

Resolution No. 20/2019
adopted the Nomination Committee of the PKP CARGO S.A. Supervisory Board
on 11 June 2019

in the matter of: adoption of a report on the completed recruitment procedure for the following positions: President of the PKP CARGO S.A. Management Board, PKP CARGO S.A. Management Board Member in charge of Finance, PKP CARGO S.A. Management Board Member in charge of Commerce, PKP CARGO S.A. Management Board Member in charge of Operations, and Management Board Member - Employee Representative in PKP CARGO S.A.

Acting pursuant to § 14 Section 6 Item 6 of the PKP CARGO S.A. Articles of Association and § 15 Section 1 of the Bylaws for Appointing Management Board Members in PKP CARGO Spółka Akcyjna, the Nomination Committee of the PKP CARGO S.A. Supervisory Board hereby resolves as follows:

§ 1

1. It adopts a report on the completed recruitment procedure for the following positions: President of the PKP CARGO S.A. Management Board, PKP CARGO S.A. Management Board Member in charge of Finance, PKP CARGO S.A. Management Board Member in charge of Commerce, PKP CARGO S.A. Management Board Member in charge of Operations, and Management Board Member - Employee Representative in PKP CARGO S.A.
2. The report referred to in Section 1 forms an attachment to this Resolution.

§ 2

The Resolution shall come into force on the date of its adoption.

The vote was taken in an open ballot.

Number of Members of the Nomination Committee of the PKP CARGO S.A. Supervisory Board taking part in the vote: 3

Number of votes "in favor": 3

Number of votes "against": 0

Number of votes "abstaining": 0

Warsaw, 11 June 2019

REPORT
on the recruitment procedure conducted for the position of
President of the Management Board and other Management Board Members
of PKP CARGO S.A.

This Report has been prepared in the performance of the agreement entered into on 27 February 2019 by and between PKP CARGO S.A., hereinafter referred to as the “**Company**”, and Amrop Polska Sp. z o.o. Sp. k., hereinafter referred to as the “**Recruitment Consultant**”, in compliance with the provisions laid down in § 1 and § 15 Section 1 of the *Bylaws for Appointing Management Board Members in PKP CARGO S.A.*

Pursuant to Resolution No. 1805/VI/2019 adopted by the Company’s Supervisory Board on 21 January 2019 on initiating the recruitment procedure, an announcement initiating the recruitment procedure for the position of President of the Company’s Management Board and other Management Board Members was published in a national newspaper and on the Company’s website on 4 March 2019 pursuant to Resolution No. 1816/VI/2019 adopted by the Company’s Supervisory Board on 25 February 2019, subject to the provisions of Resolution No. 1816/VI/2019 adopted by the Company’s Supervisory Board on 25 February 2019 on the content of the announcement to be published. The purpose of the conducted recruitment process regarding the positions of President of the Management Board and other Company’s Management Board Members was to select President of the Management Board and Management Board Member in charge of Commerce, Management Board Member in charge of Operations, Management Board Member in charge of Finance, and Management Board Member - Employee Representative in the Company.

The Recruitment Consultant received applications from candidates in its head office until 10:00 a.m. on 4 April 2019, i.e. the time limit for the submission of applications as provided for in the announcement of 4 March 2019 (pursuant to Resolution No. 1816A/VI/2019 adopted by the Company’s Supervisory Board on 25 February 2019).

At 12:00 noon on 4 April 2019 in the Recruitment Consultant’s head office at Al. Jana Pawła II 19 in Warsaw, a meeting was held attended by the following representatives of the Company and its supervisory bodies:

1. Ms. Zofia Dzik, Chairwoman of the Supervisory Board Nomination Committee
2. Ms. Joanna Ziemak, PKP CARGO S.A.
3. Mr. Mirosław Antonowicz, Member of the Supervisory Board Nomination Committee, and representatives of the Recruitment Consultant:
4. Ms. Renata Sieczka
5. Mr. Tomasz Magda
6. Mr. Ariel Kucharski

The said representatives of the Recruitment Consultant, in the presence of the said representatives of the Company, opened eleven (11) envelopes delivered to the Recruitment Consultant's address in response to the announcement.

