

ANNOUNCEMENT OF CONVOCAION OF THE ORDINARY SHAREHOLDER MEETING OF PKP CARGO S.A.

The Management Board of PKP CARGO S.A. with its registered office in Warsaw at ul. Grójecka 17, 02-021 Warsaw, entered in the Register of Commercial Undertakings by the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register, under the number KRS 0000027702, taxpayer identification no. NIP 954-238-19-60, with the share capital of PLN 2,239,345,850 (paid up in full) (“**Company**”), acting pursuant to Article 399 § 1 of the Commercial Company Code, § 7 sec. 2 item 5 and § 10 sec. 1 item 16 of the PKP CARGO S.A. Management Board Bylaws, in conjunction with Article 395 § 1, Article 402¹ and Article 402² of the Commercial Company Code, hereby convenes:

ORDINARY SHAREHOLDER MEETING

PKP CARGO S.A.

(“Shareholder Meeting”)

to be held on

26 June 2019 at 11:00 a.m. in the Company’s headquarters

in Warsaw at ul. Grójecka 17

As at 31 May 2019, the total number of shares in PKP CARGO S.A. is 44,786,917.

Attached to these shares are 44,786,917 votes in total.

AGENDA OF THE MEETING:

1. Open the Ordinary Shareholder Meeting.
2. Prepare an attendance record.
3. Adopt a resolution to appoint Chairperson of the Ordinary Shareholder Meeting.
4. Assert that the Ordinary 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 positions of PKP CARGO S.A. Management Board members
7. Review the Activity Report of the PKP CARGO S.A. Supervisory Board as the Company’s corporate body in the financial year 2018, including information on:
 - 1) assessment of the Standalone Financial Statements of PKP CARGO S.A. for the financial year ended 31 December 2018 prepared in accordance with EU IFRS,
 - 2) assessment of the Consolidated Financial Statements of the PKP CARGO Group for the financial year ended 31 December 2018 prepared in accordance with EU IFRS,
 - 3) assessment of the Management Board Report on the activity of the PKP CARGO Group for 2018,
 - 4) assessment of the Management Board’s motion on the distribution of the net profit presented in the Standalone Financial Statements of PKP CARGO S.A. for the financial year ended 31 December 2018 prepared in accordance with EU IFRS

- 5) assessment of the Company's standing, taking into account the assessment of the internal control, risk management and compliance systems and the internal audit function,
- 6) assessment of the manner of the Company's fulfillment of reporting duties concerning the application of corporate governance principles,
- 7) assessment of the reasonability of the Company's policy related to sponsorship activities, charitable activities or other activities of a similar nature.
8. Review the PKP CARGO S.A. Management Board Report on representation expenditures, and expenditures on legal services, marketing services, public relations and social communication services and management consulting services.
9. Review and approve the Standalone Financial Statements of PKP CARGO S.A. for the financial year ended 31 December 2018 prepared in accordance with EU IFRS.
10. Review and approve the Consolidated Financial Statements of the PKP CARGO Group for the financial year ended 31 December 2018 prepared in accordance with EU IFRS.
11. Review and approve the Management Board Report on the activity of the PKP CARGO Group for 2018.
12. Adopt a resolution on the distribution of the net profit presented in the Standalone Financial Statements of PKP CARGO S.A. for the financial year ended 31 December 2018 prepared in accordance with EU IFRS.
13. Adopt a resolution to determine the record date and the dividend payment date.
14. Adopt resolutions on granting a discharge to the PKP CARGO S.A. Management Board Members on the performance of their duties in the financial year 2018.
15. Adopt resolutions on granting a discharge to the PKP CARGO S.A. Supervisory Board Members on the performance of their duties in the financial year 2018.
16. Appoint members fulfilling the independence criteria to the PKP CARGO S.A. Supervisory Board of a new term of office.
17. Adopt resolutions to amend the Articles of Association of PKP CARGO S.A.
18. Adopt a resolution to give consent to the acquisition by PKP CARGO S.A. of a 100% stake in Advanced World Transport a.s. as part of the merger between AWT CE s.r.o. and Advanced World Transport a.s.
19. Adopt a resolution to select an audit firm.
20. Other business.
21. Adjourn the meeting.

