consulting – certainty as to the effectiveness of these processes.

The duties of the internal audit function comprise in particular:

- establishment, implementation and maintenance of an audit plan, which defines the scope of audit work to be undertaken in subsequent years, with regard to all types of activity and the Company's overall system of management;
- making recommendations on the basis of the findings collected in the course of work according to the audit plan;
- checks of execution of the corrective measures following from the recommendations made

The audit plan is prepared on the basis of an annual risk identification and assessment conducted across all areas of PZU's business. A draft plan is presented for evaluation by the Audit Committee and then approval by the Management Board.

The timely implementation of audit recommendations by the business units is overseen by the responsible member of the Management Board or PZU Group Director. The Internal Audit Department monitors the progress of implementing the recommendations based on information obtained from the respective business units. After an analysis, it decides whether to consider them completed.

The following adopted principles guarantee the independence and impartiality of internal audit:

- The Managing Director on Audit, who heads the Internal Audit Department, reports functionally to the Audit Committee and organizationally directly to the Management Board President;
- the appointment and dismissal of the Managing Director for Audit must be consulted with the Audit Committee.
- The Managing Director on Audit participates in meetings of the Audit Committee and meetings of the Management Board, and representatives of the Internal Audit Department

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take part in meetings of selected committees operating within PZU's structure;

- PZU's internal auditors demonstrate outstanding professional and ethical qualifications and possess the proper knowledge and skills, including the knowledge of issues necessary to conduct audits. They have access to the necessary information, explanations, documents and data, allowing for the timely and correct performance of their tasks;
- the scope of audit activities performed during each audit and the resulting evaluations are autonomous decisions of internal audit. The tasks are allocated in such a manner so as to prevent potential and actual conflicts of interest. Each employee is required to notify their superior if a such a conflict occurs. Information on potential conflicts of interests is also collected and, where necessary, tasks assigned to members of the internal audit team are reallocated. Furthermore, no auditor is permitted to audit any activities they have themselves performed or managed, and no auditor may accept responsibility for any operating activity subject to assessment by internal audit.

PZU has implemented the Internal Auditor's Code of Ethics, based on guidelines issued by the Institute of Internal Auditors (IIA). The purpose of the Code is to promote best practices and models for ethical behavior, and to motivate the need for continuous professional improvement and development of the proper image of internal auditors.

The Internal Audit Department provides the Company's Management Board and Audit Committee with periodic management information from its subordinate area, including, in particular:

- information on the progress in implementing the audit plan;
- information on the findings of internal audits;
- information on recommendation monitoring results.

In order to ensure the proper quality and continuous improvement of the internal audit function, internal (on an annual basis) and external (not less than once every five years) assessments of the Company's internal audit activities are conducted. A third-party assessment of the internal audit function at PZU conducted by PwC Advisory and an analysis of coordination of the Group's internal audit run by the Internal Audit Department demonstrated general compliance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics developed by the IIA.

## Audit Committee

The appointment of the Audit Committee has served the purpose of increasing the effectiveness of supervisory activities performed by the Supervisory Board with regard to the monitoring of financial reporting processes.

The Committee's tasks associated with monitoring the financial reporting process and the provision of advisory and evaluation services include, in particular:

- tentative evaluation of the Management Board's report on the activity of the Company and the Company's annual financial statements;
- tentative evaluation of the Management Board's report on the activity of the Company's group and the annual consolidated financial statements of the Company's group;
- tentative evaluation of all financial documents submitted to the Supervisory Board, in particular an annual financial plan prepared by the Management Board and a report on its implementation;
- issuing opinions on the core principles of the financial reporting and accounting system in place in the Company (including the criteria for consolidation of results of individual entities from the Company's group);
- providing the Supervisory Board with conclusions and recommendations concerning the rationale for any modification of the financial reporting system in place in the Company and the Company group and informing the Supervisory Board about significant irregularities in such system or risks associated with its organization and operation, known to the Committee.

The Audit Committee presents recommendations regarding the selection of an audit firm to perform the audit and review of the financial statements to the Supervisory Board.

A statutory auditor appointed by the PZU Supervisory Board upon a recommendation of the Audit Committee, reviews interim standalone and consolidated financial statements, audits annual standalone and consolidated financial statements and annual solvency and financial condition reports required by the Solvency II Directive (for PZU and the PZU Group).

### 8.3 Audit firm auditing the financial statements

On 23 May 2019 KNF gave a permit to PZU to extend for another two years the maximum period for the engagement for KPMG Audyt to audit the standalone and consolidated financial statements. In this manner, the Supervisory Board made the decision to continue cooperation with the auditor to audit the 2019-2020 financial statements.

The scope of the concluded agreement encompasses the following in particular:

- auditing PZU's annual standalone financial statements and the PZU Group's annual consolidated financial statements;
- reviewing PZU's interim standalone financial statements and the PZU Group's interim consolidated financial statements.

The Act of 31 March 2020 Amending the Act on Special Solutions Associated with Preventing, Counteracting and Combating COVID-19, Other Infectious Diseases and Crises Caused by Them and Certain Other Acts (known as the Special Act) repealed the provision of the Act on Statutory Auditors according to which "the maximum permissible uninterrupted duration of the statutory audit engagements referred to in Article 17(1) second paragraph of Regulation No 537/2014, performed by the same audit firm or an audit firm associated with this audit firm or any member of a network operating in

the European Union states of which these firms are members may not exceed 5 years." The Special Act introduced similar amendments to the Accounting Act.

As a consequence, the maximum permissible uninterrupted duration of the statutory audit engagements for an audit firm will be a period of 10 years, as specified in Article 17(1) second paragraph of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

On this basis, the Supervisory Board decided to renew, for 2021-2022, with an option to extend until 2023, and subsequently to exercise the option and extend until 2023 the orders for KPMG Audyt to review and audit the standalone financial statements of PZU and the consolidated financial statements of the PZU Group. The recommendation on the selection of an audit firm to conduct the audit satisfied the applicable terms.

In 2021, the audit firm auditing the financial statements rendered permitted non-audit services to PZU, which was approved, following an assessment of the company's independence, by the Audit Committee.

In recent years, PZU's additional cooperation with KPMG Audyt has covered, without limitation, audits of solvency and financial standing reports required by the Solvency II Directive.

<b>Fee payable to the audit firm auditing PZU's financial statements (PLN 000s)</b>	<b>1 January – 31 December 2020</b>	<b>1 January – 31 December 2021</b>
compulsory audit of the annual financial statements / consolidated financial statements	945	994
other assurance services, including a review of financial statements/consolidated financial statements	939	988
tax advisory services	-	-
other services	-	-
<b>Total</b>	<b>1,884</b>	<b>1,982</b>

<b>Fee charged by the entity authorized to audit the PZU Group's financial statements (PLN 000s)</b>	<b>1 January – 31 December 2020</b>	<b>1 January – 31 December 2021</b>
audit of financial statements	8,698	9,345
other assurance services	4,901	5,718
<b>Total</b>	<b>13,599</b>	<b>15,063</b>

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## Main assumptions underlying the policy for selecting the audit firm

The following are among the main assumptions underlying PZU's policy for selecting the audit firm:

- ensuring that the process of selecting the audit firm is done correctly and determining the responsibility and the duties of the participants in this process,
- analyzing when selecting the audit firm the recommendations given by the Audit Committee,
- giving consideration to the rule of rotating the audit firm and the key statutory auditor in the embraced time horizon.

The main objectives of the policy for the provision of permitted non-audit services by the audit firm conducting the statutory audit, its related entities and by a member of the audit firm's network were as follows:

- ensuring correctness in the process of procuring permitted services;
- determining the responsibility and the duties of the participants in this process,
- defining the catalogue of permitted services,
- establishing the procedure for procuring permitted services.

## 8.4 PZU's share capital and shareholders

On 30 June 2015, PZU's Ordinary Shareholder Meeting adopted a resolution to split all PZU shares by decreasing the par value of each PZU share from PLN 1 to PLN 0.10 and increasing the number of PZU shares making up the share capital from 86,352,300 to 863,523,000 shares. The split was effected by exchanging all the shares at a ratio of 1:10 and did not affect the amount of PZU's share capital.

On 3 November 2015 the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register registered the pertinent amendment to PZU's Articles of Association.

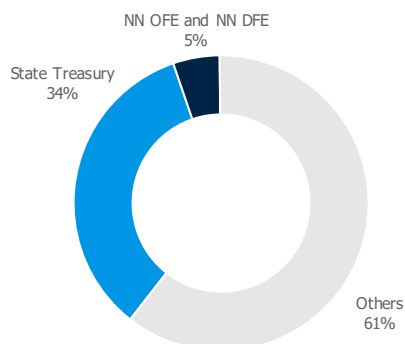
On 24 November 2015 the Management Board of the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych, "KDPW") adopted Resolution No. 789/15 on setting 30 November 2015 as the date for splitting 86,348,289 PZU shares with a par value of PLN 1 each into 863,482,890 PZU shares with a par value of PLN 0.10 each.

Accordingly, PZU's share capital is divided into 863,523,000 ordinary shares with a par value of PLN 0.10 each giving the right to 863,523,000 votes at the Shareholder Meeting.

As at 31 December 2021 and as at the date of publication of this report, PZU shareholders holding significant equity stakes were:

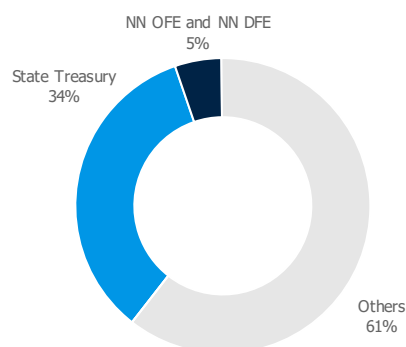
- The State Treasury of the Republic of Poland that holds 295,217,300 shares constituting 34.19% of PZU's share capital and giving it the right to 295,217,300 votes at the Shareholder Meeting;
  - Funds managed by Nationale-Nederlanden Powszechna Towarzystwo Emerytalne SA: Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open-end Pension Fund) and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (Voluntary Pension Fund) that held 45,167,000 shares at PZU's Extraordinary Shareholder Meeting held on 12 October 2021, constituting 5.2305% of PZU's share capital and giving it 45,167,000 votes at the Shareholder Meeting.
- The PZU Management Board does not have any information about executed agreements as a result of which changes may transpire in the future in the equity stakes held by its shareholders to date.

### PZU's shareholder structure as at 31 December 2021 as at 31 December 2021



Source: Current Report 38/2020 (data rounded to the nearest integer)

### PZU's shareholder structure as at 31 December 2021 as at 31 December 2020



Source: Current Report, 25/2021 (data rounded to the nearest integer)

PZU did not issue, redeem or repay any debt or equity securities and did not issue any securities that would provide its shareholders with special control rights.

In 2013-2021, PZU did not have any employee stock programs in place.

All PZU shares are ordinary shares with no preferential rights attached to them, in particular no special control rights. However, certain rights have been granted to some PZU shareholders by the Company's Articles of Association:

- in accordance with § 20 sec. 5 of the Articles of Association, half of Supervisory Board Members appointed by the Shareholder Meeting are elected from among persons proposed by the shareholder specified in § 37 sec. 2 of the Articles of Association, that is the shareholder who, on the date of adoption of the Shareholder Meeting resolution introducing this right holds the largest stake in the Company's share capital; this right is vested in the shareholder until its stake in the Company's share capital drops below 20%; in accordance with § 37 sec. 4 of the Articles of Association, upon expiration of the shareholder's right referred to in § 37 sec. 2 of the Articles of Association, this right is shifted to another shareholder then holding the largest stake in the Company's share capital, provided that this shareholder holds at least 20% of the share capital;
- in accordance with § 20 sec. 7 of the Articles of Association, the State Treasury has the right, in line with Article 354 § 1 of the Commercial Company Code, to appoint and dismiss one Supervisory Board Member by way of a written statement submitted to the Company's Management Board; such appointment or dismissal is effective upon delivery of the pertinent statement to the Company's Management Board and does not require a resolution of the Shareholder Meeting; this right of the State Treasury expires when the State Treasury ceases to be a shareholder of the Company; in accordance with § 20 sec. 12 sentence 2 of the Articles of Association, in the event of expiration of the mandate of at least one Supervisory Board Member elected by group voting, the State Treasury regains the individual right referred to in § 20 sec. 7.

Moreover, pursuant to § 16 sec. 5 of the Articles of Association, the shareholders' voting rights have been limited in such a manner that no shareholder may exercise more than 10% of the total number of votes in existence in PZU at its Shareholder Meeting on the date of holding a Shareholder Meeting subject to the reservation that for the purposes of determining

the obligations of the buyers of significant equity stakes contemplated by the Act on Public Offerings and the Insurance Activity Act, such limitation of voting rights shall be deemed not to exist. The restriction on voting rights does not apply to the following:

- shareholders who on the date of adopting the Shareholder Meeting resolution implementing this limitation were entitled to shares representing more than 10% of the total number of votes;
- shareholders acting with the shareholders specified in the item above pursuant to executed agreements pertaining to jointly exercising the voting rights attached to shares.

For the purpose of limiting voting rights, the votes of shareholders among whom there is a parent or subsidiary relationship are totaled in accordance with the rules described in the Articles of Association.

In the event of doubt, the provisions regarding the restriction on voting rights are subject to interpretation according to Article 65 § 2 of the Civil Code.

Pursuant to PZU's Articles of Association, these voting restrictions will expire starting from the moment when the equity stake held by the shareholder who held shares giving the right to more than 10% of the total number of votes in PZU when the Shareholder Meeting adopted the resolution drops below 5% of the Company's share capital.

#### **Shares or rights to shares held by members of management or supervisory bodies and PZU Group Directors**

As at the date of conveying this Activity Report, only Tomasz Kulik, Member of the PZU Management Board held 2,847 PZU shares, which the Company reported in current report 23/2018. No changes have transpired since the date of conveying the 2020 consolidated financial statements (i.e. 25 March 2021) with respect to members of the Management Board and Supervisory Board or PZU Group Directors holding PZU shares or rights to shares.

