

MANAGEMENT BOARD BYLAWS
of Powszechny Zakład Ubezpieczeń SA
Spółka Akcyjna
(„Bylaws”)

adopted by means of the Resolution of the Management Board of PZU SA. no. UZ/85/2010 ,
dated February 23, 2010

approved by means of the Resolution of the Supervisory Board of PZU SA no. URN/8/2010 ,
dated March 4, 2010

I. GENERAL PROVISIONS

§1.

The Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna, further referred to as the „Company”, acts pursuant to provisions of the law, specifically the Code of Commercial Companies, the Insurance Business Act of May 22, 2003, the Company’ s Articles of Association, resolutions of the General Meeting of Shareholders and of the Supervisory Board, and these Bylaws.

§2.

In its activities for the integration and development of the PZU Group and its individual companies, the Management Board respects the internal legislation of entities comprising the PZU Group.

II. COMPETENCIES OF THE MANAGEMENT BOARD

§3.

1. The Management Board manages the Company’s affairs in all areas of its operations, and represents the Company. The Management Board exercises all rights to manage the Company with the exception of the rights reserved by the law and the Articles of Association to the Company’s other governing bodies.
2. The Management Board drafts operations and development plans for the Company, and initiates, undertakes and coordinates actions for the integration and development of the PZU Group and entities comprising it.

3. Members of the Management Board are obliged to keep confidential all information obtained in the course of fulfillment of their duties. The obligation to maintain confidentiality refers in particular to information constituting the Company's business secret, insurance secret, personal data, confidential information tied to the public offering and admitting of the Company's shares into trade in the regulated market, and to other information protected by law (this obligation extends also to information referring to other companies of the PZU Group). Management Board Members sign a statement on their obligation to maintain confidentiality, according to a specimen prepared by the Company.

§4.

Resolution of the Management Board of PZU SA is required for the following actions:

- 1) adoption of the multi-annual plan for the development and operations of the Company;
- 2) adoption of the action and development plan of the PZU Group;
- 3) adoption of the annual financial plan and approval of report on its implementation;
- 4) approval of the financial statements for the past financial year, and of the Management Board's report on the activities of the Company;
- 5) adoption of resolution regarding the distribution of profits or coverage of losses;
- 6) setting the premium tariffs for mandatory and voluntary insurance, and the general terms and conditions for voluntary insurance;
- 7) setting the scope and level of reinsurance ceded, and tasks in the field of reinsurance assumed;
- 8) setting the accounting rules (policy) for the Company, including the company chart of accounts in the part covering the list of synthetic accounts of the general ledger, and the applied rules of accounting;
- 9) adoption or amendment of the Management Board Bylaws,
- 10) adoption or amendment of the Organizational Bylaws of PZU SA, and the introduction of organizational changes described in the Organizational Bylaws of PZU SA;
- 11) adoption or amendment of other documents regulating the organization of the Company, defined in the Organizational Bylaws of PZU SA, as well as regulations described in the Insurance Business Act of May 22, 2003;
- 12) establishment and liquidation of branches and organizational units of the Company, domestic and abroad;
- 13) setting the rules for personnel selection, appointment and dismissal of individuals to/from managerial positions defined under the Organizational Bylaws of PZU SA;
- 14) adoption of the annual audit and control plan and the report on its execution, including conclusions;
- 15) setting the rules for investment, preventive and sponsoring activity;

- 16) construction projects, domestic and abroad, excluding renovations and investments whose value does not exceed the gross amount of PLN 1,000,000.00;
- 17) purchase or sale of real estate, perpetual usufruct or share in real estate or perpetual usufruct;
- 18) purchase of other fixed assets whose gross value exceeds EUR 250,000.00;
- 19) providing surety and guarantees with the exception of those included in the scope of insurance activities, contracting and granting of credits or loans by the Company – with the exception of credits and loans granted from the funds of the In-Company Social Benefits Fund;
- 20) requests for convening the Supervisory Board, and motions of the Management Board to the Supervisory Board;
- 21) the convening, or the refusal to convene the General Meeting, and submission of issues to be discussed during the General Meeting;
- 22) appointment of commercial representation;
- 23) setting the rules for granting, recalling and registration of proxies;
- 24) deciding on the presence of invited persons at the Management Board meetings in case where any of the Management Board members objects to the invitation; and
- 25) all other matters that the Management Board deems as important for the Company.