I. Right to participate in the Shareholder Meeting

Pursuant to Article 406¹ § 1 of the Commercial Company Code, entitled to participate in the Shareholder Meeting are only those persons who have the status of the Company's shareholder sixteen days prior to the date of the Shareholder Meeting ("**date of registration for the Shareholder Meeting**"), i.e. as at **10 June 2019**.

In order to secure participation in the Shareholder Meeting, a shareholder entitled under book-entry bearer shares should request – not earlier than after the announcement of convocation of the Shareholder Meeting, i.e. not earlier than on **31 May 2019** and not later than on the first business day following the date of registration for the Shareholder Meeting, i.e. not later than on **11 June 2019** – from the entity keeping his/her/its securities account to issue a name-bearing certificate of entitlement to participate in the Shareholder Meeting.

Such certificates of entitlement to participate in the Shareholder Meeting shall form the basis for preparing lists of entitled persons to be submitted to the entity keeping the securities account, i.e. Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for

Securities) in accordance with the regulations on trading in financial instruments.

The Company compiles the list of shareholders entitled to participate in the Shareholder Meeting under bearer shares based on the list prepared by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in accordance with the regulations on trading in financial instruments.

The list of shareholders entitled to participate in the Shareholder Meeting will be available at the Company's head office in Warsaw at ul. Grójecka 17 during the three days preceding the date of the Shareholder Meeting, i.e. on **21, 24, 25 June 2019**, from 9:00 a.m. to 4:00 p.m. A shareholder may request that the list of shareholders be sent to him/her/it free of charge by e-mail to the address of his/her/its choice. Such request may be submitted in electronic form to the Company's e-mail address akcjonariat@pkp-cargo.eu

The persons authorized to participate in the Shareholder Meeting will be able to receive voting devices/cards on the date of the Shareholder Meeting in the meeting room, starting on 9:00 a.m. after a prior registration of their attendance.

II. Right to participate in the Shareholder Meeting by proxy

A shareholder may participate in the Company's Shareholder Meeting and exercise his/her/its right to vote in person or by proxy.

A shareholder's proxy shall exercise all rights of a shareholder at the Company's Shareholder Meeting unless set forth otherwise in the proxy instrument. A proxy may grant further proxy rights if such powers arise from the proxy instrument. A proxy may represent more than one shareholder and vote differently using shares of each such shareholder. A shareholder holding shares registered in more than one securities account may appoint separate proxies to exercise the rights attached to shares registered in each of his/her/its accounts.

An instrument of proxy to participate in the Shareholder Meeting and exercise voting rights must be executed in writing or in electronic form. Starting on the date of publication of this announcement on its website at www.pkp-cargo.pl, the Company shall make available for downloading a form containing such instrument of proxy. The use of the form is not mandatory.

The execution of an instrument of proxy in electronic form should be notified to the Company by means of electronic communication. Proxy powers granted in an electronic form does not require a safe electronic signature verifiable using a valid eligible certificate. Together with the notification of the execution of an instrument of proxy in electronic form, the shareholder shall send a scanned copy of the executed instrument of proxy and scanned copies of the following documents:

- (a) in the case of a shareholder who is not a natural person – the original or a copy of an extract from the relevant register or any other document confirming the existence of such shareholder and the right of its representative(s) to represent it;
- (b) in the case of a proxy who is not a natural person – the original or a copy of an extract from the relevant register or any other document confirming the existence of such proxy and the right of its representative(s) to represent it.

In the case of foreign entities in whose country of registered office the relevant registers are not kept, instead of the original or a copy of an extract from the register referred to above, such entity should submit originals or copies of documents confirming its existence and the right of its representative(s) to represent it.

In the event of doubt as to the authenticity of the copies of the documents referred to above, the Company or the person(s) appointed by the Company to register its shareholders may request, before the commencement of the Shareholder Meeting, that the originals be presented of the pertinent documents or notarized copies thereof or copies certified for compliance with the original by a notary or by another authorized entity and that the Company be allowed to make and keep copies thereof. In the event of failure to present such originals or allow the Company to make and keep copies thereof, such shareholder or proxy may be denied participation in the Shareholder Meeting.

