

Item 5 of the agenda of the Extraordinary Shareholder Meeting of PKP CARGO S.A.

DRAFT

Resolution No. /2020
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to accept the agenda for the PKP CARGO S.A. Extraordinary Shareholder Meeting

§ 1

The following agenda of the Extraordinary Shareholder Meeting of PKP CARGO S.A. convened for 16 November 2020 (“Extraordinary Shareholder Meeting”) is hereby adopted:

1. Open the Extraordinary Shareholder Meeting.
2. Prepare an attendance record.
3. Adopt a resolution to appoint Chairperson of the Extraordinary Shareholder Meeting.
4. Assert that the Extraordinary Shareholder Meeting has been convened correctly and is capable of adopting resolutions.
5. Adopt the agenda of the meeting.
6. Information prepared by the PKP CARGO S.A. Supervisory Board on the results of the recruitment procedure for the position of Management Board Member in charge of Commerce at PKP CARGO S.A.
7. Adopt a resolution to select an audit firm.
8. Adopt a resolution to amend the Company’s Articles of Association.
9. Adopt a resolution to set the rules and amounts for remunerating the PKP CARGO S.A. Supervisory Board members
10. Other business.
11. Adjourn the meeting.

§ 2

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

Item 3 of the agenda of the Extraordinary Shareholder Meeting of PKP CARGO S.A.

DRAFT

Resolution No./2020
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to appoint Chairperson of the Extraordinary Shareholder Meeting of PKP CARGO S.A.

§ 1

Pursuant to § 10 Section 1 of the PKP CARGO S.A. Articles of Association in conjunction with Article 409 § 1 of the Commercial Company Code, the Extraordinary Shareholder Meeting of PKP CARGO S.A. hereby appoints Mr./Ms. as Chairperson of the Extraordinary Shareholder Meeting of PKP CARGO S.A. convened for 16 November 2020.

§ 2

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

Item 7 of the agenda of the Extraordinary Shareholder Meeting of PKP CARGO S.A.

DRAFT

Resolution No.
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to select an audit firm

Acting pursuant to §12(2)(5) of the PKP CARGO S.A. Articles of Association and Article 66(4) in conjunction with Article 64(1)(3) of the Accounting Act (Journal of Laws of 2019 item 351, as amended), the Extraordinary Shareholder Meeting of PKP CARGO S.A. hereby resolves as follows:

§ 1

1. The following audit firm: with its registered office in at ul., KRS:, NIP, entered in the list of audit firms kept by the Polish Audit Supervision Agency under file no., is hereby selected to:
 - 1) audit:
 - a) standalone financial statements of PKP CARGO S.A. for 2021-2025;
 - b) consolidated financial statements of the PKP CARGO Group for 2021-2025;
 - 2) review interim condensed:
 - a) standalone financial statements of PKP CARGO S.A. in 2021-2025;
 - b) consolidated financial statements of the PKP CARGO Group in 2021-2025.
2. The recommendation issued by the Audit Committee of the PKP CARGO S.A. Supervisory Board of 21 September 2020 forms an Attachment to this Resolution.

§ 2

This Resolution shall come into force on the day of its adoption.

Warsaw, 21 September 2020

Recommendation for the Shareholder Meeting of PKP CARGO S.A. on the selection of an audit firm to audit the annual standalone financial statements of PKP CARGO S.A. and the consolidated financial statements of the PKP CARGO Group for 2021-2025 and to review the condensed interim financial statements of PKP CARGO S.A. and the condensed interim consolidated financial statements of the PKP CARGO Group in 2021-2025

Acting pursuant to Article 130(1)(8) of the Act on Statutory Auditors, Audit Firms and Public Oversight and section 2 of the "Policy for the selection of an audit firm to audit the standalone financial statements of PKP CARGO S.A. and the consolidated financial statements of the PKP CARGO Group" in conjunction with §12(2)(5) of the Articles of Association of PKP CARGO S.A. and item 1 of the "Policy for the selection of an audit firm to audit standalone financial statements of PKP CARGO S.A. and consolidated financial statements of the PKP CARGO Group", the Audit Committee of the PKP CARGO S.A. Supervisory Board hereby presents the following.