III. APPROVAL BY THE SUPERVISORY BOARD/ RATIFICATION BY THE SUPERVISORY BOARD

§5.

1. The Management Board is obliged to obtain the approval of the Supervisory Board on the following matters:
 - 1) transfer of part of or of the entire insurance portfolio;
 - 2) the purchase, take up or sale of shares in other companies, as well as the Company's participation in other entities, above the limit set by the Supervisory Board, or under manner or conditions different from those determined by the Supervisory Board;
 - 3) issuing of instructions for the Company's representatives regarding the exercise of voting rights at the General Meetings of Shareholders of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna, further referred to as "PZU Życie SA" on the following matters: increase and decrease of the share capital, issue of bonds, disposal or lease of the business of PZU Życie SA and the establishment of usufruct right there on, division of PZU Życie SA, merger of PZU Życie SA with another company, liquidation or dissolution of PZU Życie SA;
 - 4) purchase or sale of real estate, perpetual usufruct or share in real estate or perpetual usufruct whose value exceeds the equivalent of EUR 3,000,000.00;

- 5) entering by the Company into a significant agreement with an affiliated entity, pursuant to the regulations on ongoing and periodic information provided by the issuers of securities admitted into trade in the regulated market, with the exception of typical contracts concluded by the Company under market terms, as part of its operating activities;
 - 6) entering by the Company into an agreement with an underwriter, which is described in art. 433 § 3 of the Code of Commercial Companies;
 - 7) payment of advance towards anticipated dividend;
 - 8) establishment and liquidation of branches.
2. The Management Board signs contracts for audit of annual financial statements with entities selected by the Supervisory Board.
 3. Approval of the Supervisory Board is required for:
 - 1) the multi-annual plans for the Company's development and annual financial plans, developed by the Management Board;
 - 2) Management Board Bylaws.
 4. The obligation to seek the approval described in section 1 item 5 arises from the day the Company's shares are introduced into trade in the regulated market, pursuant to the provisions of the Law on Trading in Financial Instruments of July 29, 2005.
 5. For any matter to be submitted to the General Meeting by the Management Board, the Supervisory Board must first consider it and issue its opinion.
 6. Upon the demand of the Supervisory Board, the Management Board is obliged to present all materials, documents and explanations regarding the Company's business.
 7. If the demand to present materials described in section 6, has been put forth by a permanent committee of the Supervisory Board, a temporary commission acting within the limits of granted delegation, or by a Supervisory Board member delegated to independently perform specific supervisory actions, the scope of such demand is defined by the Supervisory Board resolution regarding the setting up of the commission or delegating the Supervisory Board member to independently perform specific supervisory actions, respectively, or the bylaws of the given committee.

IV. COMPETENCIES OF THE PRESIDENT OF THE MANAGEMENT BOARD

§6.

The President of the Management Board leads the work of the Management Board, and makes decisions that are not subject to the collective consideration by the Management Board.

§7.

1. Competencies of the President of the Management Board include specifically:
 - 1) setting the scope of responsibility of individual Management Board members;
 - 2) convening the Management Board meetings;
 - 3) determining the agenda for Management Board meetings;

- 4) inviting guests to Management Board meeting, taking into account the rules set forth in § 4 item 24, that is, submitting the matter for decision of the Management Board in the case of objection by a Management Board member;
 - 5) in particularly important and urgent matters, calling the Management Board meetings under the urgent mode, without following the rules set forth in § 12 of the Bylaws;
 - 6) making decision on adoption of resolutions in writing, by circulation;
 - 7) setting detailed rules for convening and organizing Management Board meetings;
 - 8) setting detailed rules for presenting materials for Management Board meetings;
 - 9) setting detailed rules for taking minutes of the Management Board resolutions and meetings, and on the maintenance of the register of Management Board's resolutions and the minute book;
 - 10) moving to the Supervisory Board for the appointment or recalling of a Management Board member;
 - 11) designating a person to lead the work of the Management Board during the absence of the President of the Management Board.
2. The President of the Management Board may authorize an employee of the Company to perform specific activities tied to the convening and organization of Management Board meetings.