If the instrument of proxy to participate in the Shareholder Meeting and exercise voting rights, as executed by a shareholder, is conditional, then the Company or the person(s) appointed by the Company to register its shareholders may request evidence that the relevant condition has been satisfied.

All the above documents should be sent to the e-mail address zarzad.wz@pkp-cargo.eu not later than 11:59 p.m. on the day preceding the date of the Shareholder Meeting, i.e. **25 June 2019** (failure to meet the deadline for notifying the Company of the execution of an instrument of proxy in electronic form shall not preclude the proxy from participating in the Shareholder Meeting on the basis of an instrument of proxy executed in writing). The notification of granting proxy powers in electronic form should include at least the name or first name and surname of the principal, its telephone number and e-mail address, as well as the name or first name and surname of the proxy, its telephone number and e-mail address.

Along with the notification of granting proxy powers, a shareholder will send to the Company a scan of the granted proxy powers containing at least the following details: the name or first name and surname of the principal, the name or first name and surname of the proxy, serial number of the personal ID or passport number of the proxy who is a natural person, explicit authorization for the proxy to represent the principal at the Shareholder Meeting, the number of shares under voting rights will be exercised, the date of the Shareholder Meeting at which voting rights will be exercised, the date of granting the proxy powers and the signature of the shareholder.

The Management Board shall be entitled to verify any submitted notifications and take actions aimed at identifying the shareholder and the proxy and at confirming appropriate authorization. Such verification may consist, in particular, of a reply question asked over the telephone or e-mail of the shareholder or the proxy. The above rules shall apply accordingly to a change or revocation of an executed instrument of proxy. Notifications that fail to meet the above requirements shall not produce any legal effects for the Company.

The selection of the method of appointment of a proxy shall be at the discretion of the shareholder. The Company shall not be liable for any errors in the completion of an instrument of proxy or any actions of persons using an instrument of proxy. A proxy appearing at the Shareholder Meeting shall be required to present, at the request of the Company or the person(s) appointed to register its shareholders, the originals of the documents attached to the said notification.

The above rules shall apply accordingly to representatives of legal persons.

At the same time, the PKP CARGO S.A. Management Board hereby announces that if a shareholder grants the powers of proxy and voting instructions, the Company will not verify whether proxies exercise voting rights in accordance with the instructions received from the shareholders. Accordingly, the PKP CARGO S.A. Management Board announces that the voting instructions should be provided to the proxy only.

If proxy powers are granted to a further proxy then an uninterrupted sequence of proxy powers should be presented together with the documents indicating the authorization to act on behalf of the previous proxies.

The rules described above do not release a proxy from the obligation to present, during the preparation of the attendance record of the persons authorized to participate in the Shareholder Meeting, all the documents used to identify him/her and the proxy (sequence of proxies) with its/their copies.

III. Shareholders' right to request the inclusion of specific business in the agenda of the Shareholder Meeting

The Company's shareholder(s) representing at least one-twentieth of the share capital may request the inclusion of specific business in the agenda of the Shareholder Meeting. Such request, containing the reasons or a draft resolution concerning the proposed item of the agenda, should be submitted to the Company's Management Board not later than 21 days prior to the date of the Shareholder Meeting, i.e. by end-of-day on **5 June 2019**. The request may be submitted in electronic form to the Company's e-mail address: zarzad.wz@pkp-cargo.eu or in writing to the mailing address: Management Board of PKP CARGO S.A., ul. Grójecka 17, 02-021 Warsaw.

A shareholder or shareholders should demonstrate that they hold the appropriate number of shares as at the date of submitting the request, while attaching to the request a registered certificate of the right to participate in the Shareholder Meeting or any other document equivalent to such certificate. Additionally in the event of:

- (a) shareholders who are legal persons and organizational units without legal personality but who are awarded legal capacity by the act – an authorization to act on behalf of that entity should be attached along with a copy of an extract from the relevant register or another document confirming that the natural person(s) is authorized to represent the shareholder (e.g. uninterrupted sequence of proxy documents). If a shareholder is not under an obligation to be entered in the register then its representatives should attach a different document confirming that the principal exists;
- (b) a request submitted by a proxy – a proxy document should be attached to a notification of such a request, signed by the shareholder (or an uninterrupted sequence of proxy documents) and in the event of a proxy other than a natural person – a copy of an extract from the relevant register confirming that the signatory is authorized to act on the proxy's behalf.