The total number of eleven (11) applications were submitted to the Recruitment Consultant, including:

- a/ two (2) for the position of President of the Management Board,
- b/ three (3) for the position of Management Board Member in charge of Finance,
- c/ two (2) for the position of Management Board Member in charge of Operations,
- d/ three (3) for the position of Management Board Member in charge of Commerce,
- e/ one (1) for the position of Management Board Member – Employee Representative.

This report contains information on the applications for all of the said positions in the Company's Management Board.

The said representatives of the Recruitment Consultant performed a preliminary analysis of the applications in terms of the candidates' compliance with the formal requirements provided for the position of President of the Management Board, Management Board Member in charge of Finance, and Management Board Member in charge of Commerce in the Company, namely:

- university education;
- at least 10 years of professional experience, including at least 3 years of professional experience in the TFL industry;
- at least 5 years of experience on senior management positions;
- enjoyment of full public rights;
- holding of full legal capacity;
- not being subject to any legally prescribed restrictions or bans from holding the position of management board member in commercial partnerships and companies, with a special consideration to the provisions of Article 22 Section 2 of the Act on the Rules for Managing State Property;
- representation on good command of a foreign language (English as the preferred language or German or Russian);
- representation on not being currently indicted in pending criminal and fiscal criminal proceedings;
- representation on not having been convicted with a final and non-appealable court judgment for the commission of an intentional offense;
- representation on agreeing to the collection of references by the Recruitment Consultant subject to notifying the candidate of such action;
- representation on agreeing to the processing of the candidate's personal data for the purposes of the recruitment procedure reading as follows: "Pursuant to Article 6 Section 1a of the General Data Protection Regulation of 27 April 2016 (OJ EU L 119, 4.5.2016), I agree to the processing of my personal data for the purposes of the recruitment procedure for the position of of PKP CARGO S.A."

The said representatives of the Recruitment Consultant performed also a preliminary

analysis of the applications in terms of the candidates' compliance with the formal requirements provided for the position of Management Board Member in charge of Operations and Management Board Member - Employee Representative in the Company:

- university education;
- at least 10 years of professional experience;
- at least 5 years of experience on senior management positions;
- enjoyment of full public rights;
- holding of full legal capacity;
- not being subject to any legally prescribed restrictions or bans from holding the position of management board member in commercial partnerships and companies, with a special consideration to the provisions of Article 22 Section 2 of the Act on the Rules for Managing State Property;
- representation on not being currently indicted in pending criminal and fiscal criminal proceedings;
- representation on not having been convicted with a final and non-appealable court judgment for the commission of an intentional offense;
- representation on agreeing to the collection of references by the Recruitment Consultant subject to notifying the candidate of such action;
- representation on agreeing to the processing of the candidate's personal data for the purposes of the recruitment procedure reading as follows: "Pursuant to Article 6 Section 1a of the General Data Protection Regulation of 27 April 2016 (OJ EU L 119, 4.5.2016), I agree to the processing of my personal data for the purposes of the recruitment procedure for the position of of PKP CARGO S.A."

The said representatives of the Recruitment Consultant performed a preliminary analysis of the eleven (11) applications for the individual positions in the presence of the said representatives of the Company and identified ten (10) candidates who fulfilled the formal requirements specified in the said announcement, as provided for in the *Act on the Rules for Managing State Property* of 16 December 2016 (Journal of Laws of 2016, item 2259, as amended) and the *Bylaws for Appointing Management Board Members in PKP CARGO S.A.* One of the applications submitted for the position of Management Board Member in charge of Finance was rejected due to the failure to satisfy the formal requirement of having experience on senior management positions.

The applications submitted by the said eleven (11) candidates were distributed as follows:

- 1 set of 10 applications was handed out to Mr. Mirosław Antonowicz on 4 April 2019 to be forwarded to the Chairman of the Company's Supervisory Board,
- 1 set of 10 applications was handed out to Ms. Zofia Dzik, Chairwoman of the Nomination Committee, on 4 April 2019.
- 1 set of 10 applications was handed out to the representatives of the Recruitment Consultant on 4 April 2019 for the purposes of further evaluation of the candidates.

