

Warsaw, 20 May 2024

Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

Motion

**to the Ordinary Shareholder Meeting of Powszechny Zakład Ubezpieczeń Spółka Akcyjna
on the distribution of PZU SA's net profit for the year ended 31 December 2023, increased by the amount transferred from the reserve capital created from the net profit for the year ended 31 December 2022.**

Content:

Pursuant to Article 395 § 2(2) of the Commercial Company Code and § 18(2) of the Articles of Association of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, it is requested that the PZU SA Ordinary Shareholder Meeting distribute the net profit of PZU SA for the financial year ended 31 December 2023, in the amount of PLN 3,983,186,702.06 (in words: three billion nine hundred and eighty-three million one hundred and eighty-six thousand seven hundred and two zlotys 06 gr), increased by the amount of PLN 853,612,399.34 (in words: eight hundred and fifty-three million six hundred and twelve thousand three hundred and ninety-nine zlotys 34 gr) transferred from the reserve capital created from the net profit for the year ended 31 December 2022, i.e. a total of PLN 4,836,799,101.40 (in words: four billion eight hundred and thirty-six million seven hundred and ninety-nine thousand one hundred and one zlotys 40 gr), as follows:

- 1) PLN 3,747,689,820.00 (said: three billion seven hundred and forty-seven million six hundred and eighty-nine thousand eight hundred and twenty Polish złoty, zero groszy), i.e. PLN 4.34 (said: four Polish złoty and thirty-four groszy) per share, to be designated as dividend payout;
- 2) PLN 8,615,900.00 (said: eight million six hundred and fifteen thousand nine hundred Polish złoty, zero groszy) to be allocated for the Company Social Benefit Fund;
- 3) PLN 1,080,493,381.40 (said: one billion eighty million four hundred and ninety-three thousand three hundred and eighty-one Polish złoty and forty groszy) to be allocated for the supplementary capital.

It is requested that the dividend date be set for 17 September 2024 and the dividend payment date be set for 8 October 2024.

Reasons:

According to the resolution of the PZU SA Management Board, the dividend amount consists of:

- 1) the amount of PLN 2,894,077,420.66 (in words: two billion, eight hundred and ninety-four million, seventy-seven thousand, four hundred and twenty zloty and 66 gr) from net profit for the year ended 31 December 2023;
- 2) the amount of PLN 853,612,399.34 (in words: eight hundred and fifty-three million six hundred and twelve thousand three hundred and ninety-nine Polish zlotys 34 gr) transferred from the reserve capital created from the net profit for the year ended 31 December 2022.

The dividend amount corresponds to 94% of PZU SA's profit earned in 2023 and 65% of the PZU Group's net profit attributable to shareholders of the parent company for the year ended 31 December 2023.

On 20 May 2024, the PZU SA Supervisory Board positively assessed the proposal of the PZU SA Management Board to the PZU SA Ordinary Shareholder Meeting regarding the distribution of PZU SA's net profit for the year ended 31 December 2023 plus the amount transferred from the reserve capital created from the net profit for the year ended 31 December 2022.

Capital and dividend policy of PZU Group ("Policy") adopted by Resolution No. UZ/75/2021 of the PZU SA Management Board of 24 March 2021.

On 24 March 2021 the PZU SA Management Board adopted the dividend policy for the years 2021–2024. The main points of the Policy assume that:

- PZU SA remains a dividend company, which will pay out between 50% and 100% of profits attributable to owners of the parent company;
- PZU SA, PZU Życie SA and the PZU Group will maintain the Solvency II solvency ratios of no less than 200%;
- the leverage ratio will not exceed 25%;
- we will ensure funds for growth and acquisitions.

The dividend of PLN 3,747,689,820.00 (three billion, seven hundred and forty-seven million, six hundred and eighty-nine

thousand, eight hundred and twenty zlotys and 00 gr), i.e. PLN 4.34 (four zlotys and 34 gr) per share, represents 65% of the PZU Group's net profit attributable to shareholders of the parent company for the year ended 31 December 2023. The analyses conducted indicate that the payment of dividends will not cause the solvency ratios of PZU SA and the PZU Group to fall below the level envisaged in the Policy as of 31 December 2023 or in the 2024–2026 medium-term planning period.

Recommendations of the KNF on the distribution of the financial result of PZU SA

On 14 December 2023, the Financial Supervisory Commission announced its position on dividend policy in 2024 ("KNF Recommendations for 2024"), in which it allowed dividend payments:

- a maximum amount equal to 100% of the amount of profit generated in 2022 (taking into account dividends paid to date from 2022 profit), and
- up to 100% of the profit generated in 2023,

provided that:

- the company received a good or satisfactory SREP risk score for 2022;
- in the individual quarters of 2023, the company did not show a shortfall in its own funds to cover its capital requirement and was not covered by a short-term financial plan or the remedial plan in 2023;
- for insurance companies, reinsurance companies and insurance and reinsurance companies operating in section II – the amount of own funds is at least 150% of the amount of capital requirements as of 31 December 2023 (after deducting expected dividends from own funds) and 150% for the quarter in which the dividend will be paid.