IV. Shareholders' right to propose draft resolutions

The Company's shareholder(s) representing at least one-twentieth of the share capital may, prior to the date of the Shareholder Meeting, submit draft resolutions on the business included in the agenda of the Shareholder Meeting or business to be added to the agenda. Such submission may be made in electronic form to the Company's e-mail address: zarzad.wz@pkp-cargo.eu or in writing to the mailing address: Management Board of PKP CARGO S.A., ul. Grójecka 17, 02-021 Warsaw.

A shareholder or shareholders should demonstrate that they hold the appropriate number of shares as at the date of submitting the request, while attaching to the request a registered

certificate of the right to participate in the Shareholder Meeting or any other document equivalent to such certificate. Additionally in the event of:

- (a) shareholders who are legal persons and organizational units without legal personality but who are awarded legal capacity by the act – an authorization to act on behalf of that entity should be attached along with a copy of an extract from the relevant register or another document confirming that the natural person(s) is authorized to represent the shareholder (e.g. uninterrupted sequence of proxy documents). If a shareholder is not under an obligation to be entered in the register then its representatives should attach a different document confirming that the principal exists;
- (b) a request submitted by a proxy – a proxy document should be attached to a notification of such a request, signed by the shareholder (or an uninterrupted sequence of proxy documents) and in the event of a proxy other than a natural person – a copy of an extract from the relevant register confirming that the signatory is authorized to act on the proxy's behalf.

Any shareholder may, during the Shareholder Meeting, submit draft resolutions on the business included in the agenda. Such drafts should be submitted in Polish.

V. Proposing candidates for members of the PKP CARGO S.A. Supervisory Board satisfying the independence criteria

In connection with item 16 of the Shareholder Meeting agenda concerning appointment of members satisfying the independence criteria to the PKP CARGO S.A. Supervisory Board, the Company would like to note the provisions of § 20 sec. 3 of the Articles of Association, according to which *the parties entitled to propose candidates for Supervisory Board members, as mentioned in section 1 above, are solely the Company's shareholders who have voting rights attached to the Company's shares representing no more than 10% of all the votes in the Company.*

The Company would like to clarify that the threshold of 10% of all the votes resulting from § 20 sec. 3 of the Articles of Association means, in accordance with the dictionary definition of the word “have” (*in Polish: “dysponuje”*): “*have something at its disposal, dispose of*” (<https://sjp.pwn.pl/slowniki/dysponowa%C4%87.html>), the number of votes that are actually in its possession and not the number of votes exercised at the Shareholder Meeting if the number of shares lower than actually held is reported for participation in the Shareholder Meeting. In this situation, § 13 sec. 1 of the Articles of Association also does not apply, as it is a special-purpose provision and refers to the reduction of the exercise of voting rights at the Shareholder Meeting.

The proposed candidates must meet the criteria specified in § 19 sec. 12, § 20 and § 21 of the Articles of Association and also must be able to devote the necessary time that would allow them to discharge their functions at the PKP CARGO S.A. Supervisory Board correctly.

A candidate should be proposed in writing at the Company's head office at ul. Grójecka 17, 02-021 Warsaw or using electronic communication to the Company's e-mail address at zarzad.wz@pkp-cargo.eu while the title of the message should read: “Proposal of a candidate for a PKP CARGO S.A. Supervisory Board member satisfying the independence criteria”. The proposal should state the number of shares and the number of votes that the shareholder or shareholders proposing the candidate represent. Moreover, the following should be sent to the PKP CARGO S.A. Supervisory Board along with the proposal of a candidate:

- a) candidate's CV,
- b) declaration of satisfaction of the independence criteria set forth in the Articles of Association (form of the declaration constitutes an attachment to this announcement),
- c) candidate's contact details (phone number, e-mail address).