#### **Limitations on transferring the title to the issuer's securities**

The PZU Articles of Association contain no provisions restricting the transfer of the title to the issuer's securities. Nor are there any other known limitations arising from documents

# Corporate governance

other than the Articles of Association that would be applicable in this context, except for limitations resulting from generally applicable laws in precisely defined situations, in particular:

- limitations resulting from the provisions 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 (Journal of Laws of 2021, item 1983, 2140), namely:
  - from Article 75(4) – shares encumbered with a pledge, until the date of its expiration, may not be traded, except in a situation where the acquisition of such shares takes place in the performance of an agreement on the establishment of financial security within the meaning of the Act of 2 April 2004 on Certain Forms of Financial Security,
  - from Article 77(4) – temporary limitations on the acquisition or disposal of shares in the period between the notification of the intention to announce a public tender offer and the end of the public tender offer, applicable to the entities and to the extent specified therein,
  - from Article 88a – temporary limitations on the direct or indirect acquisition of or subscription for shares in a public company by an entity required to perform the obligations specified in Article 73(2) and (3) of the Act or Article 74(2) and (5) of the Act, which in the company in question exceeded the threshold of the total number of votes specified in these regulations – until the date of fulfillment of such obligations;
- limitations arising from Article 362 of the Commercial Company Code, regarding the prohibition of the acquisition of treasury shares by the issuer, except for the cases specified therein and limitations on the acquisition of the parent company's treasury shares by a subsidiary company or a subsidiary cooperative and persons acting on their behalf;
- limitations pertaining to the closed period referred to in Article 19 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse 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 (MAR) and insider dealing within the meaning of the provisions of MAR;
- possible objection by the regulatory authority, in the form of a decision, to the acquisition of or subscription for shares or rights attaching to shares in a domestic insurance undertaking in a quantity ensuring the achievement or exceeding of, as the case may be, one-tenth, one-fifth, one-third, one-second of the total number of votes at the Shareholder Meeting or of a stake in share capital – in accordance with Article 90(1) of the Act of 11 September 2015 on Insurance and Reinsurance Activity (Journal of Laws of 2021, item 1130, as amended), if:
  - the entity submitting the notification referred to in Article 82(1) failed to remove the deficiencies in its notification or in the documents or information attached to the notification within the prescribed time limit,
  - the entity submitting the notification referred to in Article 82(1) failed to provide additional information or documents required by the regulatory authority within the prescribed time limit,
  - it is justified by the need of prudent and stable management of the domestic insurance undertaking due to a possible impact of the entity submitting the notification referred to in Article 82(1) on the domestic insurance undertaking or due to the assessment of the financial standing of the entity submitting the notification;
- possible setting of a time limit for the acquisition of or subscription for shares or rights attaching to shares, by the regulatory authority, in accordance with Article 90(4) and (5) of the Act referred to in item 4, in a decision declaring the absence of grounds for filing an objection;
- possible issuance, by the regulatory authority, in accordance with Article 98(5) of the Act referred to in item 4, of a decision requiring the disposal of shares within the prescribed time limit in the event that the authority issues a decision prohibiting the exercise of voting rights attaching to shares in a domestic insurance undertaking for the reasons specified in Article 98(1) of this Act;
- prohibition to sell shares or rights attaching to shares held by the State Treasury under Article 13(1)(27) of the Act of 16 December 2016 on Rules for Managing State Property (consolidated text: Journal of Laws of 2021, item 1933, as amended); which prohibition, pursuant to Article 13(2)(2) of this Act, does not apply to the case referred to in Article 73(2)(2) of the Act referred to in item 1 (disposal of shares in a quantity resulting in the achievement of no more than 33% of the total number of votes).



## 8.5 Rules for amending PZU's Articles of Association

PZU's Articles of Association may be amended by the Shareholder Meeting provided that a resolution is adopted by a majority of three fourths of the votes, the Polish Financial Supervision Authority's approval is issued in the cases referred to in the Insurance and Reinsurance Activity Act and the amendments are entered in the National Court Register.

The Supervisory Board has the powers to approve the consolidated amended text.

## 8.6 Shareholder Meeting and shareholder rights

The Shareholder Meeting is PZU's highest corporate body. The method of operation and the rights of the Shareholder Meeting are regulated by the Commercial Company Code and PZU's Articles of Association. The PZU Ordinary Shareholder Meeting adopted its Rules and Regulations under Resolution No. 31/2018 of 28 June 2018.

The Shareholder Meeting is the body authorized to make decisions concerning issues related to the organization and operations of the Issuer. Resolutions of the Shareholder Meeting are adopted by an absolute majority of votes, except in cases provided for in the Commercial Company Code or the Articles of Association.

The powers of the Shareholder Meeting, in addition to those specified in the Commercial Company Code or the Articles of Association, include the adoption of resolutions concerning the following:

- examination and approval of the Management Board's report on the Company's activity and the Management Board's report on the activity of the PZU Group and the Company's financial statements and consolidated financial statements of the PZU Group for the previous financial year and granting a discharge to individual members of the Company's corporate bodies on the performance of their duties;
- review of the Management Board's report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services;

- issuing an opinion on the report on compensation for Management Board and Supervisory Board Members, pursuant to the Act on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies of 29 July 2005;
- distribution of profits or coverage of losses;
- decisions on claims to remedy damages incurred during the incorporation of the Company or in its administration or oversight;
- transfer or lease of a business or an organized part thereof or establishing a limited right in rem thereon;
- redemption of shares or issue of bonds;
- establishing reserve capital accounts and making decisions on their allocation or manner of allocation;
- split of the Company, merger of the Company with another company, winding up or dissolving the Company;
- appointment and dismissal of Supervisory Board Members, subject to the personal right granted to the State Treasury to appoint and dismiss one Supervisory Board Member;
- establishing the rules for remunerating Supervisory Board Members;
- acquisition or disposal by the Issuer of real property, perpetual usufruct or share in a real property or perpetual usufruct with a value exceeding the equivalent of the gross amount of EUR 30,000,000.

Shareholder Meeting resolutions concerning the following issues require a three-fourths majority of votes:

- amendments to the Articles of Association;
- decrease in the share capital;
- transfer or lease of a business or an organized part thereof or establishing a limited right in rem thereon.

A majority of 90% of votes at the Shareholder Meeting is required to pass resolutions relating to the following:

- preference shares;
- Issuer's business combination by transferring all its assets to another company;
- merger by forming a new company;
- dissolving the Company, also as a result of moving its registered office or head office abroad;
- liquidation, transformation or reduction in the share capital through the redemption of a portion of shares without a concurrent capital increase.

A Shareholder Meeting is held:

- As an Ordinary Shareholder Meeting which should be held within six months from the end of each financial year;

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- As an Extraordinary Shareholder Meeting which is convened in cases specified in the generally applicable law and the Articles of Association.

The Management Board convenes an Extraordinary Shareholder Meeting at its own initiative or in response to a written motion submitted by the Supervisory Board, a shareholder or shareholders representing at least 1/20th of the share capital. A motion can be filed electronically.

The Supervisory Board convenes:

- an Ordinary Shareholder Meeting if the Management Board fails to convene an Ordinary Shareholder Meeting by the deadline required by law;
- an Extraordinary Shareholder Meeting if it deems that to be necessary;
- an Extraordinary Shareholder Meeting if the Management Board fails to convene an Extraordinary Shareholder Meeting in response to a motion submitted by an eligible shareholder, eligible shareholders or the Supervisory Board within fourteen days after the motion is filed.

Shareholders representing at least one-half of the share capital or at least one-half of the total number of votes in the Company may convene an Extraordinary Shareholder Meeting. These shareholders designate the Chair of this meeting.

Shareholder Meetings are held in Warsaw and convened by placing an announcement on PZU's website in accordance with the method for providing current information specified in the Act on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies of 19 July 2005 in the form of current reports. Such announcement should be made not later than 26 days before the date of the Shareholder Meeting. The announcement and materials presented to shareholders are available on the date of convening the Shareholder Meeting on PZU's corporate website in the "Investors relations" section under the "Shareholder Meeting" tab.

The person convening the Shareholder Meeting may decide on participation in the Shareholder Meeting using means of electronic communication.

A duly convened Shareholder Meeting is deemed valid regardless of the number of attending shareholders.

All the matters submitted by the Management Board to the Shareholder Meeting should be first presented to the Supervisory Board to be examined and get an opinion. The Supervisory Board's opinions are presented to the Shareholder Meeting no later than prior to the opening of the shareholder meeting along with other documents conveyed to the shareholders participating in the Shareholder Meeting and are available on the company's website.

Resolutions are passed in an open ballot. A secret ballot is ordered in elections or on motions to dismiss members of the Issuer's corporate bodies or liquidators, in matters concerning their personal liability to the Company as well as in other personal matters or, excluding cases when voting by open ballot ensues from a statute, at the request of at least one of the shareholders attending or represented at the Shareholder Meeting.

Shareholder rights and the method of exercising them at the Shareholder Meeting are specified in the Commercial Company Code and the Articles of Association. Only persons who were shareholders of the Issuer 16 days prior to the date of the Shareholder Meeting have the right to participate in the Meeting (date of registration of attendance at the Meeting).

Shareholders may attend the Shareholder Meeting and exercise the right to vote in person or through a proxy. A legal proxy document to participate in the Shareholder Meeting and exercise the voting right must be granted in writing or electronically.

One PZU share gives the right to a single vote, subject to restrictions on exercising the voting rights described in the Articles of Association. A shareholder may vote differently from each of the shares held by it.

According to the Articles of Association, the shareholders' voting right shall be restricted in a way that no shareholder may exercise at the Shareholder Meeting more than 10% of the overall number of votes existing in the Company on the date of the Shareholder Meeting, except that, for the purposes of determining the obligations of the buyers of large blocks of shares according to 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 and the Insurance and Reinsurance Activity Act of 11 September 2015, such restriction of the voting right will be deemed non-existent. The restriction on voting rights does not apply to the following:



- shareholders who on the date of adopting a Shareholder Meeting resolution implementing this limitation were entitled to shares representing more than 10% of the total number of votes in existence in the Company;
- shareholders acting with the shareholders specified in item 1 pursuant to executed agreements pertaining to jointly exercising the voting rights attached to shares.

During the Shareholder Meeting, each shareholder may provide draft resolutions concerning items on the agenda.

In accordance with the Commercial Company Code, detailed procedures concerning participation in the Shareholder Meeting and exercising voting rights are always presented in an announcement of the Shareholder Meeting published on the date of convening the Shareholder Meeting on PZU's corporate website in the "Investors relations" section under the "Shareholder Meeting" tab.

#### Activity in 2021

In 2021, the Ordinary Shareholder Meeting and the Extraordinary Shareholder Meeting of PZU were held.

In addition to the matters provided for in Article 395 § 2 and 5 of the Commercial Company Code (that is examination and approval of the Management Board's report on the company's activity and financial statements for the previous financial year, adoption of a resolution on the distribution of profit, granting of a discharge to members of the Company's corporate bodies on the performance of their duties, review and approval of the group's financial statements), the agenda of the Ordinary Shareholder Meeting concerned:

- changes in the composition of the Supervisory Board;
- issuing an opinion on the PZU Supervisory Board Report on Compensation of PZU Management Board and Supervisory Board Members for 2019-2020;
- PZU adopting the Rules for assessment of suitability of the PZU SA Supervisory Board and Audit Committee and the PZU SA Supervisory Board's report on the results of assessment of suitability of the PZU Supervisory Board and Audit Committee and confirmation of the results of the suitability assessments conducted by the PZU Supervisory Board.

The adoption of the Rules for assessment of suitability of the PZU SA Supervisory Board and Audit Committee was to implement in PZU the Methodology of assessment of

suitability of members of corporate bodies of regulated entities addressed by the Polish Financial Supervision Authority to financial market entities, including insurance companies. The methodology contains a presentation of assumptions for a model suitability assessment process of the management board members and supervisory board members of the financial market, including the prerequisites for conducting the assessment process, the assessment criteria, the supporting tools and effects of the assessment in respect to:

- primary assessment of candidates for members of corporate bodies;
- secondary assessment of members of corporate bodies, and
- collective assessment of the corporate bodies.

The agenda of the Extraordinary Shareholder Meeting contained an item on changes in the composition of the Supervisory Board.

## 8.7 Supervisory Board and Management Board

### Composition of the Supervisory Board

The Supervisory Board is composed of seven to eleven Members. The number of Supervisory Board Members is specified by the Shareholder Meeting.

Members of the Supervisory Board are appointed by the Shareholder Meeting for a joint term of office which lasts three consecutive full financial years. At least one Supervisory Board Member must hold qualifications in accounting or auditing financial statements within the meaning of the Act on Statutory Auditors, Audit Firms and Public Supervision. At least two Supervisory Board Members must meet the independence criteria set forth in the Best Practices of WSE Listed Companies adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange). Independent members of the Supervisory Board submit a written representation to the Company on meeting all the independence criteria and an obligation to notify the Company immediately about ceasing to meet such criteria.

The Articles of Association give the State Treasury the right to appoint and dismiss one Supervisory Board Member by way of a written statement submitted to the Management Board. This right will expire if the State Treasury ceases to be a Company shareholder. A candidate to be a Supervisory Board Member named by the State Treasury should meet the requirements set

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forth in Article 19 of the Act of 16 December 2016 on Rules for Managing State Property. According to this article, the entity eligible to exercise the rights to shares owned by the State Treasury or a state legal person as a candidate to be a member of the supervising body designates a person holding a positive opinion from the Council for companies with State Treasury shareholding and state legal persons who:

- holds the pertinent education and experience supported by an academic title or certificate enumerated in a law;
- is not employed by the company, does not do work for it, or provide services to it, on the basis of some other legal relationship;
- does not hold shares in a subsidiary except for shares permitted to be traded on a regulated market within the meaning of the Financial Instruments Trading Act of 29 July 2005;
- is not engaged in activities that are at odds with his/her duties as a member of a supervising body or that could evince a suspicion of partiality or interest or generate a conflict of interest with the company's business;
- meets the requirements for a member of a supervising body as laid down in separate regulations.

The Supervisory Board elects the Supervisory Board Chairperson and Supervisory Board Deputy Chairperson from among its Members.

The Supervisory Board may elect the Supervisory Board Secretary from among its Members. The Supervisory Board Secretary supports the Supervisory Board Chairperson in discharging his/her duties specified in the Supervisory Board Rules and Regulations, in particular by:

- organizing the work of the Supervisory Board;
- supervising over the organizational and technical support for Supervisory Board meetings;
- ensuring that minutes of meetings of the Supervisory Board are kept;
- presenting draft reports prepared by the Supervisory Board as required by Company's Articles of Association.

The mandate of a Supervisory Board Member expires at the end of his or her term of office or as a result of his or her demise, resignation or dismissal from the Supervisory Board.

## Changes in composition of the PZU Supervisory Board in 2021

As at 1 January 2021, the following persons sat on the PZU Supervisory Board:

- Maciej Łopiński – Supervisory Board Chairman;
- Paweł Górecki – Supervisory Board Deputy Chairman;
- Robert Śnitko – Supervisory Board Secretary;
- Marcin Chludziński – Supervisory Board Member;
- Agata Górnicka – Supervisory Board Member;
- Robert Jastrzębski – Supervisory Board Member;
- Tomasz Kuczur – Supervisory Board Member;
- Elżbieta Mączyńska-Ziemacka – Supervisory Board Member;
- Krzysztof Opolski – Supervisory Board Member;
- Józef Wierzbowski – Supervisory Board Member;
- Maciej Zaborowski – Supervisory Board Member.

On 7 June 2021, Maciej Łopiński submitted his resignation from serving in the capacity of Chairman of the PZU Supervisory Board and from membership in the Supervisory Board.

Accordingly, from 8 June 2021 the Supervisory Board's composition was as follows:

- Paweł Górecki – Supervisory Board Deputy Chairman;
- Robert Śnitko – Supervisory Board Secretary;
- Marcin Chludziński – Supervisory Board Member;
- Agata Górnicka – Supervisory Board Member;
- Robert Jastrzębski – Supervisory Board Member;
- Tomasz Kuczur – Supervisory Board Member;
- Elżbieta Mączyńska-Ziemacka – Supervisory Board Member;
- Krzysztof Opolski – Supervisory Board Member;
- Józef Wierzbowski – Supervisory Board Member;
- Maciej Zaborowski – Supervisory Board Member.

On 16 June 2021, the PZU Ordinary Shareholder Meeting appointed Paweł Mucha to the Supervisory Board. On the same day, the Supervisory Board appointed Paweł Mucha the Chairman of the Supervisory Board.