Documents regarding the candidate who failed to satisfy the formal requirements were handed out to the Recruitment Consultant to be sent back to

the address indicated by the candidate.

Pursuant to Resolution No. 1816/VI/2019 adopted by the Company's Supervisory Board on 25 February 2019 and following the Nomination Committee meeting held on 4 April 2019 at 12:00 noon and attended by the representatives of the Recruitment Consultant, it was decided that interviews would be held by the Company's Supervisory Board in the presence of the representatives of the Recruitment Consultant on 15 April, 16 April and 17 April 2019 at the Company's head office at ul. Grójecka 17 in Warsaw, and that additional meetings might be held between 6 and 20 May 2019.

On 4 April 2019, the representatives of the Recruitment Consultant sent the *Report on opening the applications* to the Company's Supervisory Board by e-mail.

On 9 April 2019, the representatives of the Recruitment Consultant informed the ten (10) candidates who satisfied the formal requirements and admitted to the next stage of the recruitment procedure via telephone about the date and place of the interview with the Company's Supervisory Board held in the presence of the representatives of the Recruitment Consultant. The information was provided to each of the candidates also by e-mail.

On 15 April 2019, interviews with two (2) candidates for the position of President of the Management Board were held by the Company's Supervisory Board, in the presence of the representatives of the Recruitment Consultant, from 10:00 a.m. to 12:30 p.m.

On 16 April 2019, interviews with two (2) candidates for the position of Management Board Member in charge of Commerce and one (1) candidate for the position of Management Board Member - Employee Representative were held by the Company's Supervisory Board, in the presence of the representatives of the Recruitment Consultant, from 1:00 p.m. to 4:30 p.m.

On 17 April 2019, interviews with two (2) candidates for the position of Management Board Member in charge of Finance and two (2) candidates for the position of Management Board Member in charge of Operations were held by the Company's Supervisory Board, in the presence of the representatives of the Recruitment Consultant, from 9:00 a.m. to 1:30 p.m.

During the interview, the candidates had the possibility of presenting their experience and knowledge of the industry and processes in place in the Company, providing answers to the questions prepared by the Supervisory Board Members and the Recruitment Consultant.

The qualifications being evaluated pursuant to § 6 of Resolution No. 1816/VI/2019 adopted by the Company's Supervisory Board on 25 February 2019 on the content of the announcement in connection with the initiated recruitment procedure for the following positions: President of the Management Board, Management Board Member in charge of Finance, Management Board Member in charge of Commerce, Management Board Member in charge of Operations, and Management Board Member - Employee Representative in the Company, included familiarity with the following areas and issues:

President of the Management Board:

- knowledge of the scope of the Company's activity;
- knowledge of the rules of functioning of commercial companies;
- experience in building relationships with the Company's stakeholders;
- general familiarity with the labor law;
- knowledge and experience in the area of HR management, including at least 5 years of experience on senior management positions;
- strategic thinking skills and ability to create a business strategy;
- leadership skills;
- ability to build a culture of cooperation;
- objective-driven attitude;
- negotiation and organizational skills;
- skills in the areas of change and emergency management;
- openness to learning and developing others;
- university education;
- command of a foreign language;
- leadership skills and ability to organize work of a management board;
- management skills and ability to function in a group;
- ability to work in the circumstances of a complex decision-making process;
- ability to function in an international business environment;
- experience in optimization of business operations;
- knowledge of transport economics and corporate economics;
- ability to build relationships with public and local government authorities;
- knowledge of the operation of the internal audit and control functions;
- experience in building relationships with social partners.

Management Board Member in charge of Finance:

- knowledge of the scope of the Company's activity;
- knowledge of the rules of functioning of commercial companies;
- experience in building relationships with the Company's stakeholders;
- general familiarity with the labor law;
- knowledge and experience in the area of HR management, including at least 5 years of experience on senior management positions;
- strategic thinking skills and ability to create a business strategy;
- leadership skills;
- ability to build a culture of cooperation;
- objective-driven attitude;
- negotiation and organizational skills;
- skills in the areas of change and emergency management;
- openness to learning and developing others;
- university education;
- command of a foreign language;
- knowledge of and experience in auditing and reporting in accordance with Polish and international standards;
- experience in managing the accounting area, including in public interest entities;
- experience in the operation of controlling, budgeting and financial planning functions;

- experience in cooperation with financial sector institutions, including international financial institutions;
- ability to create, evaluate and execute corporate business financing strategies and business projects;
- experience in managing the purchase area;
- experience in building relationships with public authorities, including tax authorities.