Moreover, the proposals of candidates for PKP CARGO S.A. Supervisory Board members should be justified in detail in a way that would allow for informed selection to be made based on the criteria set forth in the Company's internal regulations and in the generally applicable law.

A detailed procedure for appointing members of the PKP CARGO S.A. Supervisory Board is laid down in the Articles of Association and in the Shareholder Meeting Bylaws of PKP CARGO Spółka Akcyjna.

If a vote is ordered during the election of PKP CARGO S.A. Supervisory Board members satisfying the independence criteria, after a larger number of candidates is proposed than the number of mandates to be filled, the election is made by voting on each candidate separately in alphabetical order. Subject to the applicable law, the mandate(s) is/are filled by a candidate(s) who have received the largest number of valid votes cast. If several candidates receive the same number of votes then the vote is repeated.

A shareholder or shareholders proposing a candidate before the Shareholder Meeting should attach to the proposal a registered certificate of the right to participate in the Shareholder Meeting or any other document equivalent to such certificate. Additionally in the event of:

- (a) shareholders who are legal persons and organizational units without legal personality but who are awarded legal capacity by the act – an authorization to act on behalf of that entity should be attached along with a copy of an extract from the relevant register or another document confirming that the natural person(s) is authorized to represent the shareholder (e.g. uninterrupted sequence of proxy documents). If a shareholder is not under an obligation to be entered in the register then its representatives should attach a different document confirming that the principal exists;
- (b) a request submitted by a proxy – a proxy document should be attached to a notification of such a request, signed by the shareholder (or an uninterrupted sequence of proxy documents) and in the event of a proxy other than a natural person – a copy of an extract from the relevant register confirming that the signatory is authorized to act on the proxy's behalf.

Information on the candidates for PKP CARGO S.A. Supervisory Boards members satisfying the independence criteria proposed by shareholders before the Shareholder Meeting, will be posted on the Company's website immediately after receipt.

Shareholders also have the right to propose candidates for members of the PKP CARGO S.A. Supervisory Board satisfying the independence criteria during the Shareholder Meeting.

VI. Electronic communication

It shall not be possible to participate in or speak during the Shareholder Meeting by means of electronic communication. The Company does not permit the casting of votes by mail or by means of electronic communication.

VII. Access to documentation

The full text of the documentation to be presented to the Shareholder Meeting together with the draft resolutions shall be made available at the Company's head office from the date of convocation of the Shareholder Meeting. Any comments from the Management Board or the Supervisory Board regarding the business included in the agenda of the Shareholder Meeting or business to be added to the agenda prior to the date of the Shareholder Meeting shall be made available on the Company's website immediately after their preparation.

VIII. Website

Information and documentation regarding the Shareholder Meeting is available on the Company's website at www.pkp-cargo.pl in the Investor Relations/Shareholder Meetings tab.

IX. General information

The shareholder will bear the risk associated with its use of electronic means of communication.

Along with the documents sent by the shareholder electronically, whose original copies have been drawn up in a language other than the Polish language, a shareholder will send them a translation into the Polish language prepared by a sworn translator.

All documents a shareholder sends to PKP CARGO S.A., and the Company sends to a shareholder electronically should take the form of a scan in the PDF or JPEG format.

The registration of shareholders will be held two hours before the Shareholder Meeting is commenced, i.e. on 26 June 2019 from 9:00 a.m.

Please remember to bring an identification document with them on the date of the Company's Shareholder Meeting to be admitted to participation in the Shareholder Meeting.

We would like to ask the entities representing a larger number of shareholders to grant proxy powers electronically, if possible, and to send the scanned documents to the e-mail address: zarzad.wz@pkp-cargo.eu. In order to increase efficiency of the registration process, we would also like to ask you to prepare, where possible, a list of the entities represented by the proxy in alphabetical order, stating the number of votes to which they are entitled.