Accordingly, from 16 June 2021 the Supervisory Board's composition was as follows:

- Paweł Mucha – Supervisory Board Chairman;
- Paweł Górecki – Supervisory Board Deputy Chairman;
- Robert Śnitko – Supervisory Board Secretary;



## PZU's Supervisory Board composition as at 31 December 2021

Name	Period of acting in the capacity of a PZU Supervisory Board Member
Paweł Mucha	Supervisory Board Chairman since 16 June 2021 (on the Supervisory Board since 16 June 2021)
Paweł Górecki	Supervisory Board Deputy Chairman since 9 January 2018 (on the Supervisory Board since 8 February 2017)
Robert Śnitko	Supervisory Board Secretary since 28 April 2020 (in the Supervisory Board since 12 April 2017)
Marcin Chludziński	Supervisory Board Member since 7 January 2016
Agata Górnicka	Supervisory Board Member since 8 February 2017
Robert Jastrzębski	Supervisory Board Member since 9 March 2018
Elżbieta Mączyńska-Ziemacka	Supervisory Board Member since 24 May 2019
Krzysztof Opolski	Supervisory Board Member since 24 May 2019
Radosław Sierpiński	Supervisory Board Member since 12 October 2021
Józef Wierzbowski	Supervisory Board Member since 26 May 2020
Maciej Zaborowski	Supervisory Board Member since 7 January 2016

- Marcin Chludziński – Supervisory Board Member;
- Agata Górnicka – Supervisory Board Member;
- Robert Jastrzębski – Supervisory Board Member;
- Tomasz Kuczur – Supervisory Board Member;
- Elżbieta Mączyńska-Ziemacka – Supervisory Board Member;
- Krzysztof Opolski – Supervisory Board Member;
- Józef Wierzbowski – Supervisory Board Member;
- Maciej Zaborowski – Supervisory Board Member.
- Agata Górnicka – Supervisory Board Member;
- Robert Jastrzębski – Supervisory Board Member;
- Elżbieta Mączyńska-Ziemacka – Supervisory Board Member;
- Krzysztof Opolski – Supervisory Board Member;
- Radosław Sierpiński – Supervisory Board Member;
- Józef Wierzbowski – Supervisory Board Member;
- Maciej Zaborowski – Supervisory Board Member.

On 11 October 2021, Mr. Tomasz Kuczur tendered his resignation from membership in the PZU SA Supervisory Board, effective as of 11 October 2021.

On 12 October 2021, the Extraordinary Shareholder Meeting of PZU appointed Radosław Sierpiński to the PZU Supervisory Board.

Accordingly, from 12 October 2021 the Supervisory Board's composition was as follows:

- Paweł Mucha – Supervisory Board Chairman;
- Paweł Górecki – Supervisory Board Deputy Chairman;
- Robert Śnitko – Supervisory Board Secretary;
- Marcin Chludziński – Supervisory Board Member;

The current term of office of the PZU Supervisory Board will end after the elapse of three full financial years, i.e. on 31 December 2022. 2020 was the first full financial year. The mandates of Supervisory Board members will expire no later than on the date of the Shareholder Meeting approving the financial statements for the last full financial year in which they serve in their capacity, i.e. for 2022.

Paweł Mucha, Robert Śnitko, Robert Jastrzębski, Elżbieta Mączyńska-Ziemacka, Krzysztof Opolski, Józef Wierzbowski and Maciej Zaborowski submitted representations that they meet the independence criteria set forth in the Best Practices of WSE Listed Companies adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange).

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## **Paweł Mucha**

### **Supervisory Board Chairman**

On the Supervisory Board since 16 June 2021.

Attorney-at-law, graduated from the Faculty of Law and Administration at the Adam Mickiewicz University in Poznań. Social adviser to Andrzej Duda, the President of Poland and Adviser to Adam Glapiński, the President of the National Bank of Poland. From 2016 to 2020 he was the Secretary of State in the Office of the President of the Republic of Poland and from 2017 to 2020 the Deputy Head of the Office of the President of the Republic of Poland. Councillor (radny) of the Zachodniopomorskie Voivodeship assembly. He has gained experience in supervisory and control authorities in providing legal services to businesses, including companies of vital importance for the state economy, individuals and organizational units of local governments. From July 2010 to December 2016 he ran an independent legal practice. In 2016 he was entered in the list of non-practicing attorneys. University teacher.



## **Paweł Górecki**

### **Supervisory Board Deputy Chairman**

On the Supervisory Board since 8 February 2017

Doctor of juridical science and attorney-at-law Graduated from the Faculty of Law, Administration and Economics of the University of Wrocław. He attended numerous training courses and workshops in law of evidence, civil and penal law and management of public entities. He has authored several dozen peer-reviewed papers on the subject of law published by Polish and international journals. He specializes in corporate law, the capital market and the application of court and administrative procedures. Member of supervisory boards of several capital companies. Currently, Vice-President of the KDPW S.A. Management Board and Supervisory Board Deputy Chairman of ARP Leasing Sp. z o.o.



## **Robert Śnitko**

### **Supervisory Board Secretary**

On the Supervisory Board since 12 April 2017.

Graduate of the London School of Economics and Political Science, University of London, School of Oriental and African Studies, University of London, Faculty of Economics at the Radom Technical University. Holder of a Scholarship awarded by the Minister of National Education (Minister of Science and Higher Education), the United Kingdom's Ministry of Foreign Affairs and non-governmental organizations from the United Kingdom and the United States. Ph.D. in economics obtained from the Warsaw School of Economics. University teacher, advisor to the Management Board of Totalizator Sportowy Sp. z o.o. Member of the International Institute for Strategic Studies.



## **Marcin Chłodziński**

### **Supervisory Board Member**

On the Supervisory Board since 7 January 2016

Graduate of the Social Policy Institute at the University of Warsaw. Completed MBA studies at the Institute of Economics of the Polish Academy of Sciences. He worked for the University of Warsaw, the Collegium Civitas and the Łazarski University as a lecturer. President of the Management Board of KGHM Polska Miedź S.A. since June 2018. Previously, from January 2016 to June 2018 he served as the President of the Management Board of Agencja Rozwoju Przemysłu S.A. where He was in charge of restructuring processes, mergers and acquisitions. He defined the strategic directions of growth for Agencja Rozwoju Przemysłu S.A. He was in charge of restructuring projects involving such companies as Przewozy Regionalne, H. Cegielski – FPS and ŚKSM, among others. President of the Republican Foundation (an economic think tank) in 2011-2015. Since 2005 he has been sitting on management boards and supervisory boards of commercial law companies. An experienced manager in the field of strategic consulting and corporate governance. He specializes in development-oriented restructuring of enterprises and capital investments.



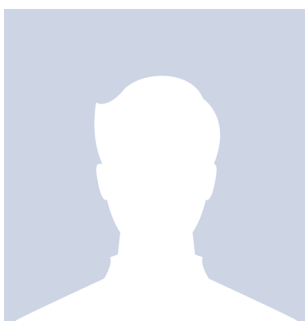


### **Agata Górnicka**

#### **Supervisory Board Member**

On the Supervisory Board since 8 February 2017

Master's degree in political science from the Faculty of Journalism and Political Science at the University of Warsaw. Graduate of a post-graduate study program in media management from the Kozminski University. She acquired her professional experience as follows: Telewizja Polska S.A. (2006-2012), Project Coordinator in the Bank Zachodni WBK S.A. Foundation (2012-2013) and then as the CEO's Assistant in Bank Zachodni WBK S.A. (2013-2014) and later as the Manager of the Management Board and Supervisory Board Office in Bank Zachodni WBK S.A. (2014-2015). Director of the Political Office in the Ministry of Development in 2015-2017 and chief advisor in the Office of the Prime Minister in 2017-2018. Since April 2018 Director of the External Relations Office in PKN ORLEN S.A. and Chairwoman of the ORLEN Foundation's Supervisory Board. In October 2019 she started to serve as a member of the Supervisory Board of ORLEN Deutschland GmbH.



### **Robert Jastrzębski**

#### **Supervisory Board Member**

On the Supervisory Board since 9 March 2018

Graduated from the Faculty of Law and Administration at the University of Warsaw. In 2001 he was granted a doctoral degree in juridical science and in 2009 a habilitated Ph.D. degree. Affiliated with the Faculty of Law and Administration at the University of Warsaw since 2001. He became a professor at the university in 2019. Authored about 100 academic publications. Recipients of awards and distinctions, including Awards from the Faculty of Law and Administration at the University of Warsaw for outstanding scholarly achievements and the Team Award granted by the Rector of the Warsaw School of Economics, an Award from the Rector of the University of Warsaw for activity that contributes to growth and improves the recognition of the University of Warsaw. Since 2015, Head of the Laboratory of Polish 20th Century Law and since 2019 Head of the History of Administration Department. Member of: among others, the editorial committee of the journal "Studia z Dziejów Państwa i Prawa Polskiego" [Studies in the History of Polish State and Law] (2015), the editorial team of the journal "Zeszyty Naukowe Biura Analiz Sejmowych" [Scholarly Papers of the Sejm Analysis Office] (2016) and the program board of the "Marketing i Rynek" [Marketing and Market] journal (2019).



### **Elżbieta Mączyńska-Ziemacka**

#### **Supervisory Board Member**

On the Supervisory Board since 24 May 2019

Graduate of the Faculty of Economics at the University of Warsaw. Professor of economic science. The author of econometric models for predicting bankruptcies in enterprises and of a concept of early warning systems pinpointing threats to business activity. Head of the postgraduate course: Real Estate Valuation held by the Institute of Corporate and Investment Finance at the Business Administration College of the Warsaw School of Economics. A member of the Presidium of the "Poland 2000 Plus" Forecasting Committee, the Economics Committee of the Polish Academy of Sciences and the Academic Council of the Institute of Economics of the Polish Academy of Sciences. In 2005-2021 the President of the Polish Economic Society, currently the honorary president. Member of the Supervisory Board of Polski Bank Rozwoju S.A. in 1996-1998 and in 2005-2007 member of the Supervisory Board of BGŻ S.A. From June 2013 until August 2020 member of the Supervisory Board of PKO BP S.A. In 1994-2005 she acted as the scientific secretary and member of the Executive of the Socio-Economic Strategy Council of the Council of Ministers. She was a member of the National Development Council established by the President of the Republic of Poland.

# Corporate governance



## **Krzysztof Opolski**

### Supervisory Board Member

On the Supervisory Board since 24 May 2019

Ordinary professor, habilitated doctor of economic sciences. Former head of the Department of Banking, Finance and Accounting at the Faculty of Economics of the University of Warsaw. Founder and long-term editor-in-chief of the journal *Ekonomia. Rynek, gospodarka, społeczeństwo*. [Economy. Market, Economic System, Society]. The concept author and head of numerous post-graduate studies, including “Strategic audit in public and private institutions”, “Economic efficiency of businesses”. Chief Editor of the journal “MAZOWSZE – Studia Regionalne” [“MAZOVIA – Regional Studies”], member of the Editorial Board of the journal “Bezpieczny Bank” [“Safe Bank”] journal, a member of the Academic Councils of the “Central European Economic Journal” and “E-Finance” [“E-Finances”]. A former member of the supervisory boards of Bank Handlowy S.A., AXA Polska S.A. and Centrum Giełdowe S.A. In 2009-2010 he managed the team of strategic advisors to the President of the National Bank of Poland. Chairman of the Business Award Jury of the President of the Republic of Poland, Deputy Chairman of the Polish Economic Exhibition jury and a member of the “Teraz Polska” Contest Jury. He is a published author of numerous books and academic articles on finance and management.



## **Radostaw Sierpiński**

### Supervisory Board Member

On the Supervisory Board since 12 October 2021

President of the Medical Research Agency. Prime Minister’s Plenipotentiary for the Development of the Biotechnology Sector and Poland’s Independence in Blood Derivative Products. Physician and manager, specializing in medical management, clinical research, HTA and science management. He has extensive research and development experience in biotechnology and has extensive contacts with international scientific and health management institutions.



## **Józef Wierzbowski**

### Supervisory Board Member

On the Supervisory Board since 26 May 2020

Graduate of the Maria Grzegorzewska Academy of Special Education. He completed an MBA at the Apsley Business School of London and Warsaw Management University. He has 30 years of experience in managerial positions in national and local government administration and in companies in which the State Treasury is a shareholder. He served as an advisor to the Management Board and as Deputy Director of the Audit Department in PZU SA in 2007 and 2008. He has many years of experience in supervisory boards. He sat in the Supervisory Board of BondSpot S.A. in 2016-2017 and he currently sits in the Supervisory Board of GPW Benchmark S.A. and in the Supervisory Board of System Gazociągów Tranzytowych “Europol Gaz” S.A. He is the Director of the Corporate Management Division in PGNiG Termika S.A.



## **Maciej Zaborowski**

### Supervisory Board Member

On the Supervisory Board since 7 January 2016

Graduated from the Faculty of Law and Administration at the University of Warsaw. Completed post-graduate studies in intellectual property law and postgraduate studies in evidentiary law. He also graduated from the Harvard Law School (ALP), Center for American Law Studies and the Leadership Academy for Poland. Advocate, Ministry of Justice expert and standing mediator at the Court of Arbitration in the General Counsel to the Republic of Poland. Lecturer in the Warsaw Bar Association. He runs his own legal practice and is the Managing Partner in the law firm Kopeć Zaborowski Adwokaci i Radcowie Prawni sp.p. Member of the State Tribunal since February 2018. He has acquired experience in corporate governance as a member of supervisory boards in various companies.



### Supervisory Board's powers

The Supervisory Board exercises permanent supervision over the Company's operations in all areas of its activity. The powers of the Supervisory Board include:

- evaluating the Management Board's report on the Company's activity and the Management Board's report on the activity of the PZU Group and the Company's financial statements and consolidated financial statements of the PZU Group for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;
- approving the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU group;
- preparing an annual report on compensation for Management Board and Supervisory Board members on the rules laid down in Article 90g section 1-5 of the Act on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies of 29 July 2005;
- evaluating the Management Board's motions to distribute the profit or cover the loss;
- submitting a written report to the Shareholder Meeting on the results of the evaluation referred to in the foregoing items and submitting a concise annual evaluation of the Company's standing with an assessment of its internal control system and the system for managing significant risks to the Company, and an annual report on the Supervisory Board's work;
- concluding, terminating and amending agreements with Management Board Members and setting the rules for their compensation, giving consideration to the rules defined by the Shareholder Meeting, in accordance with § 18 item 12 of the Articles of Association;
- appointing, suspending and dismissing the President of the Management Board, Management Board Members or the entire Management Board and making decisions to discontinue such a suspension;
- granting consent to transferring an insurance portfolio in its entirety or in part;
- giving consent to the acquisition, subscription for or disposal of ownership interests and shares in companies and on the Company's participation in other entities – the Supervisory Board may define the maximum amount, the terms and conditions and the procedure that the Management Board may use to conduct the foregoing activities without the obligation to obtain an approval from the Supervisory Board, except that the following require approval of the Supervisory Board:
  - subscription for or acquisition of shares or ownership interests in another company, with the value exceeding:
    - PLN 100,000,000, or
    - 10% of total assets within the meaning of the Accounting Act of 29 September 1994,
  - determined on the basis of the most recent approved financial statements,
  - disposal of shares or ownership interests in another company, with the market value exceeding:
    - PLN 100,000,000, or
    - 10% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements;
  - seconding Supervisory Board Members to perform temporarily the functions of Management Board Members who have been dismissed, resigned or are unable to perform their functions for other reasons;
  - accepting instructions on how the Company's representatives should vote at Shareholder Meetings of PZU Życie SA in matters on increasing or decreasing the share capital, issuing bonds, selling or leasing PZU Życie SA's enterprise or establishing a usufruct right on the enterprise, dividing PZU Życie SA, merging PZU Życie SA with another company, liquidating or dissolving PZU Życie SA;
  - selecting the audit firm to carry out the mandatory audit of the financial statements, including the annual financial statements of the Company and the annual consolidated financial statements of the PZU Group and the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU Group, and reviews of the financial statements in accordance with the obligations following from the prevailing laws;
  - deciding on the consolidated text of the revised Articles of Association;
  - approving the Company's long-term development plans and annual financial plans prepared by the Management Board;
  - approving the Rules and Regulations of the Management Board;
  - performing tasks resulting from the guidelines or recommendations of regulatory authorities, in particular the Polish Financial Supervision Authority, adopted in the Company;
  - examining and consulting matters submitted by the Management Board for deliberation at the Shareholder Meeting.