1. Having completed the procurement procedure in compliance with the applicable "Procedure for the selection of an audit firm to audit the standalone financial statements of PKP CARGO S.A. and the consolidated financial statements of the PKP CARGO Group" adopted by Resolution No. 9/2019 of the Audit Committee of the PKP CARGO S.A. Supervisory Board on 15 April 2019 (hereinafter: "Procedure"), the Audit Committee resolves to present to the Shareholder Meeting of PKP CARGO S.A. the following entities:

- 1) Grant Thornton Frąckowiak spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Poznań, entered in the list of audit firms kept by the National Board of Statutory Auditors under file no. 3654, NIP: 778-14-76-013 (hereinafter: "Grant Thornton Frąckowiak");
- 2) PKF Consult spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, entered in the list of audit firms kept by the National Board of Statutory Auditors under file no. 477, NIP: 521-052-77-10 (hereinafter: "PKF Consult");

as candidates for an audit firm for PKP CARGO S.A. to audit:

- 3) audit:
 - a) standalone financial statements of PKP CARGO S.A. for 2021-2025;
 - b) consolidated financial statements of the PKP CARGO Group for 2021-2025;
 - 4) review interim condensed:
 - a) standalone financial statements of PKP CARGO S.A. in 2021-2025;
 - b) consolidated financial statements of the PKP CARGO Group in 2021-2025.
2. It is recommended that one of the following entities be selected as the audit firm for PKP CARGO S.A.:
- a) Grant Thornton Frąckowiak; or

b) PKF Consult;

at the same time, the Audit Committee of the PKP CARGO S.A. Supervisory Board specifies the audit firm Grant Thornton Frąckowiak as its preferred candidate for the auditor, as its proposal was evaluated the highest during the procurement procedure.

3. The Audit Committee hereby declares that the above recommendation is free from any third party influence and that PKP CARGO S.A. has not entered into any agreements containing clauses that would confine the Shareholder Meeting's selection of an audit firm to certain categories or lists of audit firms.

Justification

The procurement procedure was carried out within the PKP S.A. procurement group led by PKP S.A. in accordance with sec. 3 of the Procedure in conjunction with sec. 1 of the "Policy for the selection of an audit firm to audit the standalone financial statements of PKP CARGO S.A. and the consolidated financial statements of the PKP CARGO Group" and Resolution No. 15/2019 of the Audit Committee of the PKP CARGO S.A. Supervisory Board of 9 September 2019.

The tender commission, appointed by PKP S.A. to conduct the procurement procedure (hereinafter: "Tender Commission"), included the following representatives of the Audit Committee of the of PKP CARGO S.A. Supervisory Board:

– Mr. Dariusz Górski,

– Ms. Małgorzata Kryszkiewicz until 24 July 2020.

The whole process of selection of audit firms for recommendation to the Shareholder Meeting of PKP CARGO S.A., including the "Request for Proposals" developed during the procurement procedure (hereinafter: „RFP”) complied with the requirements of: (i) the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 (consolidated text of 15 July 2020: Journal of Laws of 2020 item 1415, as amended), (ii) the Procedure, and (iii) Resolution No. 1/2020 of the Audit Committee of the PKP CARGO SA Supervisory Board of 30 January 2020.

The RFP included, without limitation:

- description of the business of PKP CARGO S.A. and the PKP CARGO Group,
- detailed scope of work to be performed by the statutory auditor,
- selection criteria (60% for the price of the service, 10% for the number of working hours of statutory auditors, 30% for the experience of the audit firm),
- quality requirements for the audit firm – experience in auditing financial statements of rail sector companies, standalone and consolidated financial statements of stock exchange-listed companies, consolidated financial statements of corporate groups with foreign subsidiaries, minimum number of employed auditors in Poland, the Czech Republic and Hungary, minimum number of persons with ACCA qualifications,
- requirement to be entered in the list of audit firms,
- requirement to be covered by third party liability insurance,
- requirements regarding the composition of the team dedicated to reviewing and auditing financial statements.

On 3 February 2020, the RFP was sent to more than a dozen of the largest audit firms in Poland. The time limit for the audit firms to submit their proposals was 14 February 2020. The Tender Commission examined the bids for completeness and compliance with the formal requirements contained in the „Request for Proposals”. As a result of the verification, no

bidders were excluded from the tender. As a consequence of the procedure and the ensuing price negotiations, the Tender Committee recommended the selection of the best bid submitted by Grant Thornton Frąckowiak.

In accordance with the Procedure in place at PKP CARGO S.A., prior to recommending the selection of Grant Thornton Frąckowiak and PKF Consult, the Audit Committee of the PKP CARGO S.A. Supervisory Board took into account, without limitation, the specific needs of the PKP CARGO Group as a public interest entity, including the international nature of its business, and the result of the group procurement procedure.