Management Board Member in charge of Commerce:

- knowledge of the scope of the Company's activity;
- knowledge of the rules of functioning of commercial companies;
- experience in building relationships with the Company's stakeholders;
- general familiarity with the labor law;
- knowledge and experience in the area of HR management, including at least 5 years of experience on senior management positions;
- strategic thinking skills and ability to create a business strategy;
- leadership skills;
- ability to build a culture of cooperation;
- objective-driven attitude;
- negotiation and organizational skills;
- skills in the areas of change and emergency management;
- openness to learning and developing others;
- university education;
- command of a foreign language;
- knowledge of competition rules and the Company's competitive environment;
- knowledge and skills in the area of sales and trade;
- knowledge and experience in the area of marketing and sales support;
- knowledge and experience in the area of customer service processes;
- knowledge and experience in the area of negotiation processes and rules of business contract conclusion;
- knowledge and experience in the area of pricing policy;
- knowledge and experience in the area of quality assurance process;

Management Board Member in charge of Operations:

- knowledge of the scope of the Company's activity;
- knowledge of the rules of functioning of commercial companies;
- experience in building relationships with the Company's stakeholders;
- general familiarity with the labor law;
- knowledge and experience in the area of HR management, including at least 5 years of experience on senior management positions;
- strategic thinking skills and ability to create a business strategy;
- leadership skills;
- ability to build a culture of cooperation;
- objective-driven attitude;
- negotiation and organizational skills;
- skills in the areas of change and emergency management;
- openness to learning and developing others;
- university education;

- familiarity with the market of transport and logistics services;
- knowledge and experience in the area of rail vehicle maintenance process;
- knowledge and experience in the area of rail vehicle operation;
- knowledge and experience in the area of conducting research and development projects related to transport and maintenance processes;
- familiarity with rail traffic safety rules;
- knowledge and experience in the area of building logistic transport chains;
- experience in building relationships with public authorities, in particular market regulators and authorities responsible for railroad safety.

Management Board Member – Employee Representative:

- knowledge of the scope of the Company's activity;
- knowledge of the rules of functioning of commercial companies;
- experience in building relationships with the Company's stakeholders;
- general familiarity with the labor law;
- knowledge and experience in the area of HR management, including at least 5 years of experience on senior management positions;
- strategic thinking skills and ability to create a business strategy;
- leadership skills;
- ability to build a culture of cooperation;
- objective-driven attitude;
- negotiation and organizational skills;
- skills in the areas of change and emergency management;
- openness to learning and developing others;
- university education;
- familiarity with the labor law;
- knowledge of a culture of cooperation and ability to build it;
- knowledge and experience in the area of resolving industrial disputes;
- experience in building relationships with social partners.
- knowledge and experience in the area of PKP CARGO Group's operation;
- knowledge and experience in the area of OHS;

On the part of the Company's Supervisory Board, seven (7) Supervisory Board Members took part in the interviews held on 15 April 2019:

1. Ms. Zofia Dzik, Chairwoman of the Nomination Committee
2. Mr. Mirosław Antonowicz
3. Mr. Krzysztof Czarnota
4. Ms. Małgorzata Kryszkiewicz
5. Mr. Władysław Szczepkowski
6. Mr. Tadeusz Stachaczyński
7. Mr. Jerzy Sośnierz

On the part of the Company's Supervisory Board, six (6) Supervisory Board Members took part in the interviews held on 16 April 2019:

1. Ms. Zofia Dzik, Chairwoman of the Nomination Committee
2. Mr. Mirosław Antonowicz

3. Mr. Krzysztof Czarnota
4. Mr. Władysław Szczepkowski
5. Mr. Tadeusz Stachaczyński
6. Mr. Jerzy Sośnierz

On the part of the Supervisory Board, nine (9) Supervisory Board Members took part in the interviews held on 17 April 2019:

