

**Wording of draft resolutions put to the vote and not adopted by the Extraordinary  
Shareholder Meeting  
of PKP CARGO S.A.  
On 16 January 2019**

**In reference to Item 6 of the agenda**

The Chairman put to the vote the following draft Resolution No. 5/2019:

**Resolution No. 5/2019  
adopted by the Extraordinary Shareholder Meeting of PKP CARGO S.A.  
on 16 January 2019  
to amend § 14 section 6 of the Company's Articles of Association**

**§ 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 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; an amendment to the Bylaws for Appointing Management Board

Members requires 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

§ 14 section 6 item 2 of the PKP CARGO S.A. Articles of Association with the current wording:

“2) the Management Board members appointment procedure shall be carried out with participation of the nominations committee whose composition and functions are defined in § 26 sec. 3 and 4;”

shall read as follows:

“2) the Management Board members appointment procedure shall be carried out with participation of the nominations committee;”.

## § 3

§ 14 section 6 item 3 of the PKP CARGO S.A. Articles of Association with the current wording:

“3) the recruitment procedure for the position of a Management Board member is prepared and organized by a professional personnel consultancy company selected by a resolution adopted by the Supervisory Board on the terms and conditions set forth in the Bylaws for Appointing Management Board Members (“recruitment consultant”); responsibilities of a recruitment consultant include organization and handling of the recruitment procedure for the position of a Management Board member under an ongoing supervision of the nominations and compensation committee, including in particular preparations, organization and active participation in interviews with candidates for the position of a Management Board member; the recruitment consultant will prepare written opinions containing assessments of each candidate for the position of a Management Board member; subject to the provisions of the Articles of Association, detailed powers and tasks of the recruitment consultant in the recruitment procedure are defined in the Bylaws for Appointing Management Board Members;”

shall read as follows:

“3) unless the Supervisory Board decides otherwise, the recruitment procedure for the position of a Management Board member is prepared and organized and carried out by a professional personnel consultancy company (“Recruitment Consultant”) selected by a resolution adopted by the Supervisory Board on the terms and conditions set forth in the Bylaws for Appointing Management Board Members;”.

## § 4

§ 14 section 6 item 4 of the PKP CARGO S.A. Articles of Association with the current wording:

“4) the written opinion containing an assessment of respective candidates for the position of a Management Board member should contain an indication of at least one candidate with a positive opinion for each of the vacancies on the Management Board, which are being filled,

while if the recruitment consultant issues a positive opinion on two or more candidates, all such candidates should be presented in the opinion; in the event that a recruitment consultant's opinion contains no indication of at least one candidate with the recruitment consultant's positive opinion, according to the terms and conditions set forth in the Bylaws for Appointing Management Board Members, the recruitment procedure will be closed without resolution and the Supervisory Board should launch a new recruitment procedure. Other cases of closing the recruitment procedure without a decision and launching a new recruitment procedure are described in the Bylaws for Appointing Management Board Members;"

shall read as follows:

"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

**§ 14 section 6 item 5** of the PKP CARGO S.A. Articles of Association with the current wording:

"5) appointment to the position of a specific Management Board member is made only from among the candidates taking part in the recruitment procedure who received a positive opinion from the recruitment consultant;

shall read as follows:

"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 about the candidates obtained in the course of the recruitment procedure."

## § 6

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

"6) the nominations committee accepts a report on the conducted recruitment procedure, which should contain in particular a representation on compliance of the procedure to appoint a Management Board member with provisions of these Articles of Association and the Bylaws for Appointing Management Board Members; detailed content of the report is defined in the Bylaws for Appointing Management Board Members; within 7 days of the date of signing the report, the Company will make the report public, 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;"

shall read as follows:

"6) the nominations 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

§ 14 section 6 item 7 of the PKP CARGO S.A. Articles of Association with the current wording:

“7) after each amendment of the Bylaws for Appointing Management Board Members, the nominations committee will prepare a written report with detailed information on the amendments, their nature and scope and also the rationale for the amendments; the report will also contain a representation on compliance of the procedure of amending the Bylaws for Appointing Management Board Members with the Articles of Association and the Bylaws for Appointing Management Board Members; subject to provisions of the Bylaws for Appointing Management Board Members, detailed content of the report is defined by the nominations committee; the Supervisory Board will deliver the written report of the nominations committee to the Company's shareholders along with the materials for the Company's shareholders for the next Shareholder Meeting;”

shall read as follows:

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

## § 8

§ 14 section 6 item 8 of the PKP CARGO S.A. Articles of Association with the current wording:

“8) costs of the recruitment procedure, including remuneration of the recruitment consultant, will be covered by the Company.”

shall read as follows:

“8) the Company covers the costs of the recruitment procedure, including remuneration of the Recruitment Consultant;”.