§8.

1. President of the Management Board makes decisions in the form of rulings and orders.
2. The President of the Management Board issues rulings specifically on the following issues:
 - 1) defined in § 7 of the Bylaws;
 - 2) regarding the divisions and units outside divisions that are supervised by the President of the Management Board;
 - 3) regarding actions undertaken by the President of the Management Board as the manager of the workplace;
 - 4) defined in the delegation contained in the Management Board resolution.

V. COMPETENCIES OF MANAGEMENT BOARD MEMBERS

§9.

1. Member of the Management Board, designated by the President, leads the work of the Management Board in the absence of the President.
2. Management Board members lead the business of the Company within the scope of their respective responsibilities, defined by the President of the Management Board.
3. Management Board members are obliged to inform the President, on an ongoing basis and according to needs, on the status of the Company's affairs entrusted to them.

§10.

Management Board members, within the scope of their respective competencies, make decisions in the form of circulars and orders.

VI. ORGANIZATION OF THE MANAGEMENT BOARD'S WORK

§11.

The Management Board considers matters and adopts resolutions during Management Board meetings, subject to provisions of § 13 section 4 of the Bylaws.

§12.

1. Meetings of the Management Board are held on as-needed basis, but not less frequently than every two weeks.
2. A Management Board member may demand a meeting to be convened, stating the proposed agenda. The President of the Management Board convenes the meeting, taking into account matters presented in the motion to convene the Management Board meeting, not later than within 7 days from the date the motion had been submitted.
3. Meetings of the Management Board are held at the Company's offices or – subject to the approval of all members of the Management Board – outside the Company's premises.
4. The agenda of the meeting is set by the President of the Management Board, and in the case of his absence – by the member of the Management Board who substitutes him.
5. Management Board members are notified of the date and agenda of the meeting, and receive materials for the meeting with appropriate notice. Management Board members are notified of the convened meeting in the manner customarily adopted at the Company for communication among Management Board members, and specifically by means of direct remote communication means, or by electronic mail.
6. A Management Board member who had not been notified of the meeting at a time enabling him/her to participate in the meeting, or who had not received materials for the meeting at a time allowing him/her to become familiar with these materials, may lodge an objection to holding the meeting to the President of the Management Board, and demand that his/her objection be recorded. President of the Management Board may interrupt the meeting for the time required to remove reasons for the objection.
7. Meetings of the Management Board may be held with the use of direct remote communications devices, subject to provisions of § 13 section 6. The resolutions adopted in this way are valid if all members of the Management Board had been notified on the contents of draft resolutions.

§13.

1. The Management Board makes decisions in the form of resolution if at least half of the Management Board members are present during the meeting and all members had been invited. Resolutions may be adopted only in the presence of the President of the Management Board, or the person designated to lead the Management Board's work in the President's absence.

2. Resolutions of the Management Board are adopted with the absolute majority of votes. In case of an equal number of votes being cast, the vote of the Management Board President decides.
3. The voting is open, with the exception of cases on which the Management Board President orders a secret ballot, at his own initiative or at the motion of a Management Board member.
4. Subject to the provisions of section 6, upon the approval of the Management Board President, the Management Board may adopt resolutions in writing, by circulation. A resolution adopted in this way is valid if all members of the Management Board received the draft resolution together with justification. The resolution becomes adopted on the day of receiving the absolute majority of votes being cast in its favor.
5. The circulation mode, described in section 4, can be used to adopt Management Board resolutions in electronic form, with the use of direct remote communications means, under the condition of using safe electronic signature, verified with the use of a valid, qualified certificate. A resolution adopted in this way is valid if all members of the Management Board received the draft resolution together with justification. The resolution becomes adopted on the day of receiving the absolute majority of votes being cast in its favor.
6. The manner , described in sections 4, 5 or in § 12 section 7 of the Bylaws may not be applied to adopt Management Board resolutions on matters listed in § 4 items 1-5, items 9-10, item 15, item 19 and item 22 of the Bylaws.
7. In the case of a joint meeting, described in § 14 section 2, each of the companies conducts voting and adopts resolutions according to rules applied at the given company.

§14.

