



**Proposal of the Management Board of
CARGO S.A. of
13 March 2014**

for the General Meeting of Shareholders of PKP CARGO S.A

In relation to Resolution No. 91/2014 of the Management Board of PKP CARGO S.A. of 13 March 2014 and in relation to Resolution No. 1293/V/2014 of the Supervisory Board of 27 March 2014, acting under § 16(3)(11) and § 7(2)(6) of the Regulations of the Management Board of PKP CARGO S.A. as well as Art. 395 §(2)(1) of the Code of Commercial Companies and Partnerships, the Company's Management Board

requests that

the Consolidated Financial Statements of PKP CARGO Capital Group for 2013 developed in compliance with IFRS and the opinion and report of a statutory auditor and the Management Board's report on the operations of PKP CARGO S.A. Capital Group in 2013 should be reviewed and approved.

Justification

Under § 16(3)(11) of the Articles of Association of PKP CARGO S.A. and § 7(2)(6) of the Regulations of Management Board of PKP CARGO S.A. the Company's Management Board is required to submit for approval by the Company's General Meeting of Shareholders the Consolidated Financial Statements of PKP CARGO Capital Group for 2013, audited by the Supervisory Board, developed in compliance with IFRS and the opinion and report of a statutory auditor, and the Management Board's report on the operations of PKP CARGO S.A. Capital Group in 2013.

Under Art. 395 § 2(1) of the Code of Commercial Companies and Partnerships, a resolution of the Company's General Meeting is required for review and approval of the Consolidated Financial Statements for the previous business year.

This proposal is the performance of the statutory provisions in the matter in question.

Member of the Board for
Commercial Matters
Sylwester Sigiel

President of the Management Board
Adam Purwin

Attachments:

1. Draft resolution of the General Meeting of Shareholders of PKP CARGO S.A.;
2. Resolution No. 91/2014 of the Management Board of PKP CARGO S.A. of 13 March 2014 along with attachments;
3. Resolution No. 1293/V/2014 of the Supervisory Board of PKP CARGO S.A. of 27 March 2014.

**Resolution No. 91/2014
of the Management Board of PKP CARGO S.A.
of 13 March 2014**

on:

**Consolidated Financial Statements of PKP CARGO Capital Group for 2013
developed in compliance with IFRS and the Management Board's report on the
operations of PKP CARGO Capital Group in 2013.**

Under §16(3)(11) and § 25(3)(21) of the Articles of Association of PKP CARGO S.A. and § 7(2)(4) and (6) in relation to § 10(7) of the Regulations of the Management Board of PKP CARGO S.A. as well as Art. 382 § 3 and Art. 395 § 2(1) of the Code of Commercial Companies and Partnerships, the Management Board of PKP CARGO S.A. resolves as follows:

§1

1. Approves the Consolidated Financial Statements of PKP CARGO Capital Group for the period starting from 1 January 2013 to 31 December 2013, composed of:

- 1) Consolidated Statement of Total Income for the period starting on 1 January 2013 to 31 December 2013 disclosing a net profit of PLN 65,387,000 (sixty-five million three hundred eighty-seven thousand zł) and a total income of PLN 78,387,000 (seventy-eight million three hundred eighty-seven thousand zł),
- 2) Consolidated Statement of Financial Position as at 31 December 2013 disclosing total assets and liabilities amounting to PLN 5,743,616,000 (five billion seven hundred forty-three million six hundred sixteen zł),
- 3) Consolidated Statement of Changes in Equity from 1 January 2013 to 31 December 2013 disclosing an increase in equity by PLN 294,222,000 (two hundred ninety- four million twenty-two thousand zł),
- 4) Consolidated Cash Flow Statement for the period from 1 January 2013 to 31 December 2013 disclosing an increase in cash by PLN 75,92,000 (seventy-five million six hundred ninety-two thousand zł),
- 5) Explanatory notes,

with an opinion and report of a statutory auditor.

2. Approves the Management Board's report on the operations of PKP CARGO Capital Group in 2013.
3. The statutory auditor's opinion and report are Attachment no. 1 hereto. The Consolidated Financial Statements of PKP CARGO Capital Group for 2013 developed in compliance with IFRS and the Management Board's report on the operations of PKP CARGO Capital Group in 2013 referred to in § 1(1) and (2) are Attachment no. 2 hereto.

§2

1. Resolves to submit at the Meeting of the Supervisory Board of PKP CARGO S.A. the Statements and the statutory auditor's opinion and report referred to in § 1 for assessment with respect to their compliance with accounting books, documents and facts, as well as to put forward the proposal referred to in § 3 for assessment.
2. The proposal in sec. 1 is attachment no. 2 to proposal CFRK2-074/23/2014 for the meeting of the Management Board of PKP CARGO S.A.