# Corporate governance

Moreover, one of the Supervisory Board's powers is to give consent to the following:

- acquisition or disposal of real property, perpetual usufruct or share in a real property or perpetual usufruct with a value exceeding the equivalent of EUR 3,000,000;
- execution, by the Company and a related party, of a material transaction of the kind referred to in Article 90i(3) 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, taking into account the exclusions and specific regulations in this respect laid down in Chapter 4b of this Act;
- consent for the Issuer to enter into an agreement with an underwriter of the kind referred to in Article 433 § 3 of the Commercial Company Code;
- paying out an interim dividend;
- creating and shutting down regional or foreign branches;
- executing an agreement to provide legal, marketing, public relations and public communication services or management consulting services if the total net fee to be paid for such services under this agreement or other agreements executed with the same entity is greater than PLN 500,000 annually;
- amending an agreement to provide legal, marketing, public relations and public communication services or management consulting services by increasing the said fee above the net amount of PLN 500,000 thousand annually;
- executing an agreement to provide legal, marketing, public relations and public communication services and management consulting services which do not specify the maximum amount of the fee;
- executing a donation or other agreement having a similar effect, the value of which exceeds PLN 20,000 thousand or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements;
- executing a debt release agreement or another agreement having a similar effect, the value of which exceeds PLN 50,000 or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements;
- subject to § 18 item 11 of the Articles of Association, the disposal of non-current assets within the meaning of the Accounting Act of 29 September 1994 classified as intangible assets, property, plant and equipment or long-term investments, including contribution to a company or a cooperative – if the market value of those assets exceeds 5% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements; and also handing those assets over for use to another entity for a period longer than 180 days in a calendar year based on a legal act, if the market value of the subject matter of the legal act exceeds 5% of total assets, whereas the handing over of assets for use in the case of:
  - lease, rental and other agreements to hand over an asset for use to other entities against payment, the market value of the subject matter of a legal act is defined as the value of benefits for:
    - one year if the asset is handed over on the basis of contracts entered into for an unspecified term,
    - the full duration of the term of validity in the case of contracts entered into for an unspecified term,
  - lending for use agreements and other agreements to hand over an asset to other entities for gratuitous use, the market value of the subject matter of a legal act is defined as the value of benefits that would be due if a lease or rental agreement was executed instead, for:
    - one year if the asset is to be handed over on the basis of a contract entered into for an unspecified term,
    - the full duration of the term of validity in the case of contracts executed for an unspecified term;
- subject to § 18 item 11, the acquisition of non-current assets within the meaning of the Accounting Act of 29 September 1994, with the value exceeding:
  - PLN 100,000,000, or
  - 5% of total assets within the meaning of the Accounting Act of 29 September 1994, determined on the basis of the most recent approved financial statements.

## Supervisory Board's method of operation

The Supervisory Board adopts the Rules and Regulations of the Supervisory Board which define its organization and manner of acting. The current Rules and Regulations, adopted by a Supervisory Board resolution of 9 September 2020, define the composition and manner of appointing members to the





Supervisory Board, the tasks and scope of its operations and the procedure for convening and conducting meetings.

The Supervisory Board is required to meet at least once every quarter. Supervisory Board Members may participate in the Supervisory Board meeting using means of direct remote communication. The Supervisory Board may delegate its Members to fulfil specific supervising activities on their own and to this effect appoint temporary committees. The scope of responsibility of a delegated Supervisory Board Member and the committee is specified in a resolution of the Supervisory Board. The Supervisory Board adopts its resolutions by an absolute majority of votes. In the event of a voting tie, the Chairman of the Supervisory Board has the casting vote. Resolutions of the Supervisory Board may be adopted using means of direct remote communication and circular vote. Additionally, the Articles of Association stipulate that a vote may be cast in writing through another Supervisory Board Member.

The Supervisory Board adopts its resolutions in an open ballot. A secret ballot should be held at the request of even a single Supervisory Board Member.

Members of the Management Board, PZU's employees relevant to the issue under consideration selected by the Management Board and other persons invited by the Supervisory Board may take part in the meetings of the Supervisory Board without the right to vote. In specific cases, the Supervisory Board may also invite members of management boards or supervisory boards of other PZU Group member companies. Moreover, Supervisory Board Members, with the consent of the Supervisory Board, may select no more than one advisor authorized to take part in the meetings of the Supervisory Board devoted to reports and financial statements and give their advice, provided that such a person adheres to the rules of confidentiality and signs a confidentiality undertaking.

To properly perform its supervisory function, the Supervisory Board may establish permanent advisory and consultative committees whose competencies, composition and manner of operation will be laid down in the rules and regulations of the committee in question adopted by the Supervisory Board. The Supervisory Board and its committees may use the services of experts and consulting firms.

Currently, the following committees operate within the Supervisory Board:

- Audit Committee;
- Nomination and Compensation Committee,
- Strategy Committee.

### **Supervisory Board's activity in 2021**

The Supervisory Board held 14 meetings in 2021 at which it adopted 142 resolutions. It also adopted 8 resolutions between meetings by written procedure. These resolutions pertained to all the areas of the Company's business and were consistent with the scope of oversight functions defined by the requirements of the generally binding law, the Insurance and Reinsurance Activity Act of 11 September 2015, KNF's recommendations, corporate governance rules and the ones described in PZU's Articles of Association and the Supervisory Board Rules and Regulations.

At its meetings held in 2021, the Supervisory Board regularly reviewed and evaluated the performance of both the PZU Group and its distinct business divisions in relation to the financial plan. The Supervisory Board also discussed and accepted other legally-required detailed reports on various areas of the Company's business, including, among others, regular reports on risk, compliance, audit and IT security. On top of that, the Supervisory Board monitored the execution of the PZU Group Strategy for 2021–2024 on an ongoing basis.

The Supervisory Board was also informed about the actions implemented by the Company in connection with the COVID-19 pandemic.

Due to the pandemic Supervisory Board meetings in 2021 were held in the hybrid form – some Supervisory Board Members participated in the meetings on site and some remotely.

During regular meetings held in 2021 the Supervisory Board's committees discussed in detail the most important issues relating to the various areas of the company's business, which must be approved by the Supervisory Board in accordance with the prevailing regulations.

### **Audit Committee**

The Audit Committee was appointed by a Supervisory Board resolution of 3 June 2008.

# Corporate governance

## Attendance of Members in Supervisory Board meetings in 2021

	Attendance at meetings	Number of meetings over the time of performing the mandate
Maciej Łopiński (until 7 June 2021)	7	7
Paweł Mucha (from 16 June 2021)	6	6
Paweł Górecki	13	14
Robert Śnitko	14	14
Marcin Chłudziński	12	14
Agata Górnicka	14	14
Robert Jastrzębski	14	14
Tomasz Koczur (until 11 October 2021)	12	12
Elżbieta Mączyńska-Ziemacka	14	14
Krzysztof Opolski	14	14
Radosław Sierpiński (from 12 October 2021)	2	3
Józef Wierzbowski	14	14
Maciej Zaborowski	13	14

The Audit Committee includes at least three members. Pursuant to the Act of 21 June 2017 on Statutory Auditors, Audit Firms and Public Supervision, at least one member of the Audit Committee appointed by the Supervisory Board should hold qualifications in accounting or auditing financial statements. Furthermore, the majority of the Audit Committee members, including the chairperson, should meet the statutory independence criteria (independent member) concerning, without limitation, professional or family ties, especially to managers or supervisors of PZU or PZU Group entities. The detailed tasks and terms and conditions of appointing members of the Audit Committee and its operation are specified in a resolution of the Supervisory Board which takes into account the relevant competencies and experience of candidates for members of the Committee.

The Audit Committee is an advisory and consultative body to the Supervisory Board and is appointed to improve the effectiveness of the Supervisory Board's oversight activities in respect of the correctness of financial reporting, the effectiveness of internal control system, including internal audit, and the risk management system. In addition, the Audit Committee may request the Supervisory Board to request specific control activities in the Company, whereby the requested activities may be performed by an internal unit or external entity.

The scope of the Audit Committee's activities comprises:

- monitoring the Company's financial reporting process,
- monitoring the effectiveness of internal control, internal audit and risk management systems, including as regards financial reporting;



- monitoring the performance of financial audit activities in the Company, in particular conducting the audit by the audit firm, taking into account the findings and conclusions of the Polish Audit Supervision Agency following from an inspection carried out in the audit firm;
- assessing the independence of the statutory auditor and the audit firm;
- providing advice and issuing opinions within the scope of the Supervisory Board's powers relating to the activities specified in the four items above and to the extent permitted by the prevailing provisions of law and the Company's internal regulations;
- presenting a recommendation regarding the selection of an audit firm to perform the audit and review of the financial statements to the Supervisory Board;
- controlling and monitoring the independence of the statutory auditor and the audit firm, including giving consent to the audit firm conducting the audit, its related entities and by a member of the audit firm's network to provide permitted services in the Company or entities from the Company group, upon assessing the threats and safeguards of the independence of the statutory auditor and the audit firm and verification of the compensation limit for the provided services;
- informing the Supervisory Board of the results of the audit and review and explaining how the audit has contributed to reliability of the financial reporting in the Company and the Company group, and the role of the Committee in the audit process;
- developing a policy for the selection of an audit firm to perform the audit;
- developing a policy for provision of permitted services by the audit firm conducting the audit, its related entities and by a member of the audit firm's network;
- defining a procedure for the selection of an audit firm;
- submitting recommendations aimed at ensuring the reliability of the financial reporting process in the Company;
- supervising the compliance function;
- monitoring introduction of changes in the Company in connection with the recommendations issued by the key statutory auditor, Internal Audit Department (with regard to preparation of financial statements), Supervisory Board or the Committee;
- carrying out other tasks following from generally prevailing provisions of law or entrusted by the Supervisory Board.

PZU takes into consideration the "Best practices for public interest entities pertaining to the appointment, composition

and operation of the audit committee" as published by the Office of the Polish Financial Supervision Authority on 24 December 2019.

#### **Changes in the composition of the Audit Committee in 2021**

The following persons sat on the Audit Committee as at 1 January 2021:

- Krzysztof Opolski – Committee Chairman;
- Marcin Chludziński – Committee Member;
- Robert Śnitko – Committee Member;
- Maciej Zaborowski – Committee Member.

As at 31 December 2021 the composition of the Committee did not change.

#### **Knowledge, skills and experience of Audit Committee members including the way in which they were acquired**

Krzysztof Opolski, Robert Śnitko and Maciej Zaborowski were designated as independent members within the meaning of Article 129 Section 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision. Marcin Chludziński, Krzysztof Opolski and Robert Śnitko were designated as members holding qualifications in accounting or auditing financial statements. All Audit Committee members were named as members who have knowledge and skills in the industry in which the Company operates.

Krzysztof Opolski, PZU Supervisory Board Member since 24 May 2019, has the title of professor, Ph.D. Hab., in economic sciences; he is head of the Department of Banking, Finance and Accounting at the Faculty of Economics of the University of Warsaw. In 2009-2010 he was the head of strategic advisors to the president of the National Bank of Poland. He has many years of experience on managerial and supervisory positions in commercial law companies. He was a Supervisory Board member at Bank Handlowy w Warszawie SA, AXA Polska SA and Centrum Giełdowe SA.

Marcin Chludziński, Member of the PZU Supervisory Board from 7 January 2016, graduated from the Social Policy Institute at the University of Warsaw. Completed MBA studies at the Institute of Economics of the Polish Academy of Sciences. He is the president of the KGHM Polska Miedź SA Management Board. He has many years of experience on managerial and supervisory positions in commercial law companies. In 2016-2018 he was the president of the Management Board of

# Corporate governance

Agencja Rozwoju Przemysłu SA, where he was responsible for restructuring processes, and mergers and acquisitions.

Robert Śnitko, PZU Supervisory Board Member since 12 April 2017, has the title of PhD in economics at the Warsaw School of Economics, is an university teacher and member of the International Institute for Strategic Studies. Graduate of the London School of Economics and Political Science, University of London, School of Oriental and African Studies, University of London and Faculty of Economics at the Radom Technical University. He discharged the function of director of the Sectoral, Local and Game Taxes at the Ministry of Finance. Currently he is an advisor to the Management Board of Totalizator Sportowy Sp. z o.o.

Maciej Zaborowski, PZU Supervisory Board Member since 7 January 2016, advocate and judge of the State Tribunal, graduate from the Faculty of Law and Administration at the University of Warsaw, Center for American Law Studies and Leadership Academy for Poland. He is also an expert of the Ministry of Justice, lecturer of advocate training at the Bar Association in Warsaw and permanent mediator of the Arbitration Court at the General Counsel to the Republic of Poland. He has experience on supervisory positions in commercial law companies.

## Activity of the Audit Committee in 2021

In 2021, the Audit Committee held 11 meetings.

Key issues addressed by the Audit Committee in 2021:

- discussion of the risk report for Q4 2020 and for Q1-3 2021;
- discussion of the annual report on the Internal Audit Department's activity in 2020;
- discussion of the findings of external inspections conducted in PZU in 2020;
- discussion on the report on the Internal Audit Department's activity in Q4 2020 and Q1-3 2021;
- submission of recommendations to the PZU Supervisory Board on approving the Strategy in the risk management area;
- discussion of the draft audit plan for 2022;
- assessment of PZU's financial statements and the PZU Group's consolidated financial statements for the year ended 31 December 2020, and the Management Board report on the activity of the PZU Group and PZU in 2020, with the report on non-financial information;
- discussion on the results of PZU and the PZU Group for 2020, the H1 2021 and Q1 and Q3 2021;
- assessment of the PZU Management Board's motion to the Shareholder Meeting to distribute PZU's net profit for the year ended 31 December 2020;
- discussion of the additional report for the Audit Committee;
- acceptance of the Audit Committee's report on its activity in 2020;
- review the draft PZU Supervisory Board report on its assessment of PZU's financial statements for the year ended 31 December 2020, the consolidated financial statements of the PZU Group for the year ended 31 December 2020, the Management Board report on the activity of the PZU Group and PZU in 2020 and the Management Board's motion to distribute PZU SA's net profit for the year ended 31 December 2020;
- extension of the order for KPMG Audyt sp. z o.o. spółka komandytowa for the review and audit of the standalone financial statements of PZU and the consolidated financial statements of the PZU Group for 2023;

## Attendance of members in Audit Committee meetings in 2021:

	Attendance at meetings	Number of meetings over the time of performing the mandate
Krzysztof Opolski	11	11
Marcin Chłudziński	9	11
Robert Śnitko	11	11
Maciej Zaborowski	10	11

- discussion of the Financial Plan of PZU and the PZU Group for 2021;
- discussion of the Financial Plan of PZU and the PZU Group for 2022;
- issuing recommendations to the Supervisory Board on the assessment of the solvency and financial condition report of PZU for the year ended 31 December 2020;
- issuing recommendations to the Supervisory Board on the assessment of the solvency and financial condition report of the PZU Group for the year ended 31 December 2020.

The Audit Committee adopted resolutions on the acceptance of the permitted services to be provided by PZU's auditor, KPMG Audyt sp. z o.o. sp. k., to PZU, PZU Życie and PZU Group companies. Based on an analysis of representations submitted by representatives of the entity performing the audit - KPMG Audit, the Committee made a positive assessment of the independence of the statutory auditor and the audit firm and confirmed that the auditor and the Company comply with the regulatory requirements concerning the rotation of the key statutory auditor and the audit firm performing audits of the standalone and consolidated financial statements and standalone and consolidated annual consolidated solvency and financial condition reports of PZU and the PZU Group.

#### **Nomination and Compensation Committee**

The Nomination and Compensation Committee was appointed by a Supervisory Board resolution of 12 May 2010.

The Supervisory Board determines the number of Committee members and appoints them from among its own members. The Committee includes at least one independent member.