## § 9

In § 14 sec. 6 item 8 of the PKP CARGO S.A. Articles of Association, the full stop shall be replaced by a coma and the following item 9 shall be added:

“9) subject to the provisions of the Articles of Association, detailed rules governing the recruitment procedure for the position of a Management Board member are defined in the Bylaws for Appointing Management Board Members.”.

## § 10

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

As a result of the open ballot, taking into account the limitations following from § 13 of the Company's Articles of Association:

Number of shares from which valid votes were cast: 27,884,318,

% held in the share capital: 62.25%,

Total number of valid votes: 27,884,318,

15,015,683 votes were cast in favor of the Resolution,

8,388,615 votes were cast against the Resolution,

4,480,020 votes abstained.

The Chairman stated that the resolution **was not adopted**.

The Chairman put to the vote the following draft Resolution No. 7/2019:

**Resolution No. 7/2019**  
**adopted by the Extraordinary Shareholder Meeting of PKP CARGO S.A.**  
**on 16 January 2019**  
**to amend § 19 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**

**§ 19 section 2** of the PKP CARGO S.A. Articles of Association with the current wording:

“2. PKP S.A. is entitled to appoint and dismiss Supervisory Board members in a number equal to half the composition of the Supervisory Board determined in accordance with section 8 (if such number is not an integer, it should be rounded down to the nearest integer) plus one. At least one of the Supervisory Board members appointed by PKP S.A. in accordance with this section should comply with the conditions of independence within the meaning of Article 86 Section 5 of the Act on Statutory Auditors and be qualified in accounting or auditing.”

shall read as follows:

“2. PKP S.A. is entitled to appoint and dismiss Supervisory Board members in a number equal to half the composition of the Supervisory Board determined in accordance with section 8 (if such number is not an integer, it should be rounded down to the nearest integer) plus one.”.

**§ 2**

The following **section 15** shall be added after **§ 19 section 14** of the PKP CARGO S.A. Articles of Association:

“15. A Supervisory Board Member tenders his/her resignation letter in writing to the Company with a copy to the Supervisory Board Chairperson or Deputy Chairperson.”.

**§ 3**

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

As a result of the open ballot, taking into account the limitations following from § 13 of the Company's Articles of Association:

Number of shares from which valid votes were cast: 30,184,318,

% held in the share capital: 67.39%,

Total number of valid votes: 30,184,318,

15,015,613 votes were cast in favor of the Resolution,

6,888,429 votes were cast against the Resolution,

8,280,276 votes abstained.

The Chairman stated that the resolution **was not adopted**.

The Chairman put to the vote the following draft Resolution No. 9/2019:

**Resolution No. 9/2019**  
**adopted by the Extraordinary Shareholder Meeting of PKP CARGO S.A.**  
**on 16 January 2019**  
**to amend § 23 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**

**§ 23 section 1** of the PKP CARGO S.A. Articles of Association with the current wording:

“1. For Supervisory Board resolutions to be valid, all the Supervisory Board members must have been invited and at least half of them must be present, including the Supervisory Board Chairperson.”

shall read as follows:

“1. For Supervisory Board resolutions to be valid, all the Supervisory Board members must have been invited and at least half of them must be present, including the Supervisory Board Chairperson or Deputy Chairperson.”.

**§ 2**

**§ 23 section 2** of the PKP CARGO S.A. Articles of Association with the current wording:

“2. Resolutions of the Supervisory Board are adopted by an absolute majority of votes. If an equal number of votes is cast “for” and “against”, the latter including abstentions, the Supervisory Board Chairperson has the casting vote.”

shall read as follows:

“2. Resolutions of the Supervisory Board are adopted by a simple majority of votes. If an equal number of votes is cast “for” and “against”, the Supervisory Board Chairperson has the casting vote.”

**§ 3**

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

As a result of the open ballot, taking into account the limitations following from § 13 of the Company's Articles of Association:

Number of shares from which valid votes were cast: 30,184,318,

% held in the share capital: 67.39%,

Total number of valid votes: 30,184,318,

21,015,838 votes were cast in favor of the Resolution,

9,167,120 votes were cast against the Resolution,

1,360 votes abstained.

The Chairman stated that the resolution **was not adopted**.