1. Ms. Zofia Dzik, Chairwoman of the Nomination Committee
2. Mr. Mirosław Antonowicz
3. Mr. Krzysztof Czarnota
4. Ms. Małgorzata Kryszkiewicz
5. Mr. Władysław Szczepkowski
6. Mr. Paweł Sosnowski
7. Mr. Raimondo Eggink
8. Mr. Tadeusz Stachaczyński
9. Mr. Jerzy Sośnierz

On the part of the Recruitment Consultant, two (2) representatives took part in the interviews held between 15 and 17 April 2019:

1. Mr. Tomasz Magda
2. Ms. Renata Siczka

On 19 April 2019, the representatives of the Recruitment Consultant provided the Company's Supervisory Board with the *Report on the recruitment interviews held by the PKP CARGO S.A. Supervisory Board*.

On 26 April 2019, the representatives of the Recruitment Consultant provided the Company's Supervisory Board with the *Reports on the completed recruitment interviews with the Candidates (material for a discussion with the Nomination Committee)*, prepared following an analysis of the candidates with whom the Supervisory Board held recruitment interviews in the presence and with the active participation of the representatives of the Recruitment Consultant, evaluating them in terms of the required substantive knowledge, appropriate professional experience, managerial abilities, leadership skills, strategic thinking abilities, communication competences, and the level of vigor and professional ambitions.

On 30 April 2019, in the Company's head office, a meeting was held between the Nomination Committee and a representative of the Recruitment Consultant, attended by the following persons:

1. Ms. Zofia Dzik
2. Mr. Mirosław Antonowicz
3. Mr. Władysław Szczepkowski
4. Ms. Renata Siczka

At the said meeting, held on 30 April 2019, the Nomination Committee agreed with the Recruitment Consultant's recommendations contained in the preliminary report on the completed interviews.

On 16 May 2019, the representatives of the Recruitment Consultant provided the Company's Supervisory Board with the *Final Report on the completed recruitment interviews with the Candidates*, prepared following an analysis of the candidates with whom the Supervisory Board held recruitment interviews in the presence and with the active participation of the representatives of the Recruitment Consultant, evaluating them in terms of the required substantive knowledge, appropriate professional experience, managerial abilities, leadership skills, strategic thinking abilities, communication competences, and the level of vigor and professional ambitions.

The Recruitment Consultant issued a positive opinion on:

- one (1) out of the two (2) candidates for the position of President of the Management Board and recommended him for further consideration as a candidate for the position of President of the Management Board,
- two (2) out of the two (2) candidates for the position of Management Board Member in charge of Finance and recommended one (1) of them for further consideration as a candidate for the position of Management Board Member in charge of Finance,
- two (2) out of the three (3) candidates for the position of Management Board Member in charge of Commerce and recommended two (2) of them for further consideration as candidates for the position of Management Board Member in charge of Commerce,
- one (1) out of the two (2) candidates for the position of Management Board Member in charge of Operations and recommended him for further consideration as a candidate for the position of Management Board Member in charge of Operations,
- one (1) out of the one (1) candidate for the position of Management Board Member - Employee Representative in the Company and recommended him for further consideration as a candidate for the position of Management Board Member - Employee Representative.

On 21 May 2019, the Nomination Committee adopted the following resolutions recommending the candidates for whom the Recruitment Consultant issued a positive opinion to the Company's Supervisory Board for further consideration in the recruitment process for the individual positions in the Company's Management Board:

- Resolution No. 14/2019 - recommendation of a candidate for the position of President of the Management Board,
- Resolution No. 15/2019 - recommendation of a candidate for the position of Management Board Member in charge of Finance,
- Resolution No. 16/2019 - recommendation of a candidate for the position of Management Board Member in charge of Commerce,
- Resolution No. 17/2019 - recommendation of a candidate for the position of Management Board Member in charge of Operations,
- Resolution No. 18/2019 - recommendation of a candidate for the position of Management Board Member - Employee Representative.

