

**INDEPENDENT AUDITOR'S REPORT
ON THE PROVISION OF A REASONABLE ASSURANCE SERVICE
IN RESPECT TO ASSESSMENT OF A COMPENSATION REPORT**

For the Shareholder Meeting and Supervisory Board of PKP Cargo S.A.

We have been engaged to conduct an assessment of the attached compensation report of PKP Cargo S.A., hereinafter referred to as the “company”, for 2019-2020, with respect to completeness of the information it contains that is required under Article 90g sec. 1-5 and 8 of the Act of 29 July 2005 on public offerings and the conditions for offering financial instruments in an organized trading system and on public companies (consolidated text: Journal of Laws of 2020, item 2080) (hereinafter “the Act on Public Offerings”).

Identification of the criteria and description of the subject matter of the service

The Compensation Report has been prepared by the Supervisory Board in order to satisfy the requirements of Article 90g sec. 1 of the Act on Public Offerings. The applicable requirements for a compensation report are set forth in the Act on Public Offerings.

The requirements described in the previous sentence specify the basis of preparation of a compensation report and in our opinion they constitute appropriate criteria for us to express a reasonable assurance conclusion.

Pursuant to Article 90g sec. 10 of the Act on Public Offerings, a compensation report should be assessed by a statutory auditor to verify that it contains information required under Article 90g sec. 1-5 and sec. 8 of the Act on Public Offerings. This report satisfies the above requirement.

We understand the above-mentioned assessment of a statutory auditor, which forms the basis for our reasonable assurance conclusion, as an assessment whether, in all material respects, the scope of information presented in the compensation report is complete and the information is disclosed with the level of detail required by the Act on Public Offerings.

Responsibility of Supervisory Board Members

According to the Act on Public Offerings, Members of the company's Supervisory Board are responsible for the preparation of the compensation report in accordance with the applicable law and in particular for completeness of the report and for information contained therein.

The responsibility of the Supervisory Board also includes designing, implementing and maintaining of the internal control system, which ensures that a complete compensation report is prepared, which is free from any material misstatement due to fraud or error.

Auditor's responsibility

Our objective was to assess the completeness of information included in the attached compensation report against the criterion specified in the section entitled *Identification of the criteria and description of the subject matter of the service* and, on the basis of the evidence collected, to express an independent conclusion from the reasonable assurance service provided.

We have provided the service in accordance with the National Standard of Assurance Engagements other than Audits or Reviews 3000 with the wording of the International Standard on Assurance Engagements (ISAE) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of

Historical Financial Information” adopted by Resolution No. 3436/52e/2019 of the National Chamber of Statutory Auditors of 8 April 2019, as amended (hereinafter: “NSAE 3000(R)”).

The standard obliges a statutory auditor to plan and perform the procedures in such a way so as to obtain reasonable assurance that the compensation report has been prepared fully in compliance with the specified criteria.

Reasonable assurance is a high level of assurance, yet it does not guarantee that a service provided in accordance with NSAE 3000(R) will always detect material misstatement.

The procedures selected depend on the statutory auditor’s judgment, including the assessment of the risks of material misstatement due to fraud or error. In estimating these risks, the statutory auditor considers internal control relevant to the preparation of a complete report in order to plan the relevant procedures, which should ensure that the statutory auditor has sufficient evidence that is appropriate in the circumstances. The assessment of the internal control system has not performed for the purpose of expressing a conclusion on its effectiveness.

Summary of work performed and limitations of our procedures

The procedures planned and performed by us include in particular:

- familiarizing ourselves with the content of the compensation report and comparing the information contained therein with the applicable requirements;
- familiarizing ourselves with the resolutions of the company’s Shareholder Meeting concerning the compensation policy for Members of the Management Board and the Supervisory Board and with the resolutions of the Supervisory Board providing additional details;
- establishing, through comparison with corporate documents, a list of persons, whose information must be included in the compensation report and establishing, by inquiring the persons responsible for the preparation of the report and, where we deemed it appropriate, also directly the persons, whose information must be included, whether all the information envisaged in the criteria for preparing the compensation report has been disclosed.

Our procedures were intended solely to obtain evidence that the information provided by the Supervisory Board in the compensation report, in terms of its completeness, is consistent with the applicable requirements. The purpose of our work was not to assess the adequacy of information included in the compensation report, considering the purpose of preparing the compensation report, or to assess the correctness and accuracy of the information contained therein, in particular with respect to the amounts presented, including the estimates made for previous years, the figures, dates, breakdowns, allocations, compliance with the adopted compensation policy.

The compensation report was not audited within the meaning of National Auditing Standards. During our assurance procedures, we did not conduct an audit or review of the information used to prepare the compensation report and therefore we do not assume responsibility for issuing or updating any reports or opinions on the company’s historical financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Ethical requirements, including independence

When providing the service, the statutory auditor and the audit firm complied with the independence requirements and other professional ethics requirements set out in the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and adopted by Resolution No. 3431/52a/2019 of the National Council of Statutory Auditors of 25 March 2019 on the principles of professional ethics for statutory auditors (hereinafter: “IESBA Code”). The IESBA Code is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct. We have also complied with other requirements of independence and ethics that apply to this assurance service in Poland.

Quality control requirements

The audit firm applies the National Quality Control Standards as set out in International Standard on Quality Control 1 - "Quality control for firms that perform audits and reviews of financial statements, and other assurance and related services engagements", adopted by Resolution No. 2040/37a/2018 of the National Council of Statutory Auditors of 3 March 2018, as amended (hereinafter: "NSQC").

As required by the NSQC, an audit firm maintains a comprehensive system of quality control, including documented policies and procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

The statutory auditor's conclusion is based on the matters described above and should therefore be read in conjunction those matters.

In our opinion, the attached compensation report, in all material respects, contains all the elements listed in Article 90g sec. 1-5 and 8 of the Act on Public Offerings.

Limitation of application

This report has been prepared by BDO spółka z ograniczoną odpowiedzialnością sp.k. for the Shareholder Meeting and the Supervisory Board and is intended solely for the purpose described in the section *Identification of the criteria and description of the subject matter* and should not be used for any other purpose.

BDO spółka z ograniczoną odpowiedzialnością sp.k. therefore does not accept any liability arising from contractual and non-contractual relations (including negligence) towards any third parties in the context of this report. The above does not relieve us of liability in situations where it is precluded by law.

Marcin Krupa
Statutory auditor
no. 11142

Providing the service on behalf of

BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw
registered in the list of audit firms under entry number **3355**

Kraków, 01 June 2021