The Nomination and Compensation Committee is not appointed if the Supervisory Board elected by group voting is composed of 5 members. In such case the Committee's tasks are performed by the Supervisory Board in its full composition.

The Nomination and Compensation Committee is an advisory and consultative body to the Supervisory Board. It is appointed to improve the effectiveness of the Supervisory Board's supervision related to the development of the management structure, including organizational solutions, the remuneration principles and the selection of properly qualified staff.

The tasks of the Nomination and Compensation Committee include, in particular, issuing opinions and presenting

recommendations to the Supervisory Board with regard to its decisions made with regard to:

- concluding, terminating and amending agreements with Management Board members and setting the rules for their compensation;
- setting the level of compensation, bonuses and additional benefits for the Management Board;
- appointing, suspending and dismissing the President of the Management Board, Management Board Members or the entire Management Board and discontinuing suspension;
- seconding Supervisory Board Members to perform temporarily the functions of Management Board Members who have been dismissed, resigned or cannot perform their functions for other reasons.

Moreover, the scope of the Committee's activities may include other matters entrusted to it by the Supervisory Board.

The committee is dissolved once five Members of the Supervisory Board are elected by group voting, following which its powers are taken over by the whole Supervisory Board.

#### **Changes in the composition of the Nomination and Compensation Committee in 2021**

As at 1 January 2021, the composition of the Nomination and Compensation Committee was as follows:

- Robert Jastrzębski – Committee Chairman;
- Paweł Górecki – Committee Member;
- Agata Górnicka – Committee Member;
- Tomasz Kuczur – Committee Member;
- Maciej Łopiński – Committee Member;
- Elżbieta Mączyńska-Ziemacka – Committee Member.

In connection with the resignation of Maciej Łopiński from the Supervisory Board, on 7 June 2021 his membership in the Nomination and Compensation Committee also ceased.

As of 8 June 2021, the composition of the Nomination and Compensation Committee was as follows:

- Robert Jastrzębski – Committee Chairman;
- Paweł Górecki – Committee Member;
- Agata Górnicka – Committee Member;
- Tomasz Kuczur – Committee Member;
- Elżbieta Mączyńska-Ziemacka – Committee Member.

# Corporate governance

On 16 June 2021, the Supervisory Board established the following composition of the Nomination and Compensation Committee:

- Robert Jastrzębski – Committee Chairman;
- Paweł Górecki – Committee Member;
- Agata Górnicka – Committee Member;
- Tomasz Kuczur – Committee Member;
- Elżbieta Mączyńska-Ziemacka – Committee Member;
- Paweł Mucha – Committee Member.

In connection with the resignation of Tomasz Kuczur from the Supervisory Board tendered on 11 October 2021, effective on 11 October 2021, his membership in the Nomination and Compensation Committee also ceased.

On 12 October 2021, the Supervisory Board established the following composition of the Nomination and Compensation Committee:

- Robert Jastrzębski – Committee Chairman;
- Paweł Górecki – Committee Member;
- Agata Górnicka – Committee Member;
- Elżbieta Mączyńska-Ziemacka – Committee Member;
- Paweł Mucha – Committee Member;
- Radosław Sierpiński – Committee Member.

As at 31 December 2021 the composition of the Committee did not change.

Robert Jastrzębski, Paweł Mucha and Elżbieta Mączyńska-Ziemacka submitted representations that they met the independence criteria set forth in the “Best Practices of WSE Listed Companies” adopted by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie SA (Warsaw Stock Exchange).

## Activity of the Nomination and Compensation Committee in 2021

In 2021, 6 meetings were held.

Key issues addressed by the Nomination and Compensation Committee in 2021:

- defining the Management Objectives for the Company’s Management Board Members for 2021;
- conducting a recruitment procedure for a new Member of the PZU Management Board;
- discussing a Report on implementation of the Compensation Policy for the PZU Management Board and Supervisory Board Members;
- submitting a recommendation to the PZU Supervisory Board on giving consent to pay Members of the PZU Management Boards of deferred variable compensation

## Attendance of Members in Nomination and Compensation Committee meetings in 2021

	Attendance at meetings	Number of meetings over the time of performing the mandate
Robert Jastrzębski	9	9
Paweł Górecki	8	9
Agata Górnicka	9	9
Tomasz Kuczur (NCC member until 11 October 2021)	8	8
Maciej Łopiński (NCC member until 7 June 2021)	3	3
Paweł Mucha (NCC member from 16 June 2021)	5	5
Elżbieta Mączyńska-Ziemacka	9	9
Radosław Sierpiński (członek KniW od 12 października 2021 roku)	1	2

- under management services provision agreement for 2017, 2018 and 2019;
- assessing the attainment of Management Objectives for 2020 and variable compensation of PZU Management Board Members for 2020;
- discussing the PZU Supervisory Board Report on Compensation of PZU Management Board and Supervisory Board Members for 2019-2020;
- discussing an amendment to the “Rules for assessment of suitability of the PZU SA Supervisory Board and Audit Committee”;
- carrying out an assessment of suitability of PZU Supervisory Board Members and Audit Committee Members (individual and collective assessment);
- discussing the amendment to the Rules for assessment of suitability of the PZU Management Board;
- assessment of suitability of PZU Management Board Members (individual and collective assessment);
- discussing the amendment to the Rules and Regulations of the PZU Supervisory Board’s Nomination and Compensation Committee.

### Strategy Committee

The Strategy Committee was appointed by a Supervisory Board resolution of 29 July 2010.

The Supervisory Board determines the number of Committee Members and appoints them from among its own members.

The Strategy Committee is an advisory and consultative body to the Supervisory Board. It is appointed to increase the efficiency of the Supervisory Board’s supervisory activities as regards issuing opinions on strategic documents submitted by the Management Board (in particular development strategy). Its role is to present recommendations on the planned investments of material influence on the Company’s assets to the Supervisory Board.

The tasks of the Strategy Committee include, in particular, issuing opinions and presenting recommendations to the Supervisory Board with regard to its decisions pertaining to:

- approving PZU’s long-term development plans prepared by the Management Board;
- planned investments in PZU and the PZU Group;
- consent for PZU to conclude an agreement with an underwriter referred to in Article 433 § 3 of the Commercial Company Code;

- rules for purchase, subscription or sale of ownership interests and shares in companies as well as Company’s participation in other entities;
- accepting the Management Board’s motions for purchase, subscription or sale of ownership interests and shares in companies as well as the Company’s participation in other entities;
- consent to transferring an insurance portfolio in its entirety or in part.

Moreover, the scope of the Strategy Committee’s activities may include other matters entrusted to it by the Supervisory Board.

### Changes in the composition of the Strategy Committee in 2021

As at 1 January 2021, the composition of the Strategy Committee was as follows:

- Robert Śnitko – Committee Chairman;
- Marcin Chłudziński – Committee Member;
- Agata Górnicka – Committee Member;
- Robert Jastrzębski – Committee Member;
- Maciej Zaborowski – Committee Member.

As at 31 December 2021 the composition of the Committee did not change.

### Activity of the Strategy Committee in 2021

In 2021, 6 meetings were held.

Key issues addressed by the Strategy Committee in 2021:

- discussing the quarterly reports on the implementation of the PZU Group Strategy “New PZU”,
- discussing the summary of the implementation of the PZU Group Strategy “New PZU”,
- discussing the ESG Strategy for 2021-2024;
- recommending adoption of the new PZU Group Strategy in 2021-2024 to the Supervisory Board;
- discussing the half-year report on the implementation of the PZU Group Strategy in 2021-2024.

Most Committee meetings were attended also by the remaining Supervisory Board Members.

# Corporate governance

## Attendance of members in Strategy Committee meetings in 2021

	Attendance at meetings	Number of meetings over the time of performing the mandate
Robert Śnitko	6	6
Marcin Chludziński	5	6
Agata Górnicka	6	6
Robert Jastrzębski	6	6
Maciej Zaborowski	3	6

### Composition of the Management Board

The Management Board is composed of three to eight Members appointed for a joint term of office spanning three consecutive full financial years. As at 31 December 2021, the Management Board was composed of eight members.

Management Board Members, including the President of the Management Board, are appointed and dismissed by the Supervisory Board. Such appointment takes place following a recruitment procedure designed to verify and evaluate qualifications of the candidates and, consequently, to select the best candidate. The President of the Management Board of the new term of office appointed before the current term elapses has the right to submit a motion to the Supervisory Board requesting appointment of the remaining Management Board Members of the new term of office before the current term elapses.

The consent to appointment of two Management Board Members, President and Member responsible for risk management is issued on PZU's motion by the Polish Financial Supervision Authority, unless the appointment applies to a person who obtained such consent in the previous term of office. If the motion pertains to a Management Board Member discharging a mandate, he/she may discharge the mandate in its existing scope until the regulatory authority issues its decision.

A Management Board Member must fulfill all of the following conditions:

- holds a graduate degree received in Poland or a graduate degree received abroad and recognized in the Republic of Poland pursuant to separate regulations;

- has at least 5-year employment period based on an employment agreement, appointment, selection, nomination, cooperative employment agreement or provision of services on the basis of another contract or conducting business activity on one's own account;
- has at least 3 years of experience on managerial or independent positions or arising from conducting business activity on one's own account,
- in addition to the aforementioned requirements, meets other requirements arising from separate regulations, in particular is not in breach of any restrictions or prohibitions for holding an executive position in commercial companies.

A Management Board Member may not be a person who fulfills at least one of the following conditions:

- acts as a social associate or is an employee of an MP's office, senator's office, MP-senator's office or office of a member of European Parliament pursuant to an employment agreement or provides work on the basis of a mandate agreement or other similar agreement;
- is a member of a political party's governing body externally representing a political party and authorized to take down obligations;
- is employed by a political party pursuant to an employment agreement or provides work on the basis of a mandate agreement or other similar agreement,
- is an elected official of a company trade union or a company trade union in a group company,
- his/her public or business activity raises conflict of interest with the Company's business.



### Changes in the composition of the Management Board in 2021:

As at 1 January 2021, the composition of the Management Board was as follows:

- Beata Kozłowska-Chyła – President of the Management Board;
- Ernest Bejda – Management Board Member;
- Marcin Eckert – Management Board Member;
- Małgorzata Kot – Management Board Member;
- Tomasz Kulik – Management Board Member;
- Maciej Rapkiewicz – Management Board Member;
- Małgorzata Sadurska – Management Board Member;
- Krzysztof Szypuła – Management Board Member.

On 7 June 2021, Marcin Eckert submitted his resignation from being a PZU Management Board Member.

Accordingly, as of 8 June 2021, the Management Board composition was as follows:

- Beata Kozłowska-Chyła – President of the Management Board;
- Ernest Bejda – Management Board Member;
- Małgorzata Kot – Management Board Member;
- Tomasz Kulik – Management Board Member;
- Maciej Rapkiewicz – Management Board Member;
- Małgorzata Sadurska – Management Board Member;
- Krzysztof Szypuła – Management Board Member.

On 20 July 2021, the Supervisory Board appointed Krzysztof Kozłowski to the position of Management Board Member, effective as of 4 August 2021.

Accordingly, as of 4 August 2021 and as at 31 December 2021, the Management Board composition was as follows:

- Beata Kozłowska-Chyła – President of the Management Board;
- Ernest Bejda – Management Board Member;
- Małgorzata Kot – Management Board Member;
- Krzysztof Kozłowski – Management Board Member;
- Tomasz Kulik – Management Board Member;
- Maciej Rapkiewicz – Management Board Member;
- Małgorzata Sadurska – Management Board Member;
- Krzysztof Szypuła – Management Board Member.

On 4 February 2022, Krzysztof Szypuła tendered his resignation from the PZU Management Board.

Accordingly, as of 5 February 2022, the Management Board composition was as follows:

- Beata Kozłowska-Chyła – President of the Management Board;
- Ernest Bejda – Management Board Member;
- Małgorzata Kot – Management Board Member;
- Krzysztof Kozłowski – Management Board Member;
- Tomasz Kulik – Management Board Member;
- Maciej Rapkiewicz – Management Board Member;
- Małgorzata Sadurska – Management Board Member.

The current term of office of the PZU Management Board spans three full consecutive financial years from 2020 to 2022. The mandates of the Management Board Members will expire no later than on the date of the Shareholder Meeting approving the financial statements for the most recent full financial year of the discharge of their functions.

### Group Directors

PZU and PZU Życie have in place a joint management model under which the positions of PZU Group Directors exist, the rules governing the establishment of which and the appointment to and dismissal from which are laid down in the organizational rules and regulations of these companies.

According to the adopted model, the persons discharging the functions of Management Board Members at PZU Życie are at the same time employed as PZU Group Directors at PZU and are in charge of the same business structures and areas at PZU and PZU Życie. Similarly, Members of the PZU Management Board may be simultaneously employed as PZU Group Directors in PZU Życie.

The following persons served as PZU Group Directors in PZU in 2021:

- Aleksandra Agatowska;
- Bartłomiej Litwińczuk;
- Dorota Maciejka.

On 4 February 2022, Krzysztof Szypuła was appointed to the position of a PZU Group Director in PZU.

The following persons served as PZU Group Directors in PZU Życie in 2021:

- Krzysztof Kozłowski (as of 4 August 2021);
- Ernest Bejda (until 24 August 2021).

# Corporate governance

## Management Board's powers and operating rules

The Management Board exercises any and all rights related to managing PZU which are not otherwise reserved by law or the provisions of the Articles of Association to the Shareholder Meeting or the Supervisory Board. Two Management Board Members acting jointly or one Management Board Member acting jointly with a commercial proxy are authorized to represent the Company. The Management Board adopts its rules and regulations, which are approved by the Supervisory Board. On 9 September 2020, the Supervisory Board approved the new Rules and Regulations of the Management Board, adopted on 1 September 2020. On 10 February 2021, the Supervisory Board approved the amendments to the Rules and Regulations of the Management Board.

The Rules and Regulations of the Management Board define:

- the scope of the Management Board's powers and activities that require approval or confirmation by the Supervisory Board;
- powers of the President of the Management Board and other Management Board Members;
- principles and organization of the Management Board's activities, including its meetings and decision making procedures;
- rights and obligations of Management Board Members upon dismissal.

Management Board resolutions are especially required for:

- adopting a long-term plan for the Company's development and operations;
- adopting an action and development plan for the PZU Group;
- adoption of an annual financial plan and a report on its implementation;
- accepting the Management Board's report on the Company's activity and the Management Board's report on the activity of the PZU Group and the Company's financial statements and consolidated financial statements of the PZU Group for the previous financial year;
- accepting the solvency and financial condition report of the Company and the solvency and financial condition report of the PZU Group;
- accepting the Company's own risk and solvency assessment report and the PZU Group's own risk and solvency assessment report;
- adoption of a report on representation expenditures and expenditures for legal, marketing, public relations

and public communication services and management consulting services;

- adoption of a report on the application of best practices, as defined by the Prime Minister pursuant to the Act on Rules for Managing State Property of 16 December 2016, addressed to companies in which the State Treasury holds an equity stake;
- approval of a motion to distribute profit or cover loss;
- determining premiums in compulsory and voluntary insurance and the general terms and conditions of voluntary insurance;
- determination of the scope and size of outward reinsurance and the tasks for inward reinsurance;
- adoption of an annual audit and control plan and a report on its implementation with conclusions;
- determining the terms and conditions of investment, prevention and sponsoring activities;
- the Company granting sureties and guarantees, excluding guarantees and sureties which constitute insurance operations within the meaning of the Act of 11 September 2015 on Insurance and Reinsurance Activity;
- the Company contracting credit facilities, the Company contracting or providing loans – excluding loans granted from the Company Social Benefits Fund and taking into account deviations specified in investment activity rules, introduced by the resolution referred to in § 4 item 19 of the Rules and Regulations of the Management Board;
- appointment of a commercial proxy.