Audit Committee of the PKP CARGO S.A. Supervisory Board:

1. Dariusz Górski – Chairman of the Supervisory Board’s Audit Committee
2. Zofia Dzik – Member of the Supervisory Board’s Audit Committee
3. Władysław Szczepkowski – Member of the Supervisory Board’s Audit Committee

Item 8 of the agenda of the Extraordinary Shareholder Meeting of PKP CARGO S.A.

DRAFT

Resolution No.
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to amend § 14 section 6 item 1 of the Company's Articles of Association

Acting pursuant to Article 430 § 1 of the Commercial Company Code in conjunction with § 12 Section 1 of the PKP CARGO S.A. Articles of Association, the Extraordinary Shareholder Meeting of PKP CARGO S.A. hereby resolves as follows:

§ 1

§ 14 section 6 item 1 of the PKP CARGO S.A. Articles of Association with the following wording:

“1) Management Board members (including the President of the Management Board and the Management Board member mentioned in section 5 above) will be appointed following a recruitment procedure, whose rules and course is set forth in these Articles of Association and the bylaws adopted by the Supervisory Board (“Bylaws for Appointing Management Board Members”) subject to provisions of the Regulation issued by the Council of Ministers on 18 March 2003 on the Conduct of the Recruitment Procedure for the Position of Management Board Member in Certain Commercial Companies (Journal of Laws of 2003 No. 55 Item 476, as amended); the Bylaws for Appointing Management Board Members define in particular the qualifications that will be evaluated when selecting candidates for respective positions in the Management Board; amendments to the Bylaws for Appointing Management Board Members require consent of all Supervisory Board members who meet the independence criteria and are appointed following the rules set forth in § 20 and 21 below;”

shall read as follows:

“1) Management Board members (including the President of the Management Board and the Management Board member mentioned in sec. 5 above) will be appointed following a recruitment procedure the rules and course of which are set forth in these Articles of Association and the bylaws adopted by the Supervisory Board (“Bylaws for Appointing Management Board Members”) subject to the provisions of the Act on the Rules for Managing State Property; the Bylaws for Appointing Management Board Members define in particular the qualifications that will be evaluated when selecting candidates for respective positions in the Management Board; an amendment to the Bylaws for Appointing Management Board Members requires the consent of at least one Supervisory Board member who meets the independence criteria and has been appointed following the rules set forth in § 20 and 21 below;”.

§ 2

This Resolution shall come into force on the day of its adoption.

DRAFT

Resolution No./2020
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to amend § 14 section 6 item 1 of the Company's Articles of Association

Acting pursuant to Article 430 § 1 of the Commercial Company Code in conjunction with § 12 Section 1 of the PKP CARGO S.A. Articles of Association, the Extraordinary Shareholder Meeting of PKP CARGO S.A. hereby resolves as follows:

§ 1

§ 14 section 6 item 1 of the PKP CARGO S.A. Articles of Association with the current wording:

“1) Management Board members (including the President of the Management Board and the Management Board member mentioned in section 5 above) will be appointed following a recruitment procedure, whose rules and course is set forth in these Articles of Association and the bylaws adopted by the Supervisory Board (“Bylaws for Appointing Management Board Members”) subject to provisions of the Regulation issued by the Council of Ministers on 18 March 2003 on the Conduct of the Recruitment Procedure for the Position of Management Board Member in Certain Commercial Companies (Journal of Laws of 2003 No. 55 item 476, as amended); the Bylaws for Appointing Management Board Members define in particular the qualifications that will be evaluated when selecting candidates for respective positions in the Management Board; amendments to the Bylaws for Appointing Management Board Members require consent of all Supervisory Board members who meet the independence criteria and are appointed following the rules set forth in § 20 and 21 below;”

shall read as follows:

“1) Management Board members (including the President of the Management Board and the Management Board member mentioned in sec. 5 above) will be appointed following a recruitment procedure the rules and course of which are set forth in these Articles of Association and the bylaws adopted by the Supervisory Board (“Bylaws for Appointing Management Board Members”) subject to the provisions of the Act on the Rules for Managing State Property; the Bylaws for Appointing Management Board Members define in particular the qualifications that will be evaluated when selecting candidates for respective positions in the Management Board;”.

§ 2

This Resolution shall come into force on the day of its adoption.