§ 3

1. Resolves to put forward a proposal at the General Meeting of Shareholders of PKP CARGO S.A. on approval of the Consolidated Financial Statements of PKP CARGO Capital Group for 2013 developed in compliance with IFRS and the opinion and report of a statutory auditor and the Management Board's report on the operations of PKP CARGO Capital Group in 2013 referred to in § 1.
2. The proposal in sec. 1 is attachment no. 3 to proposal CFRK2-074/24/2014 for the meeting of the Management Board of PKP CARGO S.A.

§ 4

This resolution shall become effective upon adoption.

President of the Management Board
Adam Purwin

Distribution list:

C, CF, CH,
CP, CU, CN, CR, CS,
CCR, CCZ, CFR, CFE, CCB.

**Resolution No. 1293/V/2014
of the Supervisory Board of PKP CARGO S.A.
of 27 March 2014**

on:

assessment of the Consolidated Financial Statements of PKP CARGO Capital Group for 2013 developed in compliance with IFRS and the Management Board's report on the operations of PKP CARGO Capital Group in 2013.

The Supervisory Board of PKP CARGO S.A., with its registered office in Warsaw, acting under § 25(3)(21) of the Articles of Association of PKP CARGO S.A. and in relation to Art. 382 § 3 of the Code of Commercial Companies and Partnerships, resolves as follows:

§1

1. Having read the Consolidated Financial Statements of PKP CARGO Capital Group for 2013 developed in compliance with IFRS and the opinion and report of a statutory auditor, and the Management Board's report on the operations of PKP CARGO Capital Group in 2013, the Supervisory Board gives a positive opinion with respect to compliance with accounting books and documents, as well as facts.
2. The statements as well as the opinion and the report of the statutory auditor, referred to in sec. 1, are attachments nos. 1 and 2 to Resolution No. 91/2014 of the Management Board of PKP CARGO S.A. of 13 March 2014.

§2

1. Gives a positive opinion on the proposal made by the Company's Management Board for the General Meeting of Shareholders of PKP CARGO S.A. to approve the Consolidated Financial Statements of PKP CARGO Capital Group for 2013 developed in compliance with IFRS and the opinion and report of a statutory auditor and the Management Board's report on the operations of PKP CARGO Capital Group in 2013 referred to in § 1.
2. The proposal in sec. 1 is attachment no. 3 to the proposal of the Management Board of PKP CARGO S.A. for the meeting of the Supervisory Board.

§3

This resolution shall become effective upon adoption.

The voting was an open vote.

List of the members of the Supervisory Board of PKP CARGO S.A. participating in the vote: 11

Votes in favour: 11

Votes against: 0

Votes abstained: 0.

Chairman
of the Supervisory Board of PKP CARGO S.A.
Jakub Karnowski

DRAFT

**Resolution No./2014
of the Supervisory Board of PKP CARGO S.A.
of 2014**

on:

approval of the Consolidated Financial Statements of PKP CARGO Capital Group for 2013 developed in compliance with IFRS and the Management Board's report on the operations of PKP CARGO Capital Group in 2013.

Under Art. 395 § 2(1) of the Code of Commercial Companies and Partnerships in relation to § 12(1) of the Articles of Association of PKP CARGO S.A., the General Meeting of Shareholders of PKP CARGO S.A. resolves as follows:

§1

Approves the Consolidated Financial Statements of PKP CARGO Capital Group for the period starting from 1 January 2013 to 31 December 2013, developed in compliance with IFRS, composed of:

1. Consolidated Statement of Total Income for the period starting on 1 January 2013 to 31 December 2013 disclosing a net profit of PLN 65,387,000 (sixty-five million three hundred eighty-seven thousand zł) and a total income of PLN 78,387,000 (seventy-eight million three hundred eighty-seven thousand zł),
2. Consolidated Statement of Financial Position as at 31 December 2013 disclosing total assets and liabilities amounting to PLN 5,743,616,000 (five billion seven hundred forty-three million six hundred sixteen zł),
3. Consolidated Statement of Changes in Equity from 1 January 2013 to 31 December 2013 disclosing an increase in equity by PLN 294,222,000 (two hundred ninety-four million twenty-two thousand zł),
4. Consolidated Cash Flow Statement for the period from 1 January 2013 to 31 December 2013 disclosing an increase in cash by PLN 75,692,000 (seventy five million six hundred ninety-two thousand zł),
5. Explanatory notes,

with an opinion and report of a statutory auditor.

§2

Approves of the Management Board's report on the operations of PKP CARGO Capital Group in 2013.

§3

This resolution shall become effective upon adoption.

Head of the Office
Dominik Wojtasiak