Meetings of the Management Board are held at least once a fortnight. The Articles of Association provide that meetings may be held using means of direct remote communication.

In 2021 the PZU Management Board held 59 meetings. Due to the COVID-19 pandemic meetings were held in the mixed format – on-site and using means of direct remote communication, or using means of direct remote communication exclusively. This resulted from the necessity to maintain high safety standards and, as a consequence, stability of the Management Board's work, which played a key role in managing the Company.

The President of the Management Board directs the work of the Management Board. The President's powers include in particular:

- defining the scope of responsibility of each Member of the Management Board;
- convening meetings of the Management Board;
- setting the agenda of meetings of the Management Board;
- applying to the Supervisory Board for appointing or dismissing Members of the Management Board;
- designating a person to administer the work of the Management Board during the absence of the President of the Management Board.

The Management Board prepares and presents to the Company's pertinent governing bodies, along with the Management Board's report on the Company's activity:

- report on representation expenditures and expenditures for legal, marketing, public relations and public communication services and management consulting services;
- report on the application of best practices, as defined by the Prime Minister pursuant to the Act on Rules for Managing State Property, addressed to companies in which the State Treasury holds an equity stake.

The Management Board adopts resolutions only in the presence of the President of the Management Board or a person designated to head the work of the Management Board during the President's absence.

Resolutions of the Management Board are adopted by an absolute majority of votes; in the event of a voting tie, the President has the casting vote. With the consent of the President of the Management Board, the Management Board may adopt resolutions by written procedure or using means of direct remote communication, if all the Management Board Members have received the draft resolution with justification and at least half of the Management Board Members took part in the adoption of the resolution.

In 2021 the PZU Management Board adopted 368 resolutions – both at meetings and by written procedure or using means of direct remote communication.

The President of the Management Board makes decisions in the form of orders and official instructions. Other Members of the Management Board administer the operations of the Company within the scope specified by the President.

PZU's Articles of Association do not provide for the Management Board to have rights concerning decisions on issuing or redeeming shares.

The following page presents the responsibilities of the Board Members who are on the Board in 2021.

# Corporate governance

## The scopes of responsibilities of the Management Board Members in office in 2021:

Name (Management Board composition at yearend 2021)	In the PZU Group	Scope of responsibilities (at yearend 2021)
Beata Kozłowska-Chyta	President of the PZU Management Board since 2 October 2020 /acting President of the PZU Management Board from 12 March to 1 October 2020	audyt wewnętrzny, compliance, strategia Grupy PZU, analizy strategiczne, komunikacja korporacyjna, reasekuracja
Aleksandra Agatowska	Member of the PZU Management Board from 24 October 2019 to 19 February 2020 / PZU Group Director in PZU from 25 March 2016 to 23 October 2019, reappointed to the position of a PZU Group Director at PZU as of 20 February 2020 President of the PZU Życie SA Management Board since 15 February 2021 / acting President of the PZU Życie Management Board from 19 February 2020 to 14 February 2021 / Member of the PZU Życie Management Board since 25 March 2016	PZU and PZU Życie: marketing, sponsoring, prevention, customer experience management, health insurance PZU Życie: internal audit, compliance, PZU Group strategy, strategic analyses, corporate communication, reinsurance
Ernest Bejda	Member of the PZU Management Board since 4 May 2020 Member of the PZU Życie Management Board since 25 August 2021 / PZU Group Director in PZU Życie from 4 May 2020 to 24 August 2021	PZU and PZU Życie: security, procurement, insurance operations, claims handling, assistance, remote client service, process digitalization, analyses and process efficiency
Krzysztof Kozłowski	Member of the PZU Management Board since 4 August 2021 PZU Group Director in PZU Życie since 4 August 2021	PZU and PZU Życie: corporate management and corporate governance in the PZU Group, administration, project management PZU: business development in the PZU Group
Tomasz Kulik	Member of the PZU Management Board since 14 October 2016 Member of the PZU Życie Management Board since 19 October 2016	actuarial, finance and investments
Małgorzata Kot	Member of the PZU Management Board since 10 September 2020 PZU Group Director at PZU from 16 April to 9 September 2020 / Member of the PZU Życie Management Board since 16 April 2020	PZU and PZU Życie: PZU branch network management, retail sales (tied-agent, multi-agent and broker channels), remote sales, retail distribution strategy, retail sales support, sales analyses PZU: retail sales (dealer channel) PZU Życie: agency sales, corporate sales
Maciej Rapkiewicz	Member of the PZU Management Board since 22 March 2016 Member of the PZU Życie Management Board since 25 May 2016	risk
Dorota Maciejka	Member of the PZU Życie Management Board since 15 March 2017 PZU Group Director in PZU since 15 March 2017	sustainable development, customer communication, real estate

Name (Management Board composition at yearend 2021)	In the PZU Group	Scope of responsibilities (at yearend 2021)
Małgorzata Sadurska	Member of the PZU Management Board since 13 June 2017 Member of the PZU Życie Management Board since 19 June 2017	<p>PZU and PZU Życie: assurbanking, bancassurance, strategic partnership programs, corporate business development</p> <p>PZU: corporate sales</p> <p>PZU Życie: bank protection products, investment products, sales of investment products</p>
Krzysztof Szypuła	Member of the PZU Management Board from 10 September 2020 to 4 February 2022 Member of the PZU Życie Management Board since 10 September 2020	<p>PZU and PZU Życie: IT, innovation, digital services, development of mobile applications, management of health products, CRM, strategic management of product offering, underwriting</p> <p>PZU: mass products and insurance program management, tariff actuarial services</p> <p>PZU Życie: group and individual products management, tariff actuarial services</p>
Bartłomiej Litwińczuk	Member of the PZU Życie Management Board since 19 August 2016 PZU Group Director in PZU since 19 August 2016	HR, advisory services and legal services

**In 2021, there were the following standing committees, in which Management Board Members and PZU Group Directors worked:**

#### **PZU Pricing Committee**

Purpose	defining the pricing policy in accordance with PZU's strategy
Tasks	<ul style="list-style-type: none"> <li>• defining the pricing strategy and tactics through formulation of guidelines</li> <li>• for the PZU Head Office organizational units responsible for tariff setting in product groups or insurance products as regards prices and assumptions pertaining to product profitability;</li> <li>• monitoring pricing-related actions undertaken by directors authorized by the Management Board;</li> <li>• monitoring the key ratios for key insurance products, including profitability levels and loss ratios;</li> <li>• taking a stand on other key issues which influence</li> <li>• product profitability and tariff-setting mechanisms.</li> </ul>

# Corporate governance

## Data Governance Committee

Purpose	coordination of Data Governance management processes at PZU and PZU Życie
Tasks	<ul style="list-style-type: none"><li>• supervision over implementation of guideline no. 8 indicated in the “Guidelines for managing information technology and the security of the information and telecommunications environment in insurance and reinsurance companies” issued by the Polish Financial Supervision Authority on 16 December 2014;</li><li>• defining the Data Governance strategy;</li><li>• approving the draft Data Governance Policy and recommending its adoption to the Management Board;</li><li>• approving the draft Solvency II Data Quality Management Policy and recommending its adoption to the Management Board;</li><li>• controlling and enforcing the rules laid down in the Data Governance Policy and Solvency II Data Quality Policy;</li><li>• monitoring the data quality level and efficiency of the processes associated with data quality on the basis of annual Data Quality Coordinator’s reports;</li><li>• issuing recommendations regarding implementation of key data quality improvement initiatives on the basis of Data Governance Coordinator’s recommendations and prioritizing them and determining the source of their financing;</li><li>• resolving major disputes associated with data quality presented by the Data Governance Coordinator;</li><li>• accepting assignment of the Company’s business units and organizational units to the Data Owner’s role;</li><li>• making decisions on waiving the rules laid down in the Data Governance Policy and Solvency II Data Quality Management Policy.</li></ul>

## Innovations Committee

Purpose	coordination and management of overall issues associated with innovations at PZU and PZU Życie
Zadania	<ul style="list-style-type: none"><li>• reviewing and issuing guidelines regarding the PZU Group’s Innovation Strategy;</li><li>• defining innovation search areas;</li><li>• managing the portfolio of potential and current innovations, in particular making decisions recognizing purchased items as innovations and giving consent to purchases in accordance with the internal acts in place in PZU and PZU Życie;</li><li>• approving the rules and regulations of competitions and resolving competitions associated with innovations.</li></ul>

## Investment Committee

Purpose	taking, and issuing opinions on, investment decisions; defining exposure limits in PZU and PZU Życie; making decisions to accept risk in financial insurance in PZU
Tasks	<ul style="list-style-type: none"><li>• making investment decisions on:<ul style="list-style-type: none"><li>- individual transactions to the extent defined in the attachment to the “Investment activity rules and regulations”,</li><li>- individual transactions regardless of the amount limits defined in the attachment to the “Investment activity rules and regulations” within their powers, if the opinion of the Risk Department is negative,</li><li>- target value of assets denominated in foreign currencies and FX position in foreign currencies;</li></ul></li><li>• issuing opinions on investment decisions;<ul style="list-style-type: none"><li>- issuing opinions, on TFI PZU’s request, on transactions above PLN 50,000,000 executed within the framework TFI PZU funds in which PZU and PZU Życie are the sole participants,</li><li>- issuing opinions on investment decisions on the request of the Management Board Member overseeing the Investment Division;</li></ul></li><li>• defining exposure limits in individual entities or groups of entities up to PLN 600,000,000 through setting credit limits and concentration limits;</li><li>• making decisions on accepting risks in financial insurance – to the extent specified in a resolution adopted by the PZU Management Board setting out the powers to accept risk in financial insurance.</li></ul>

## Cost Committee

Purpose	coordination of actions aimed at reducing the costs of PZU and PZU Życie, in particular fixed costs of insurance activity, in accordance with the PZU Group strategy
Tasks	<ul style="list-style-type: none"> <li>• identification of the areas of operation of PZU and PZU Życie in which it is possible to reduce the costs and obtain savings, in particular with regard to fixed costs;</li> <li>• defining the cost strategy through formulation of guidelines for business units and organizational units;</li> <li>• monitoring the level of costs in individual areas of activity of PZU and PZU Życie;</li> <li>• taking a stand on key issues associated with cost cuts;</li> <li>• regular monitoring of the effects of implemented cost optimization solutions and evaluation of attainment of the objectives set for task forces;</li> <li>• deciding on submission of requests for special bonuses for task force members.</li> </ul>

## PZU Group Risk Committee

Purpose	coordination and supervision over PZU, PZU Życie and PZU Group's risk management system and processes
Tasks	<p>excluding the tasks and decisions within the powers of PZU and PZU Życie governing bodies and other committees operating in PZU and PZU Życie's organizational structures:</p> <ul style="list-style-type: none"> <li>• monitoring the solvency of PZU, PZU Życie and the PZU Group;</li> <li>• supervising the risk management system and processes for the following risks: <ul style="list-style-type: none"> <li>- actuarial risk;</li> <li>- market risk;</li> <li>- credit risk;</li> <li>- operational risk, with special focus on IT and security risk;</li> <li>- compliance risk;</li> </ul> </li> </ul> <p>with regard to their monitoring, assessment and making decisions on their acceptance or mitigation;</p> <ul style="list-style-type: none"> <li>• supervision resulting from establishing the PZU Group as a financial conglomerate, in particular over: <ul style="list-style-type: none"> <li>- capital adequacy of the financial conglomerate and the strategy to proceed in that regard;</li> <li>- the material intra-group transaction area;</li> <li>- financial conglomerate risk concentration area;</li> <li>- risk management area and internal control area;</li> </ul> </li> <li>• supervision over the reporting preparation process following from implementation of the provisions 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).</li> </ul>

## Investment Risk Committee

Purpose	decision-making regarding market, credit and concentration risks in PZU and PZU Życie on: (i) permissible sizes of individual risks; (ii) policies and methodologies for management of individual risks
Tasks	<ul style="list-style-type: none"> <li>• issuing opinions on draft internal regulations, rules or decisions presented to the Management Board, including: <ul style="list-style-type: none"> <li>- credit and concentration risk management policy;</li> <li>- market risk management policy;</li> </ul> </li> <li>• presenting recommendations to the Management Board regarding the maximum allocation of capital to risks;</li> <li>• making pertinent decisions, including: <ul style="list-style-type: none"> <li>- defining the division of the maximum capital allocation to individual risks between the Company's organizational structures and investment management entities;</li> <li>- approving documents pertaining to risk management policies and methodologies;</li> <li>- approving the investment objectives and guidelines or investment limitations regarding risk limits for the Company's organizational structures and investment management entities;</li> <li>- defining credit and concentration limits in individual entities or groups of entities above PLN 600,000,000;</li> <li>- setting exposure limits and limitations for individual types of financial insurance.</li> </ul> </li> <li>• monitoring the implementation of the Management Board's decisions.</li> </ul>

# Corporate governance

## Sponsorship, Prevention and CSR Committee

**Purpose** ensuring correct execution of PZU and PZU Życie's sponsorship, prevention and corporate social responsibility (CSR) activities and supervision over these areas and ensuring consistency of actions

- Tasks**
- reviewing requests for execution of sponsorship or prevention tasks in accordance with the provisions of PZU's and PZU Życie's sponsorship and prevention rules and regulations;
  - specifying the substantive unit whose budget or limit finances the sponsorship or prevention task;
  - accepting reports from the sponsorship and prevention tasks executed by PZU and PZU Życie in the given year;
  - monitoring the execution of sponsorship and prevention tasks, in particular with the gross value of PLN 1,000,000 or more separately for PZU and PZU Życie;
  - making decisions on waiving the rules laid down in the sponsorship activity rules and regulations and prevention activity rules and regulations;
  - setting detailed rules and guidelines pertaining to execution of prevention tasks;
  - defining the model prevention clause used in the insurance offer and accepting the content of clauses that deviate from the model;
  - supervising the execution of CSR tasks.

## Property Sales Committee

**Purpose** ensuring correct execution of the sales process for the properties in PZU's and PZU Życie's resources

- Tasks**
- issuing recommendations and making decisions pertaining to sale of properties to the extent defined in the "Property sales procedure" adopted by a Management Board resolution;
  - making other decisions associated with the property sales process.

## Procurement Committee

**Purpose** facilitating the process for selection of suppliers of goods and services and monitoring the cooperation with suppliers in accordance with the PZU Group strategy

- Tasks**
- making decisions on fulfilling requisitions or, on the Procurement Department's request, on the final form of the description of the purchased item, if it is not possible to agree on such form between the Procurement Department and the Ordering Unit or Project;
  - ordering additional activities or providing additional information by the Ordering Unit, Project or Procurement Department by a specified deadline, if this is required for the decision on the final form of the requisition specified in item 1;
  - making decisions on initiating the process of renegotiation of the terms or termination of an existing agreement on a substantiated request of the Procurement Department if there is no agreement between the Procurement Department and the business owner in the given case;
  - inspection of selected purchasing procedures executed without participation of the Procurement Department or ordering such inspection from the Procurement Department.





