

**Justification of the draft resolution
of the Extraordinary Shareholder Meeting of PKP CARGO S.A.
convened for 16 November 2020
re. amendments to the Articles of Association**

The goal of the proposed amendment to the Articles of Association of PKP CARGO S.A. (hereinafter also referred to as the "Company") (hereinafter also referred to as the "Articles of Association") is to adapt the provisions of the Articles of Association to the Company's current needs.

§ 14 sec. 6 item 1 of the PKP CARGO S.A. Articles of Association shall be amended by:

adaptation of the wording of this provision to the applicable provisions of law and reduction of the number of independent Supervisory Board members (from two to one) required to amend the Bylaws for Appointing Management Board Members:

§ 14 sec. 6 item 1 of the PKP CARGO S.A. Articles of Association

"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;"

The amendment proposed for § 14 sec. 6 item 1 of the Articles of Association of PKP CARGO S.A. is aimed at increasing the flexibility of the issues specified in the Articles of Association regarding the process of selection of PKP CARGO S.A. Management Board Members by mitigation of the criterion necessary to amend the Bylaws for Appointing Management Board Members in PKP CARGO S.A. Moreover, the proposed amendment involves substitution of the reference to 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) with a reference to the Act on the Rules for Managing State Property (consolidated text: Journal of Laws of 2020, Item 735), which amendment is of a technical nature. The Regulation referred to in the preceding sentence has been repealed by the provisions introducing the Act on the Rules for Managing State Property (Journal of Laws of 2016, Item 2260, as amended).