

## **Information on non-application by PKP CARGO S.A. of some of the Best Practices of WSE Listed Companies**

Current Report no. 1/2013 of 28 October 2013

The Management Board of PKP CARGO SA ("Company"), appreciating the importance of corporate governance principles in ensuring the transparency of the Company's affairs and relations with the external environment, in particular the current and future shareholders of the Company and performing the duty imposed by § 29 item 3 of the Warsaw Stock Exchange Rules, announces that it accepts all the corporate governance rules set out in the "Code of Best Practice for WSE Listed Companies" with the exception of Recommendation 9, Part I, in so far as it relates to ensuring balanced participation of women and men in management and supervisory functions.

The Company does not provide balanced participation of women and men in the Management Board and the Supervisory Board. The Company supports the above recommendations, but the decision regarding the composition of the Supervisory Board shall be taken by the Company's shareholders at the General Meeting, whilst the Management Board shall be appointed according to the rules set out in the Articles of Association. The Company has a policy under which the persons employed by the Company are competent, creative and with relevant professional experience and education, which is not influenced by the gender.

In addition, the Company announces that by the time of complementation of the composition of the Supervisory Board it will not apply the Recommendation 6 of Part III, relating to the criterion of independence (as defined in Annex II to the Commission Recommendation no. 2005/162/EC of 15 February 2005) of the Company and related parties, which shall be fulfilled by at least two members of the Supervisory Board. In accordance with the Articles of Association of the Company, within a period of six months from the date of registration of the Articles of Association, no later than two months from the first day of trading on the main market of the Warsaw Stock Exchange, the Supervisory Board should be complemented so that at least two members of the Supervisory Board fulfill the criterion of independence.

Legal basis:

GPW Rules § 29 item 3