Moreover, in accordance with the KNF's recommendations for the year 2024, when deciding on the level of dividends additional capital needs were taken into account within the period of 12 months from the approval date of the 2023 financial statements, which may result, among others, from changes in the market and legal environment, in particular from the high degree of uncertainty about the macroeconomic perspective regarding, among others, inflation, interest rates, currency exchange rates, energy resources or effects brought about by the currently ongoing armed conflicts.

The analysis showed that PZU SA meets the conditions set by the KNF and can pay a dividend in the proposed amount.

Guidelines of the Chancellery of the Prime Minister of September 2023 for state-owned companies preparing financial statements for the year 2023 ("CPM Guidelines")

According to the CPM Guidelines, in the case of insurance institutions, the amount of dividends should be determined taking into account the coverage ratio of capital requirements set by the KNF and other supervisory requirements concerning the capital situation of insurance institutions.

The write-off for the Company Social Benefits Fund ("CSBF") of PLN 8,615,900.00 (in words: eight million six hundred and fifteen thousand nine hundred zlotys 00 gr) results from the limit specified in the CPM Guidelines.

The possibility of taking advantage of benefits, the type and size of which depend on the material, family and housing situation, is a real social support offered by PZU SA for measures to support employees and their families.

PZU SA has earmarked a portion of its net profit to contribute to the CSBF in each year since 2012. The existing practice and the high net profit generated in 2023 may have raised a reasonable expectation among third parties (particularly the company's employees) that the Company will do the same in 2024.

Accordingly, it is recommended that a write-down be made for the CSBF.

Dividend date and dividend payment date

According to the Articles of Association of PZU SA:

- the dividend record date should be set at the date of the resolution to distribute the profit or at a date not earlier than five days and not later than three months after the date of the resolution;
- the resolution to pay dividends more than fifteen working days after the date of the dividend should include a detailed justification for this deadline.

Accordingly, it is recommended that the dividend date be set for 17 September 2024, i.e. 3 months from the date of adoption of the resolution of the PZU SA Ordinary Shareholder Meeting, and the dividend payment date be set for 8 October 2024, i.e. 15 business days after the dividend date.

Summary

PZU SA and the PZU Group have a high solvency ratio. The analyses carried out indicate that the payment of a dividend of PLN 4.34 (in words: four zloty 34 gr) per share does not threaten the financial stability of the Company or the PZU Group in the 2024–2026 medium-term planning period. Due to the observed volatility of the market environment, including interest rates, high inflation and in view of the uncertainty in connection with the war in Ukraine, it is recommended to pay a dividend of PLN 4.34 (in words: four zlotys 34 gr) per share.

The motion is presented by:

/Tomasz Kulik/

/Maciej Rapkiewicz/

Attachments:

- 1) draft resolution of the PZU SA Ordinary General Meeting on the distribution of PZU SA's net profit for the year ended 31 December 2023, increased by the amount transferred from the reserve capital created from the net profit for the year ended 31 December 2022.

Re: Item 14 of the Agenda

RESOLUTION NO./2024

ADOPTED BY THE ORDINARY SHAREHOLDER MEETING

OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

ON 18 JUNE 2024

regarding the distribution of PZU SA's net profit for the year ended 31 December 2023, increased by the amount transferred from the supplementary capital created from the net profit for the year ended 31 December 2022

Pursuant to Article 395 § 2(2), Article 396 § 5 of the Commercial Company Code and § 18(2) and § 36 of the Articles of Association of PZU SA, in conjunction with Article 348 of the Commercial Company Code, the PZU SA Ordinary Shareholder Meeting hereby resolves as follows:

§ 1

The net profit of PZU SA for the financial year ended 31 December 2023, in the amount of PLN 3,983,186,702.06 (in words: three billion nine hundred and eighty-three million one hundred and eighty-six thousand seven hundred and two zlotys 06 gr), increased by the amount of PLN 853,612,399.34 (in words: eight hundred and fifty-three million six hundred and twelve thousand three hundred and ninety-nine zlotys 34 gr) transferred from the supplementary capital created from the net profit for the year ended 31 December 2022, i.e. a total of PLN 4,836,799,101.40 (in words: four billion eight hundred and thirty-six million seven hundred and ninety-nine thousand one hundred and one zlotys 40 gr), is distributed as follows:

- 1) PLN 3,747,689,820.00 (said: three billion seven hundred and forty-seven million six hundred and eighty-nine thousand eight hundred and twenty Polish złoty, zero gr), i.e., PLN 4.34 (said: four zlotys and thirty-four gr) per share, to be designated as dividend payout;
- 2) PLN 8,615,900.00 (said: eight million six hundred and fifteen thousand nine hundred Polish złoty, zero groszy) to be allocated for the Company Social Benefit Fund;
- 3) PLN 1,080,493,381.40 (said: one billion eighty million four hundred and ninety-three thousand three hundred and eighty-one Polish złoty and forty groszy) to be allocated for the supplementary capital.

§ 2

The date according to which the list of shareholders entitled to the payment of dividends referred to in § 1(1) (record date) shall be 17 September 2024. The dividend payout date shall be 8 October 2024.

§ 3

The Resolution comes into force when adopted.

Chairman

of the PZU SA Ordinary Shareholder Meeting