1. Subject to provisions of § 4 item 24 of the Bylaws, the Management Board meeting may be attended, without voting right, by Supervisory Board members invited by the President of the Management Board, by the Company's employees designated by the Management Board and relevant for the discussed matter, as well as by other persons invited by the Management Board.
2. The Management Board may invite to a joint meeting members of the Management Board or Supervisory Board from other companies of the PZU Group. Joint meetings of Management Boards of companies of the PZU Group can be organized, specifically, to discuss financial statements and results, to determine financial plans, to discuss joint programs and projects, to determine the joint investment, sponsoring and preventive policy, plan for actions and development of the PZU Group, on matters tied to the organization and functioning of the PZU Group, including as a tax holding, and on matters tied to admitting the Company's shares into trading in the regulated market.
3. The invited members of the Company's Supervisory Board, Management Board or Supervisory Board members from other companies of the PZU Group, and other persons invited pursuant to provisions of section 1 are obliged to maintain confidentiality of information obtained in the course of the meeting, or with relation to invitation to that meeting.

4. The invited Management Board or Supervisory Board members from other companies of the PZU Group, and other persons invited pursuant to provisions of section 1 sign an obligation to maintain confidentiality according to a specimen prepared by the Company unless the obligation to maintain confidentiality by the given person stems from the contract signed between the Company and that person, or between the Company and the entity whom that person represents.

§15.

1. From the Management Board meetings minutes are taken. The minutes should contain agenda of the meeting, first and last names of Management Board members present at the meeting and statement of their functions on the Management Board, contents of the resolution adopted during the Management Board meeting, number of votes cast in favor, against and votes abstaining, and any dissenting opinions.
2. Resolutions adopted in the manner described in § 13 section 4 of the Bylaws are enclosed to the minutes from the subsequent Management Board meeting, with information on the manner in which they had been adopted.
3. The minutes are signed by all Management Board members present at the meeting, and by the recording person.
4. Management Board members absent from the meeting are obliged to familiarize themselves with the contents of the minutes, confirming that fact with their signature.
5. The Management Board meeting may be recorded on magnetic or optical electronic information carriers.
6. In the case of a joint meeting of Management Boards of the companies of the PZU Group, each of the companies prepares its own minutes from that meeting, pursuant to rules of the given company. Each of such minutes specifies that the meeting was attended by the invited members of Management Board or Supervisory Board of the companies of the PZU Group.

VII. CONFLICTS OF INTEREST

§16.

1. Management Board member informs the Management Board of an actual or potential conflict of interests, and refrains from participating in discussion and from voting on a resolution regarding the matter to which the conflict of interests applies.
2. Management Board members participate in the General Meetings in a panel enabling substantive responses to questions asked in the course of the General Meeting.

VIII. RIGHTS AND OBLIGATIONS OF RESIGNING MANAGEMENT BOARD MEMBERS

§17.

1. A Management Board member who resigns from the function due to expiry of mandate is obliged to pass on to his/her successor, and if such had not been appointed yet, to the Management Board President, all documents and information on actions undertaken by him/her on the Company's Management Board.
2. A protocol is drawn up on the transfer of documents, listing the transferred documents, and specifying matters commenced and not closed by the resigning Management Board member, and other information on the status of the Company. The protocol is signed by the resigning Management Board member and by his/her successor, if appointed, and by the Management Board President.
3. The protocol, described in section 2, should contain statement of the resigning Management Board member on the genuineness and completeness of documents and information being transferred.
4. Management Board President may designate a person who is authorized to take over the affairs of the resigning Management Board member by protocol.

§18.

1. Persons who held functions on the Management Board during the last financial year and whose mandates expired before the date of the Ordinary General Meeting approving financial statements for that year are entitled to participate in the Ordinary General Meeting, review copies of the Management Board report on the Company's activities and the financial statements for the past financial year, together with the copy of the Supervisory Board's report and opinion of chartered auditor, as well as submit written comments to these documents.
2. The demand to exercise the rights set forth in section 1 should be submitted to the Management Board in writing, at the latest a week before the Ordinary General Meeting.

IX. CLOSING PROVISIONS

§19.

1. Change of the Bylaws must be approved by the Supervisory Board.
2. The Bylaws becomes effective on the day of approval by the Supervisory Board.