## Asset-Liability Management Committee

Purpose	managing assets and liabilities through influencing the shape of the structure of the balance sheet and off-balance sheet items in a manner supporting optimum financial results of PZU and PZU Życie
Tasks	<ul style="list-style-type: none"> <li>• issuing opinions on the strategic structure of investments to ensure the appropriate level of safety, financial liquidity and profitability and quality of the investment portfolio for PZU and PZU Życie, and adopting recommendations for Management Boards or organizational structures at PZU and PZU Życie,             <ul style="list-style-type: none"> <li>- issuing opinions on the investment strategy,</li> <li>- recommending the levels of technical rates,</li> <li>- recommending efforts increasing the level of own funds and increasing liquidity;</li> </ul> </li> <li>• making decisions on:             <ul style="list-style-type: none"> <li>- rules of management of the Company's financial liquidity,</li> <li>- investment objectives and guidelines or investment limitations and benchmarks for the Company's organizational structures and investment management entities in the PZU Group,</li> <li>- matching assets to liabilities and the current asset structure,</li> </ul>             including:             <ul style="list-style-type: none"> <li>- approving the model asset allocation for the given year and deviation limits within the investment strategy approved by the Management Boards of PZU and PZU Życie,</li> <li>- approving the investment objectives and guidelines or investment limitations and benchmarks for the organizational structures of PZU and PZU Życie and investment management entities,</li> <li>- setting limitations for the decisions made by the Management Board Member overseeing the Investment Division,</li> <li>- approving the methodologies, principles or policies pertaining to liquidity management,</li> <li>- approving the rules for matching assets to liabilities and the methodologies of matching assets to liabilities.</li> </ul> </li> </ul>

## Crisis Management Team

Purpose	<ul style="list-style-type: none"> <li>• oversight over the operation of the business continuity management system in PZU and PZU Życie;</li> <li>• crisis management in PZU and PZU Życie</li> </ul>
Tasks	<p>Tasks pertaining to oversight over business continuity management system:</p> <ul style="list-style-type: none"> <li>• current oversight over the business continuity management system in PZU and PZU Życie and issuing recommendations pertaining to tasks and directions of development in this regard;</li> <li>• accepting the tasks and directions of development of the business continuity management system during regular meetings of the Team or by circulation in the form of a written decision or email acceptance by Team members.</li> </ul> <p>Tasks pertaining to crisis management:</p> <ul style="list-style-type: none"> <li>• assessment, analysis and projection of the effects of occurring events, in particular financial and non-financial losses and impact on the activity of PZU and PZU Życie;</li> <li>• monitoring the internal and external environment of PZU and PZU Życie, making decisions to manage crisis situations, and overseeing and coordinating the work associated with implementation of these decisions;</li> <li>• ensuring means and resources, including funding, for implementation of the developed solutions;</li> <li>• cooperation or support in efforts limiting the effect of undesirable events in other PZU Group entities upon prior agreement with their governing bodies;</li> <li>• maintaining current communication within PZU and PZU Życie, including with its Management Board, other PZU Group entities, and the PZU Group spokesperson regarding external information campaigns.</li> </ul>

# Corporate governance

## Initiatives Management Committee

Cel supervising and setting the directions of the actions as part of Initiatives management in PZU and PZU Życie

Tasks	<p>Key tasks:</p> <ul style="list-style-type: none"> <li>• approving the distribution of the budget earmarked for projects to key business areas proposed by the Project Department, in accordance with the project activity rules;</li> <li>• approving the Division of IT Capacity, earmarked for execution of Initiatives for the given financial year for the Company's project activity and current activity, taking into account dedicated areas and Business Architect Councils (RABs - the teams that prioritize tasks and implementing Initiatives within the dedicated area and the awarded IT capacity);</li> </ul> <p>Other tasks:</p> <ul style="list-style-type: none"> <li>• accepting rules for prioritizing the initiatives developed by the Project Department and the IT Design and Efficiency Department;</li> <li>• accepting rules for cooperation between dedicated areas and the Project Department as regards IT Capacity management, prepared by the Project Department and the IT Design and Efficiency Department;</li> <li>• prioritizing the executed projects and making decisions on allocating IT capacity in connection with the priorities;</li> <li>• making directional decisions associated with changes of the IT capacity and division of the IT capacity within the current operations of PZU and PZU Życie;</li> <li>• making directional decisions associated with changes of the budget earmarked for projects;</li> <li>• making decisions on creation, change and liquidation of dedicated areas and RABs together with apportioning IT capacity for them;</li> <li>• making directional decisions on execution of new projects – if their execution influences the adopted division of the IT capacity, initiative execution schedule or adopted division of the budget earmarked for projects;</li> <li>• accepting information about the utilization of the budgets earmarked for projects, prepared by the Project Department on the basis of project activity rules and making directional decisions in this respect;</li> <li>• accepting information on the utilization of the IT capacity earmarked for initiatives in the given financial year, developed by the IT Design and Efficiency Department.</li> </ul>
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## Functions discharged by Management Board Member and PZU Group Directors in standing committees:

Name (Management Board composition at yearend 2021)	Participation in committee works (at yearend 2021)
Beata Kozłowska-Chyła President of the PZU Management Board	Head of the Crisis Management Team Committee Chairperson: Investment Risk Committee, Asset-Liability Management Committees Committee Deputy Chairperson: PZU Group Risk Committee Committee Member: Initiatives Management Committee
Aleksandra Agatowska President of the PZU Życie Management Board / PZU Group Director at PZU	Deputy Head of the Crisis Management Team Committee Member: PZU Group Risk Committee, Investment Risk Committee, Asset-Liability Management Committees, Initiatives Management Committee

Name (Management Board composition at yearend 2021)	Participation in committee works (at yearend 2021)
Ernest Bejda Member of the PZU Management Board / Member of the PZU Życie Management Board	Member of the Crisis Management Team for Security Committee Chairperson: Procurement Committee Committee Member: Data Governance Committee, Investment Committee, PZU Group Risk Committee, Investment Risk Committee, Sponsorship, Prevention and CSR Committee, Property Sales Committee, Asset-Liability Management Committees, Initiatives Management Committee
Krzysztof Kozłowski Member of the PZU Management Board / PZU Group Director in PZU Życie	Member of the Crisis Management Team for Corporate Matters and Administration Committee Member: Innovations Committee, PZU Group Risk Committee, Initiatives Management Committee
Małgorzata Kot Member of the PZU Management Board / Member of the PZU Życie Management Board	Committee Member: PZU Pricing Committee, Procurement Committee, Initiatives Management Committee
Tomasz Kulik Member of the PZU Management Board / Member of the PZU Życie Management Board	Member of the Crisis Management Team for Finance Committee Chairperson: Data Governance Committee, Investment Committee, Cost Committee Committee Deputy Chairperson: PZU Pricing Committee, Procurement Committee, Asset-Liability Management Committee Committee Member: PZU Group Risk Committee, Investment Risk Committee, Property Sales Committee, Initiatives Management Committee
Maciej Rapkiewicz Member of the PZU Management Board / Member of the PZU Życie Management Board	Committee Chairperson: PZU Group Risk Committee Committee Deputy Chairperson: Investment Committee, Investment Risk Committee Committee Member: Data Governance Committee, Asset-Liability Management Committee
Małgorzata Sadurska Member of the PZU Management Board / Member of the PZU Życie Management Board	Member of the Crisis Management Team for Contacts with Strategic Partners Committee Member: PZU Pricing Committee, Data Governance Committee, Investment Committee, PZU Group Risk Committee, Investment Risk Committee
Krzysztof Szypuła Member of the PZU Management Board / Member of the PZU Życie Management Board	Member of the Crisis Management Team for IT Committee Chairperson: PZU Pricing Committee, Innovations Committee, Initiatives Management Committee Committee Deputy Chairperson: Data Governance Committee Committee Member: Investment Committee, PZU Group Risk Committee, Investment Risk Committee, Procurement Committee, Asset-Liability Management Committee
Bartłomiej Litwińczuk Member of the PZU Życie Management Board / PZU Group Director at PZU	Member of the Crisis Management Team for Legal Matters and HR Committee Member: PZU Group Risk Committee
Dorota Macieja Member of the PZU Życie Management Board / PZU Group Director at PZU	Member of the Crisis Management Team for Real Estate Committee Chairperson: Property Sales Committee

# Corporate governance



## **Beata Kozłowska-Chyła**

President of the PZU Management Board from 2 October 2020 (from 12 March 2020 to 1 October 2020 – acting President of the PZU Management Board)

Graduated from legal studies at the Faculty of Law and Administration of the University of Warsaw. She received her doctoral degree in juridical science, and subsequently the scientific degree of habilitation. She is a lecturer at the Faculty of Law and Administration at the University of Warsaw in the Commercial Law Faculty. She practices as an attorney-at-law. She is a recommended arbitrator in the Court of Arbitration in the National Chamber of Commerce in Warsaw. In the past she served as a Supervisory Board member in PZU SA, TFI PZU SA and PTE PZU SA. She has been a member of the PZU SA Management Board twice. She also sat on the Management Board of PZU Życie SA. She worked as the Deputy Director of the Legal and Licensing Department in the Pension Fund Regulatory Authority and she served as the President of the Management Board of Polskie Wydawnictwo Ekonomiczne SA. Presently, she serves as the Chairwoman of the Supervisory Board of Bank Pekao S.A., the Chairwoman of the Supervisory Board of Grupa Lotos S.A., the Chairwoman of the Supervisory Board of PZU Życie SA and a Supervisory Board Member of Anwil S.A. She is a member of the Legislative Council of the Prime Minister and of the Business Council of the President of the Republic of Poland. She is also a member of the Audit Committee in the Polish Insurance Association and a member of the Supervisory Board of the Insurance Guarantee Fund. Author of tens of scientific publications on company law, securities law and insurance law published in reputable Polish and foreign magazines. She has also authored articles for the purpose of popularization.



## **Ernest Bejda**

PZU Management Board Member since 4 March 2020 / PZU Życie Management Board Member since 25 August 2021 (earlier a PZU Group Director from 4 May 2020 to 24 May 2021)

Graduate of the Faculty of Law and Administration at the Maria Curie-Skłodowska University in Lublin. He completed prosecutor and advocate trainee programs. Prior to his employment in the PZU Group he worked in the General Customs Inspectorate in Warsaw, and then he ran his own advocate practice. He co-founded the Central Anti-Corruption Bureau in which he served as its Deputy Head (2006-2009), and then headed it up (2016-2020). Supervisory Board Chairman of PZU Centrum Operacji S.A., Supervisory Board Deputy Chairman of Alior Bank S.A. and Supervisory Board Member of TFI PZU S.A.



## **Krzysztof Kozłowski**

PZU Management Board Member since 4 August 2021 / PZU Group Director since 4 August 2021

Holds a doctoral degree in juridical science obtained in 2010 from the Faculty of Law and Administration of the Jagiellonian University. Since 2011 he has been an assistant professor at the Constitutional Law Faculty at the Faculty of Law and Administration of the Jagiellonian University. He has authored several dozen scientific publications and participated in overseas residencies, internships and research programs. In 2013 he was entered in the list of non-practicing attorneys. He has also passed the judge exam. From 2013 to 2015 he was an assistant judge of the Constitutional Court. From 2013 to 2015 he was a representative-substitute in the Group of Independent Experts on the European Charter of Local Self-Government of the Council of Europe in Strasbourg. Vice-President of the Management Board of Bank Pekao S.A. overseeing the Strategy Division from April 2020 to August 2021. Chairman of the Supervisory Board in Grupa Azoty Zakłady Chemiczne "Police" S.A. and Polskie Radio – Regionalna Rozgłośnia w Szczecinie "PR Szczecin" S.A.





**Małgorzata Kot**

Member of the PZU Management Board since 10 September 2020 / PZU Życie Management Board since 16 April 2020

Graduate of the Department of Economic Sciences and Management at the Nicholas Copernicus University in Toruń. She completed her post-graduate studies at the Economic University in Poznań in the field of economic insurance and in the Warsaw School of Economics – the Professional Coach Academy. She is a manager with more than twenty years of experience in the insurance industry in the sales of life and non-life insurance. In 2001-2012 she held managerial positions in STU Ergo Hestia, PZU and HDI Asekuracja TU. Since 2012 she has been affiliated with TUIR Allianz Polska SA, where she served in the following functions: Director of the Department for Cooperation with Key Partners, Director of the Department for Cooperation with Multiagencies and Director of the Department for Cooperation with Key Partners and Bancassurance.



**Tomasz Kulik**

Member of the PZU Management Board since 14 October 2016 / in the PZU Życie Management Board since 19 October 2016

Graduate of the Faculty of Finance and Management at the Warsaw School of Economics. He received an MBA from the University of Illinois and completed the Warsaw - Illinois Executive MBA programme. A member of The Association of Chartered Certified Accountants (ACCA) and a graduate of the Advanced Management Program at Harvard Business School in Boston. He has been involved with the financial market since the beginning of his professional career, where he held numerous positions in regulated institutions of the insurance, banking and asset management sectors. He has been working for the PZU Group since 2012, where he holds the position of the Group's CFO and a member of the management board supervising the finance, investment, capital management and investor relations areas. Previously, he was associated with Aviva Group (former Commercial Union) for a long time. Additionally, he is Chairman of the Supervisory Board of TFI PZU.



**Maciej Rapkiewicz**

Member of the PZU Management Board since 22 March 2016 / PZU Życie Management Board since 25 May 2016

Graduate of the Faculty of Law and Administration at the University of Łódź and post-graduate studies in business insurance, an MBA in Finance and Insurance and risk management. Associated with the PZU Group intermittently since 1998. From 2006 to 2009 Management Board Member and then Vice-President of the TFI PZU SA Management Board. Since 2015 he has worked for TFI BGK S.A., serving as a Management Board Member. He was also the President of the ŁSSE S.A. Management Board. He sat on the supervisory boards of domestic and foreign companies in the PZU Group. Presently, he serves as the Supervisory Board Chairman of PTE PZU S.A. and Supervisory Board Member of LINK4 TU S.A.

# Corporate governance



## **Małgorzata Sadurska**

Member of the PZU Management Board since 13 June 2017 / PZU Życie Management Board since 19 June 2017

Graduate of the Faculty of Law and Administration of the Maria Curie-Skłodowska University in Lublin and a post-graduate course in Organization and Management at the Lublin School of Business. She completed her Master of Business Administration studies at the Faculty of Management at the Lublin University of Technology and the Strategic Leadership Academy. From 2002 to 2005, she was a Member of the Puławy County Board. In 2005-2015 she was a member of parliament in the Republic of Poland's Sejm. She was also a member of the National Council of the Judiciary of Poland and Supervisory Board Chairwoman of the ZUS Social Insurance Institution. In 2007, she was the Secretary of the State on labor and social policy at the Prime Minister's Office. In 2015-2017, she served as Head of the Chancellery of the President of the Republic of Poland. She serves as the Supervisory Board Chairwoman of PZU TUW and Supervisory Board Member of Bank Pekao S.A. and LINK4 TU S.A.



## **Krzysztof Szypuła**

Member of the PZU Management Board since 10 September 2020 / PZU Życie Management Board since 10 September 2020 oraz PZU Group Director since 4 February 2022

Graduate of the University of Lodz with a specialization in econometrics and statistics and of the Summer School of Actuarial Science at the University of Warsaw. He has worked in the financial services industry for 29 years. He worked for a long time for the Nationale-Nederlanden (ING) Group where he worked from 1994 to 2010 in Poland, the United States and Australia gaining experience in actuarial matters, financial management, IT projects and operations. Before joining the PZU Group he was associated with the Polish Branch of Prudential plc from the United Kingdom where he was responsible for product development and management and then with Allianz Polska. In the management board of Allianz insurance companies he was initially responsible for life and health products and later for sales management. Before taking up the function of Management Board Member in PZU and PZU Życie he served in the capacity of Managing Director for Product Strategy.