X. Disclosure clause for PKP CARGO S.A. shareholders who are natural persons and proxies of shareholders, including shareholders who are natural persons

In connection with the convention of the Ordinary Shareholder Meeting of PKP CARGO S.A. (“Shareholder Meeting”), PKP Cargo S.A. (“Company”) will process the personal data of the Company’s shareholders, the proxies authorized to vote, other persons authorized to exercise voting rights at the Shareholder Meeting and the personal data disclosed during the Shareholder Meeting (hereinafter jointly referred to as “Shareholders” or “you”). In connection with the above, pursuant to Article 13 of the General Data Protection Regulation (GDPR) of 27 April 2016 (EU L 119 of 4 May 2016), the Company hereby informs you that:

- 1) The Controller of your personal data is PKP CARGO S.A. with its registered office at: 02-021 Warsaw, ul. Grójecka 17
- 2) You can contact your Personal Data Inspector by e-mail: iod@pkp-cargo.eu or by phone at: (22) 391-46-65
- 3) Your personal data will be processed for the purpose of (i) participation in the Shareholder Meeting
for this purpose, in order to prepare and store lists of Shareholders and the Shareholder Meeting attendance records, or to enable voting through proxy, (i) or in connection with a contact with the Company for purposes related to the Shareholder Meeting including e.g.: a request to provide a list of shareholders authorized to take part in the Shareholder Meeting or a list of shareholders present at the Shareholder Meeting, submitting a request to provide copies of motions regarding the business placed on the Shareholder Meeting’s agenda, submitting a request to convene the Shareholder Meeting, submitting a motion to place specified business in the agenda of the Shareholder Meeting, or submitting a draft resolution of the Shareholder Meeting.
- 4) The grounds for processing the personal data includes:
 - a. compliance with legal obligations (Article 6(1)(c) GDPR) related to Article 407 par. 1(1) of the Commercial Company Code, Article 70 item 2 of the Act on Public Offering and terms of introducing financial instruments into organized trading system and on public companies (with respect to the list of shareholders) and §3-§8 of the Bylaws of the Shareholder Meeting of PKP CARGO Spółka Akcyjna;
 - b. legitimate interests of PKP CARGO S.A. (Article 6(1)(f) GDPR) – in order to contact the Shareholders and handle, pursue and defend against the possible mutual claims.
- 5) The Company processes (i) personal data identifying the Shareholder, such as name, surname, residential address or service address and PESEL number, (ii) data contained in proxy documents, (iii) data about shares and rights arising therefrom, such as: the number, type and serial numbers of shares and the number of ensuing votes and (iv) in cases where the Shareholders contact the Company electronically – an e-mail address;
- 6) Shareholders’ personal data may be collected by the Company from the entities running the securities depository and also from other Shareholders – with respect to the provision of data contained in the granted proxy documents, especially in connection with the need to demonstrate the shareholder’s status, holding an appropriate number of shares, voting rights or the right to represent the Shareholder.

- 7) Your personal data contained in (i) the lists of shareholders, attendance records and proxy documents are stored for the period of the Company's existence and may then be transferred to an entity designated to store documents in accordance with the provisions of the Commercial Company Code; (ii) personal data related to contact by e-mail are stored for a period allowing the Company to demonstrate that it has fulfilled its obligations under the provisions of the Commercial Company Code or for the period of limitation of the possible claims raised by the Company or against the Company; or until the consent sent to the following e-mail address is revoked: relacje.inwestorskie@pkp-cargo.eu,
- 8) Your personal data will not be transferred to a third country or international organization within the meaning of GDPR.
- 9) Your personal data will be addressed solely by the entities authorized to obtain such personal data based on the provisions of law, in particular by the entities providing services to conduct the Shareholder Meeting, including IT services, security services, legal services and the Shareholders who file a request to browse the list of shareholders, issue an official copy of such a list or send the list by e-mail.
- 10) You have the right to demand, from the controller, access to the personal data, the right to correct them, remove them or limit the processing, the right to object to the processing and the right to transfer the data.
- 11) You have the right to lodge a complaint in connection with the personal data processing to the regulatory body, i.e. President of the Personal Data Protection Office.
- 12) Your personal data will not be subject to automated decision-making or profiling.
- 13) Provision of personal data is voluntary, however a failure to provide them may result in the Company being unable to provide you with the requested information or to allow you to participate in the Shareholder Meeting.