The Chairman put to the vote the following draft Resolution No. 10/2019:

**Resolution No. 10/2019**  
**adopted by the Extraordinary Shareholder Meeting of PKP CARGO S.A.**  
**on 16 January 2019**  
**to amend § 25 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**

**§ 25 section 3 item 5** of the PKP CARGO S.A. Articles of Association with the current wording:

“5) setting the number of Management Board members;”

shall read as follows:

“5) setting the number of Management Board members and setting compensation for Management Board members, subject to § 12 sec. 2 item 3;”.

**§ 2**

**§ 25 section 3 item 18** of the PKP CARGO S.A. Articles of Association with the current wording:

“18) giving consent for the Company to enter into an agreement with a related party within the meaning of the Finance Minister's regulation issued on the basis of Article 60 section 2 of the Act on Public Offering, where the value exceeds PLN 1,000,000 (one million Polish zloty), other than a typical agreement, concluded on an arm's length basis as part of the Company's operating activity, with a subsidiary, in which the Company holds the majority equity stake, however validity of this resolution in the matter of such a consent requires that it is approved by at least one of the Supervisory Board members satisfying the criteria of independence from the Company and from the entities with significant ties to the Company selected following the procedure of § 20 above and in consideration of § 21 above;”

shall read as follows:

“18) giving consent for the Company to enter into: (i) a material agreement with a shareholder holding at least 5% of all the votes at the Shareholder Meeting, or (ii) an agreement whose value exceeds PLN 10,000,000 with a related party within the meaning of the Finance Minister's regulation issued pursuant to Article 60 sec. 2 of the Act on Public Offering, while validity of such a resolution requires that it is accepted by at least one of the Supervisory Board members satisfying the criteria of independence from the Company and from the entities with significant ties to the Company selected following the procedure of § 20 above and in consideration of § 21 above. This obligation does not apply to typical agreements concluded



on an arm's length basis as part of the Company's operating activity, with a subsidiary, in which the Company holds the majority equity stake;".

### § 3

§ 25 section 3 item 19 of the PKP CARGO S.A. Articles of Association with the current wording:

“19) giving consent:

a) for the Company to enter into a donation agreement or other agreement with a similar effect, the value of which is higher than PLN 20,000 or 0.1% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;

b) to a debt release or other agreement with a similar effect, the value of which is higher than PLN 50,000 or 0.1% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;

as long as the State Treasury, PKP S.A. or other state-owned legal person holds the dominating position in the Company within the meaning of Article 4 item 3 of the Competition and Consumer Protection Act;”

shall read as follows:

“19) giving consent:

a) for the Company to enter into a donation agreement or other agreement with a similar effect, the value of which is higher than PLN 20,000 or 0.1% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;

b) to a debt release or other agreement with a similar effect, the value of which is higher than PLN 50,000 or 0.1% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;”.

### § 4

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

As a result of the open ballot, taking into account the limitations following from § 13 of the Company's Articles of Association:

Number of shares from which valid votes were cast: 29,364,795,

% held in the share capital: 65.56%,

Total number of valid votes: 29,364,795,

19,494,203 votes were cast in favor of the Resolution,

9,868,937 votes were cast against the Resolution,

1,655 votes abstained.

The Chairman stated that the resolution **was not adopted**.

The Chairman put to the vote the following draft Resolution No. 12/2019:

**Resolution No. 12/2019**  
**adopted by the Extraordinary Shareholder Meeting of PKP CARGO S.A.**  
**on 16 January 2019**  
**to amend § 27 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**

**§ 27 section 7** of the Articles of Association with the current wording:

“7. An amendment to § 14 section 6, § 26 sections 3 or 4 or this section 7 requires a resolution of the Shareholder Meeting adopted by a majority of four-fifths of the votes in the presence of shareholders representing three-fourths of the Company's share capital.”

shall read as follows:

“7. An amendment to § 26 section 3 or section 4 or this section 7 requires a resolution of the Shareholder Meeting adopted by a majority of four-fifths of the votes in the presence of shareholders representing at least 50% (fifty percent) plus one of all the votes in the Company.”.

**§ 2**

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

As a result of the open ballot, taking into account the limitations following from § 13 of the Company's Articles of Association:

Number of shares from which valid votes were cast: 30,184,318,

% held in the share capital: 67.39%,

Total number of valid votes: 30,184,318,

17,215,768 votes were cast in favor of the Resolution,

12,147,698 votes were cast against the Resolution,

820,852 votes abstained.

The Chairman stated that the resolution **was not adopted**.