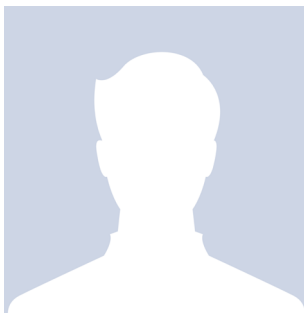


## **Aleksandra Agatowska**

President of the PZU Życie Management Board since 15 February 2021 (Acting President of the PZU Życie Management Board from 19 February 2020 to 14 February 2021) / Member of the PZU Życie Management Board from 25 March 2016 / Member of the PZU Management Board from 24 October 2019 until 19 February 2020 and PZU Group Director (from 25 March 2016 to 23 October 2019, and again since 20 February 2020)

Graduate of the Jagiellonian University majoring in Economic Sociology and Market Research and Executive MBA at the Kozminski University in Warsaw. She also completed the Education Program: Implementing Winning Strategies (Columbia Business School), Managerial Finance (The London School of Economics and Political Science) and Strategic Change Management (Kellogg School of Management). She gained her professional experience working for ING Życie, ING Powszechnie Towarzystwo Emerytalne and ING Spółka Dystrybucyjna. She also collaborated with the team of the Public Policy Evaluation and Analysis Center. For HDI (currently Warta S.A.), she managed the product marketing team, developing and executing sales support campaigns. Then she headed the Marketing Intelligence team at Sony Europe. At Philips S.A. she managed the Marketing and Business Intelligence team in 17 countries of the region. As an external consultant, she advised among others Aviva SA on the implementation of distribution channel projects. She also has experience in corporate governance. Currently, she serves as the Supervisory Board Chairwoman of Alior Bank S.A.



**Bartłomiej Litwińczuk**

PZU Życie SA Management Board Member and PZU Group Director since 19 August 2016

Graduated from the Faculty of Law and Administration at the University of Warsaw. In 2009 he completed his advocate trainee program and passed the professional examination. Advocate in the Warsaw Bar Association. He specializes in civil law. He combines his business knowledge with extensive experience resulting from his provision of legal assistance services, in particular in cases related to commercial company law, copyright law, administrative law and criminal business law. In the past, he also served as an advisor to the Extraordinary Committee of the Sejm for changes in legal codes. He has experience in corporate governance. Moreover, he is a member of the regulatory authorities of commercial law companies.

**Dorota Macieja**

PZU Życie SA Management Board Member and PZU Group Director since 15 March 2017

Graduate of Polish philology at the University of Warsaw. Associated with the PZU Group since 2016. As the director she supervised prevention and sponsoring in PZU SA and PZU Życie SA. In 2010-2016, she coordinated and managed publishing and film production projects. In 2008-2010, she served as deputy director and director of Channel 1 of Telewizja Polska. Earlier, in 2007, she headed TVP1's News program. For many years, a journalist working for Tygodnik Solidarność, Wprost and Radio Free Europe. During martial law in Poland, she was associated with the underground publishing house "Wola".

# Corporate governance

## 8.8 Compensation paid to members of supervisory and management bodies

### Rules for compensating Supervisory Board Members

The monthly compensation of Supervisory Board Members was set in Resolution No. 5/2017 adopted by PZU's Extraordinary Shareholder Meeting on 8 February 2017 on the rules for setting the compensation of the Supervisory Board Members, as amended by Resolution No. 37/2019 adopted by PZU's Ordinary Shareholder Meeting on 24 May 2019. In accordance with the amending resolution, the monthly compensation of Supervisory Board Members was set as the product of the base amount referred to in Article 1 Section 3 Item 11 of the Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Some Companies of 9 June 2016 and the following multiplier of 2.75.

The monthly compensation set this way is increased for:

- The Supervisory Board Chairperson by 10%,
- The Supervisory Board Deputy Chairperson by 9%,
- The Supervisory Board Secretary by 8%,
- The Chairpersons of Supervisory Board committees by 9%, while the additional compensation does not add up.

### Rules for compensating Management Board Members

The rules for compensating Management Board members are shaped by the Supervisory Board in accordance with Resolution No. 4 adopted by PZU's Extraordinary Shareholder Meeting on 8 February 2017 on the rules for setting the compensation of the Management Board members (as amended), Resolution No. 36 adopted by PZU's Ordinary Shareholder Meeting on 26 May 2020 on the "Compensation policy for the PZU SA Management Board and Supervisory Board Members" and the requirements set forth in the Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Some Companies.

The aforementioned rules stipulate that the total compensation due to a Management Board member for rendering management services and discharging other obligations ensuing from the Management Services Provision Agreement concluded for the term of serving in the Company's Management Board consists of the following:

- fixed compensation – flat monthly base compensation (for a calendar month) that cannot exceed the reference range established pursuant to Article 4 section 2 of the Act on the Rules for Shaping the Compensation of Persons Managing Certain Companies without prejudice to the situations outlined in Article 4 section 3 of the aforementioned act;

- variable compensation – supplementary compensation for a given financial year depending on the extent to which management objectives from the catalog which, in accordance with the aforementioned act, comprises among others, improvement of economic and financial indicators, are attained; the variable compensation for a given financial year may not exceed 100% of the annual fixed compensation in the previous financial year for which the amount of variable compensation due is to be calculated, a significant portion of the variable compensation is awarded in the form of deferred variable compensation; deferred variable compensation is payable over 3 years; after the elapse of 12, 24 and 36 months from the date of allocation, a Management Board member may acquire the right to 1/3 of the deferred variable compensation for a given year subsequent to satisfying the conditions defined in the Management Services Provision Agreement.

As at 31 December 2021, the benefits to which PZU Management Board members are entitled under the variable compensation system for the years 2017-2019 were awarded and paid. This payment was for the non-deferred portion of variable compensation and the first and second tranche of the deferred variable compensation for 2017 and 2018 and the first one for 2019.

The Management Services Provision Agreements entered into with Management Board members regulate their term of notice and issues related to refraining from engaging in competitive activity to the Company's during their term of validity after their termination in consideration for damages. They do not provide for damages in the event Management Board Members resign or are dismissed from their position without a valid reason except for severance pay distributed after the fulfillment of contractual prerequisites which include dismissal or release on account of the issuer undergoing a merger by way of acquisition.

In 2021, the PZU Group companies subject to consolidation did not grant any loans or similar benefits to members of their management boards, higher level managers or members of their supervisory boards.

Below is the compensation or non-cash benefits paid or transferred in 2020 or 2019 to the current and former Members of the PZU Management Board and Supervisory Board and PZU Group Directors.





Compensation and other short-term employee benefits paid by PZU (PLN 000s)	1 January – 31 December 2020		1 January – 31 December 2021	
		including part of variable compensation for 2017 - 2019		including part of variable compensation for 2017 - 2020
<b>Management Board, of which:</b>	<b>13,210</b>	<b>4,227</b>	<b>14,332</b>	<b>5,849</b>
Beata Kozłowska-Chyła	776	-	1,479	465
Ernest Bejda	617	-	1,350	370
Małgorzata Kot	297	-	1,153	173
Krzysztof Kozłowski	n/a	n/a	405	-
Tomasz Kulik	1,567	637	1,788	808
Maciej Rapkiewicz	1,567	637	1,788	808
Małgorzata Sadurska	1,581	651	1,801	822
Krzysztof Szypuła	415 <sup>1</sup>	-	1,153	173
Marcin Eckert	1,321	391	1,316 <sup>2</sup>	645
Aleksandra Agatowska	356	282	94	94
Adam Brzozowski	1,395 <sup>3</sup>	310	711 <sup>4</sup>	454
Elżbieta Häuser – Schöneich	1,395 <sup>5</sup>	310	711 <sup>6</sup>	454
Roger Hodgkiss	318	318	179	179
Paweł Surówka	1,605 <sup>7</sup>	691	404	404
<b>High-level managers (PZU Group Directors), including:</b>	<b>2,480</b>	<b>847</b>	<b>2,370</b>	<b>1,180</b>
Aleksandra Agatowska	384	-	673	267
Bartłomiej Litwińczuk	616	244	705	313
Dorota Macieja	616	244	705	313
Małgorzata Kot	140	-	90	90
Roman Pałac	618 <sup>8</sup>	253	138	138
Tomasz Karusewicz	106	106	59	59
<b>Management Board, of which:</b>	<b>2,007</b>	<b>-</b>	<b>2,134</b>	<b>-</b>
Paweł Mucha	n/a	n/a	112	-
Paweł Górecki	193	-	203	-
Robert Śnitko	188	-	203	-

1 Including remuneration and bonus for function of Managing Director for Product Strategy discharged from 1 January - 9 September 2020

2 Including severance pay of PLN 246 thousand

3 Including non-competition fee of PLN 210 thousand and severance pay of 233 thousand

4 Including non-competition fee of PLN 257 thousand

5 Including non-competition fee of PLN 210 thousand and severance pay of PLN 233 thousand

6 Including non-competition fee of PLN 257 thousand

7 Including non-competition fee of PLN 483 thousand and severance pay of PLN 242 thousand

8 Including non-competition fee of PLN 193 thousand and severance pay of PLN 97 thousand

# Corporate governance

Compensation and other short-term employee benefits paid by PZU (PLN 000s)	1 January – 31 December 2020		1 January – 31 December 2021	
		including part of variable compensation for 2017 - 2019		including part of variable compensation for 2017 - 2020
Marcin Chludziński	177	-	187	-
Agata Górnicka	177	-	187	-
Robert Jastrzębski	193	-	203	-
Elżbieta Mączyńska-Ziemacka	177	-	187	-
Krzysztof Opolski	188	-	203	-
Radostaw Sierpiński	n/a	n/a	41	-
Józef Wierzbowski	106	-	187	-
Maciej Zaborowski	177	-	187	-
Maciej Łopiński	195	-	89	-
Tomasz Kuczur	177	-	145	-
Alojzy Nowak	59	-	n/a	n/a

Compensation and other short-term employee benefits paid by other PZU Group entities (PLN 000s)	1 January – 31 December 2020		1 January – 31 December 2021	
		including part of variable compensation for 2017 - 2019		including part of variable compensation for 2017 - 2020
<b>Management Board, of which:</b>	<b>892</b>	<b>-</b>	<b>119</b>	<b>119</b>
Małgorzata Kot	224	-	119	119
Krzysztof Szypuła	668 <sup>1</sup>	-	-	-
<b>High-level managers (PZU Group Directors), including:</b>	<b>3,736</b>	<b>1,592</b>	<b>3,325</b>	<b>1,540</b>
Aleksandra Agatowska	784	285	980	370
Bartłomiej Litwińczuk	934	377	1 024	437
Dorota Macieja	934	377	1 024	437
Roman Pałac	921 <sup>2</sup>	390	205	204
Tomasz Karusewicz	163	163	92	92

<sup>1</sup> Including remuneration and bonus for function of Managing Director for Product Strategy discharged from 1 January - 9 September 2020

<sup>2</sup> Including non-competition fee of PLN 280 thousand and severance pay of PLN 140 thousand



<b>Total estimated value of non-cash benefits granted by PZU and PZU's subsidiaries (PLN 000s)</b>	<b>1 January – 31 December 2020</b>	<b>1 January – 31 December 2021</b>
<b>Management Board, of which:</b>	<b>2,626</b>	<b>1,482</b>
Beata Kozłowska-Chyła	118	218
Ernest Bejda	58	155
Małgorzata Kot	90	189
Krzysztof Kozłowski	n/a	44
Tomasz Kulik	156	178
Maciej Rapkiewicz	160	185
Małgorzata Sadurska	241	217
Krzysztof Szypuła	101	136
Adam Brzozowski	214	n/a.
Marcin Eckert	657 <sup>1</sup>	160
Elżbieta Häuser – Schöneich	170	n/a
Paweł Surówka	661 <sup>2</sup>	n/a
<b>High-level managers (PZU Group Directors), including:</b>	<b>699</b>	<b>587</b>
Aleksandra Agatowska	214	214
Bartłomiej Litwińczuk	235	185
Dorota Macieja	209	173
Roman Pałac	39	-
Tomasz Karusewicz	2	15 <sup>3</sup>

1 Including PLN 445 thousand for Advanced Management Program at Harvard Business School

2 Including PLN 515 thousand for Advanced Management Program at Harvard Business School

3 Overdue benefits from PZU and PZU Życie

The Company does not have any pension liabilities or similar benefits to former managers and supervisors or former members of its administrative authorities or liabilities taken out in connection with these benefits.

# Corporate governance

## 8.9 Diversity policy

PZU employs best practices promulgating diversity and it cares about equal treatment for employees.

In 2021, the PZU Group adopted the Human Rights Policy, in which one of the main goals is to build an organization that supports diversity. Respecting human rights is assigned special significance in the pursued organizational culture policy. This involves counteracting mobbing and discrimination, offering equal opportunities to all employees regardless of their professional position in the PZU Group, sex, age, disability, race, religion, nationality, political convictions, union membership, ethnic origin, ethnic origin, denomination, sexual orientation, form of employment – for a specified or unspecified term, on a full-time or part-time basis while simultaneously respecting the right of assembly and the right to strike.

Respecting individuality, equal treatment and prevention of discrimination are supported by the adopted procedures and undertaken initiatives:

- countering mobbing – support is given by the Anti-mobbing Procedure which contemplates the appointment of an anti-mobbing commission to investigate every report of improper conduct that may involve elements of mobbing;
- ensuring equal treatment in employment opportunities and counteracting discrimination – support is given by the “Report an Incident” procedure enabling employees to report breaches through the intranet platform.

Starting in December 2020, all employees have to undergo a new e-learning training course entitled “Countering mobbing and discrimination in the workplace”. In addition to mobbing-related issues, the training provides information on prevention of discrimination and equal treatment in employment opportunities.

Issues pertaining to the psychological working environment are also covered as part of regular occupational safety and health training offered to employees, including managers.

PZU provides its employees equal opportunities for development to enhance their skills, being promoted and compensation, while having regard for employees’ individual potential, their accomplishments and work performance.

Respecting the personal dignity of employees is an important aspect of organizational culture.

“Best Practices of the PZU Group”, which are a code of ethics for all employees, promote mutual respect, cooperation and equal treatment, taking into account diversity of roles, character and personality traits. These are the foundations on which the success of the whole organization is built.

They span all career stages in PZU, starting from the recruitment process, and pertain to employment terms, access to training and development-minded activities, opportunities to be promoted.

PZU confirmed its will to pursue a diversity policy by joining the signers of the international Diversity Charter in 2013.

### Diversity policy pertaining to the management and supervisory staff

PZU is a company in which the State Treasury has a shareholding. Accordingly, the persons who sit in its managing bodies are selected in accordance with the statutory regulations applicable to these types of entities.

As regards qualifications and requirements for those occupying positions in management and supervisory bodies, PZU in particular takes into account the statutory criteria for education and professional experience adequate to the functions discharged on such positions in the entity conducting insurance activity. They are defined in the provisions of the Commercial Company Code of 15 September 2000, the Insurance and Reinsurance Activity Act of 11 September 2015 and the State Property Management Act of 16 December 2016.

Management Board and Supervisory Board Members are selected for the new term of office in compliance with the principles of equal access of men and women to positions in the company’s statutory bodies. The composition of the PZU Management Board and Supervisory Board also addresses the need of age diversification among their Members.

### Supervisory Board

	31 December 2019				31 December 2020				31 December 2021			
	number of persons		%		number of persons		%		number of persons		%	
	women	men	women	men	wom-en	men	women	men	wom-en	men	women	men
< 30 years old	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%
30 to 50 years old	1	6	9%	55%	1	6	9%	55%	1	6	9%	55%
> 50 years old	1	3	9%	27%	1	3	9%	27%	1	3	9%	27%
Total by gender	2	9	18%	82%	2	9	18%	82%	2	9	18%	82%

### Management Board

	31 December 2019				31 December 2020				31 December 2021			
	number of persons		%		number of persons		%		number of persons		%	
	women	men	women	men	wom-en	men	women	men	wom-en	men	women	men
< 30 years old	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%
30 to 50 years old	2	5	25%	63%	3	4	38%	50%	2	4	25%	50%
> 50 years old	1	0	12%	0%	0	1	0%	12%	1	1	12.5%	12.5%
Total by gender	3	5	37%	63%	3	5	38%	62%	3	5	37.5%	62.5%