On 27 May 2019, at 3:00 p.m., the Company's Supervisory Board held a meeting at which Ms. Zofia Dzik, Chairwoman of the Nomination Committee, presented recommendations for the candidates for the individual positions in the Company's Management Board; the Supervisory Board agreed with the recommendations of the Nomination Committee and adopted the resolutions listed below as a result of which

the following candidates were selected:

- Czesław Warsewicz - selected for the position of President of the Management Board - Resolution No. 1859/VI/2019,
- Leszek Borowiec - selected for the position of Management Board Member in charge of Finance - Resolution No. 1860/VI/2019,
- Grzegorz Fingas - selected for the position of Management Board Member in charge of Commerce - Resolution No. 1861/VI/2019,
- Witold Bawor - selected for the position of Management Board Member in charge of Operations - Resolution No. 1862/VI/2019,
- Zenon Kozendra - selected for the position of Management Board Member – Employee Representative - Resolution No. 1863/VI/2019.

Afterwards, the selected candidates submitted statements expressing their consent to their appointment to the respective positions in the Company's Management Board.

After the selected candidates expressed their consent, the Supervisory Board adopted the following resolutions on appointment for the 7th term of office:

- Czesław Warsewicz - for the position of President of the Management Board - Resolution no. 1864/VI/2019,
- Leszek Borowiec - for the position of Management Board Member in charge of Finance - Resolution No. 1865/VI/2019,
- Grzegorz Fingas - for the position of Management Board Member in charge of Commerce - Resolution No. 1866/VI/2019,
- Witold Bawor - for the position of Management Board Member in charge of Operations - Resolution No. 1867/VI/2019,
- Zenon Kozendra - for the position of Management Board Member – Employee Representative - Resolution No. 1868/VI/2019.

On 28-29 May 2019, the representatives of the Recruitment Consultant forwarded the decision of the Company's Supervisory Board on termination of participation in the recruitment procedure to the candidates who were not selected for the positions in the Company's Management Board, thanking them on behalf of the Company's Supervisory Board and the Recruitment Consultant for submitting their applications.

The documents of the candidates who have not been selected in the recruitment procedure for the positions in the Company's Management Board will be returned to the candidates by the representatives of the Recruitment Consultant by registered mail, together with information about closing the recruitment procedure.

The list of candidates in the recruitment procedure forms Attachment 1 to this Report.

None of the candidates participating in the recruitment procedure has requested the representatives of the Recruitment Consultant to remove his/her personal data from the published report on the completed recruitment procedure.

It is hereby declared that the recruitment procedure for the position of President of the Management Board and other Management Board Members was carried out in accordance with the Management Board Member appointment procedure specified in the provisions of the *PKP CARGO S.A. Articles of Association* and the *Bylaws for Appointing Management Board Members in PKP CARGO S.A.*

On behalf of the Recruitment Consultant Amrop Polska Sp. z o.o. Sp. k.:

Mr. Tomasz Magda, Management Board Member (Partner at Amrop Polska)
[signature]

Ms. Renata Sieczka, Consultant
[signature]

Attachment 1 to
*the Report on the completed recruitment procedure for the position of
President and Members of the PKP CARGO S.A. Management Board*

List of candidates in the recruitment procedure for the position of President of the
PKP CARGO S.A. Management Board

1. Mr. Czesław Warsewicz
2. Mr. Piotr Selmaj

List of candidates in the recruitment procedure for the position of PKP CARGO S.A.
Management Board Member in charge of Finance

1. Mr. Leszek Borowiec
2. Mr. Stefan Świątkowski

List of candidates in the recruitment procedure for the position of PKP CARGO S.A.
Management Board Member in charge of Commerce

1. Mr. Piotr Selmaj
2. Mr. Grzegorz Fingas
3. Mr. Kazimierz Murawski

List of candidates in the recruitment procedure for the position of PKP CARGO S.A.
Management Board Member in charge of Operations

1. Mr. Witold Bawor
2. Mr. Piotr Matuszak

List of candidates in the recruitment procedure for the position of PKP CARGO S.A.
Management Board Member - Employee Representative

1. Mr. Zenon Kozendra