

**Part II. "Best Practice for Management Boards of Listed Companies" recommendation 1 point 14)**

**Information on the Company's internal rule concerning  
change of the entity authorized to audit  
financial statements.**

Pursuant to §25 item 3 point 1 of the Articles of Association of PKP CARGO S.A. ("Company"), choice of the entity authorized to audit financial statements falls within the competence of the Company's Supervisory Board. The decision process is set within the Supervisory Board Regulations ("Regulations"), so as to ensure independence of the auditor in implementation of the tasks assigned to him by the Company.

The recommendation regarding the entity authorized to audit financial statements in respect of its selection, appointment, reappointment and dismissal, as well as terms and conditions, is issued by an Audit Committee, which is a permanent committee operating within the Supervisory Board. Two out of the three members of the Audit Committee meet the independence criteria and are appointed in the manner specified in §20 and §21 of the Company's Articles of Association. The Audit Committee is responsible for, among others, monitoring of independence of the statutory auditor and the entity authorized to audit financial statements, also in the case of provision of auxiliary services to the Company.

In accordance with Article 89 of the Act on auditors and their self-government, entities authorized to audit financial statements and public oversight of 7 May 2009, the Company's key certified auditor is being changed at least every five years.

Besides the aforementioned rules, there are no other internal guidelines concerning change of the entity authorized to audit Company's financial statements.

Legal basis:

Appendix to the Resolution No. 20/1287/2011 of the Warsaw Stock Exchange Supervisory Board of 19 October 2011 - Consolidated text of the "Code of Best Practice for WSE Listed Companies" - part II recommendation 1 point 14)