DRAFT

Resolution No./2020
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to amend § 14 section 6 items 4-7 of the Company's Articles of Association

Acting pursuant to Article 430 § 1 of the Commercial Company Code in conjunction with § 12 Section 1 of the PKP CARGO S.A. Articles of Association, the Extraordinary Shareholder Meeting of PKP CARGO S.A. hereby resolves as follows:

§ 1

In § 14 section 6 of the PKP CARGO S.A. Articles of Association, items 4-7 with the following wording are hereby deleted:

“4) The Recruitment Consultant taking part in the recruitment procedure shall prepare a written opinion containing at least an indication that the required criteria have been met and a recommendation for the individual candidates; in the event that none of the candidates meets the criteria required for a position of a Management Board member, the recruitment procedure will be closed without resolution and the Supervisory Board will launch a new recruitment procedure;

5) appointment of a Management Board member is made only from among the candidates taking part in the recruitment procedure. The nomination committee will provide the Supervisory Board with a recommendation concerning the candidates taking into account information obtained in the course of the recruitment procedure.

6) the nomination committee accepts a report on the conducted recruitment procedure; the Company will make the report from the recruitment procedure available to the public, within 7 days of its acceptance, in the form and in accordance with the rules set forth in the Bylaws for Appointing Management Board Members, including in the form of a current report and by publication on the Company's website;

7) after each amendment of the Bylaws for Appointing Management Board Members, the nomination committee will prepare a written report with detailed information on the amendments;”.

§ 2

This Resolution shall come into force on the day of its adoption.

DRAFT

Resolution No./2020
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to amend § 26 section 3 of the Company's Articles of Association

Acting pursuant to Article 430 § 1 of the Commercial Company Code in conjunction with § 12 Section 1 of the PKP CARGO S.A. Articles of Association, the Shareholder Meeting of PKP CARGO S.A. hereby resolves as follows:

§ 1

§ 26 section 3 of the PKP CARGO S.A. Articles of Association with the current wording:

“3. The Supervisory Board appoints the nomination committee, which consists of three Supervisory Board members, including at least one Supervisory Board Member meeting the independence criteria and appointed in the manner specified in § 20 and 21 above, who serves as the chairperson.”

shall read as follows:

“3. The Supervisory Board appoints the nomination committee, which consists of three Supervisory Board members, including at least one Supervisory Board Member meeting the independence criteria and appointed in the manner specified in § 20 and 21 above.”.

§ 2

This Resolution shall come into force on the day of its adoption.

Item 9 of the agenda of the Extraordinary Shareholder Meeting of PKP CARGO S.A.

DRAFT

Resolution No./2020
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
of 2020

to set the rules and amounts for remunerating the PKP CARGO S.A. Supervisory Board members

Pursuant to Article 392 § 1 of the Commercial Company Code in conjunction with § 5 sec. 3 and 4 of the "Compensation Policy for Members of the PKP CARGO S.A. Management Board and Supervisory Board" adopted by Resolution No. 23/2020 of the Ordinary Shareholder Meeting of PKP CARGO S.A. of 29 June 2020 and the provisions of the Act of 9 June 2016 on the Rules for Setting the Compensation of Persons Managing Certain Companies, the Shareholder Meeting of PKP CARGO S.A. hereby resolves as follows:

§ 1

The following rules for remunerating the PKP CARGO S.A. Supervisory Board Members are hereby set:

- 1) The amount of the monthly compensation for a Supervisory Board Member discharging the function of Chairperson of the Supervisory Board shall be equal to the product of the average monthly compensation in the corporate sector without profit-sharing in the fourth quarter of the previous year, as announced by the President of Statistics Poland, and the compensation multiplier of 2.75, with the reservation that, in calculating the monthly compensation of the Chairperson of the Supervisory Board, the generally applicable laws should be taken into consideration to the extent that they govern in a different manner the basis for the calculation referred to in Article 1(3)(11) of the Act of 9 June 2016 on the Rules for Setting the Compensation of Persons Managing Certain Companies.
- 2) The amount of the monthly compensation for a Supervisory Board Member who does not discharge the function of Chairperson of the Supervisory Board shall be equal to the product of the average monthly compensation in the corporate sector without profit-sharing in the fourth quarter of the previous year, as announced by the President of Statistics Poland, and the compensation multiplier of 2.37, with the reservation that, in calculating the monthly compensation of the respective Supervisory Board Member, the generally applicable laws should be taken into consideration to the extent that they govern in a different manner the basis for the calculation referred to in Article 1(3)(11) of the Act of 9 June 2016 on the Rules for Setting the Compensation of Persons Managing Certain Companies."

§ 2

Resolution No. 37/2017 of the Ordinary Shareholder Meeting of PKP CARGO S.A. of 30 May 2017 to set the rules and amounts for remunerating the PKP CARGO S.A. Supervisory Board Members, as amended by Resolution No. 23/2020 of the Ordinary Shareholder Meeting of PKP CARGO S.A. of 29 June 2020, is hereby repealed.

§ 3

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