

Registration of amendments to PKP CARGO S.A.'s Articles of Association

Current Report No. 28/2020 of 2 September 2020

Legal basis (selected in ESPI):

Article 56 Section 1 Item 2 of the Act on Offering – current information

The Management Board of PKP CARGO S.A. (“Company”) hereby reports that today the Company, based on the data from the Central Information Office of the National Court Register, became aware that the amendments to the Company’s Articles of Association adopted in Resolutions 24/2020, 26/2020, 27/2020, 28/2020 of the Ordinary Shareholder Meeting of PKP CARGO S.A. held on 29 June 2020 had been entered in the National Court Register.

On 24 August 2020, by way of a resolution, the Company’s Supervisory Board adopted the consolidated text of the Company’s Articles of Association incorporating the amendments made by the aforementioned resolutions of the Ordinary Shareholder Meeting of PKP CARGO S.A.

The amendments to the Articles of Association of PKP CARGO S.A. adopted by the above resolutions of the Ordinary Shareholder Meeting of PKP CARGO S.A. and registered by the registry court include the following paragraphs:

1) new wording of § 12 sec. 3, previously marked as deleted;

“3. Purchase and sale of real estate, perpetual usufruct or interests in real estate does not require a Shareholder Meeting resolution.”

2) amendment to §16 sec. 3;

§ 16 sec. 3 with the current wording:

“3. The matters, which do not go beyond the Company’s ordinary business do not require a Management Board resolution, while the following matters require a Management Board resolution:

- 1) taking out loans and borrowings;
- 2) establishing mortgages and pledges;
- 2a) establishing security interests other than those specified in item 2, exceeding PLN 50,000 in value;
- 3) extending financial guarantees and sureties by the Company;
- 4) issuing, accepting, guaranteeing or endorsing bills of exchange;
- 5) approving the Company’s employee compensation system;
- 6) establishing and liquidating the Company’s representative offices abroad;
- 7) approving the Company’s organizational bylaws and organizational chart;
- 8) appointing a commercial proxy;
- 9) distributing an interim dividend on account of the dividend anticipated at the end of the financial year;
- 10) creating reserve capital;
- 11) matters referred by the Management Board to the Shareholder Meeting or to the Supervisory Board.”;

now reads as follows:

“3. The matters, which do not go beyond the Company’s ordinary business do not require a Management Board resolution, while the following matters require a Management Board resolution:

- 1) taking out loans and borrowings;
- 2) establishing mortgages and pledges;
- 2a) establishing security interests other than those specified in item 2, exceeding PLN 50,000 in value;
- 3) extending financial guarantees and sureties by the Company;
- 4) issuing, accepting, guaranteeing or endorsing bills of exchange;
- 5) approving the Company’s employee compensation system;
- 6) establishing and liquidating the Company’s representative offices abroad;
- 7) approving the Company’s organizational bylaws;
- 8) appointing a commercial proxy;
- 9) distributing an interim dividend on account of the dividend anticipated at the end of the financial year;
- 10) creating reserve capital;
- 11) matters referred by the Management Board to the Shareholder Meeting or to the Supervisory Board;
- 12) purchasing and selling real estate, a perpetual usufruct right or an interest in real estate.”

3) amendment to §14 sec. 6 item 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;”

now reads 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;”

4) deletion of § 24 sec. 4;

in § 24 of the PKP CARGO S.A. Articles of Association, the following sec. 4 is hereby deleted:

„4. Adoption of resolutions following the procedure specified in sections 2 and 3 does not apply to the election of the Supervisory Board Chairperson and Deputy Chairperson, the appointment of a Management Board member and the dismissal and suspension of such persons.”

5) amendment to §25 sec. 3 item 13.

§ 25 section 3 item 13 of the PKP CARGO S.A. Articles of Association with the current wording:

“13) giving consent:

- a) for the Company to purchase or sell or encumber with limited right in rem a real property, a perpetual usufruct right or interest in real property or a perpetual usufruct right;
- b) for subscription to, acquisition or sale of shares in another company, except for the subscription to shares in the increased share capital of the Company’s subsidiaries;
- c) for the Company to purchase or sell a license or a copyright;
- d) for the Company to incur liabilities and dispose of its rights;
- e) for the Company to buy and sell fixed assets:
 - with the market value of PLN 20,000,000 (twenty million Polish zloty) or more, provided that, where agreements are concluded for a limited term, it is assumed that the value of the Company’s performance is as agreed in the agreement or anticipated in the period of five years, except when the agreements are executed within the scope of the Company’s line of business specified in § 5 sec. 1 item 1 of the Articles of Association, including transportation agreements, freight forwarding agreements and agreements on the provision of comprehensive traction and maneuvering services, subject to other provisions of § 25 sec. 3 items 13a, 13b, 13c, 13d and § 12 sec. 4 and 5;”

now reads as follows:

“13) giving consent:

- a) for the Company to purchase or sell or encumber with limited right in rem a real property, a perpetual usufruct right or interest in real property or a perpetual usufruct right;
- b) for subscription to, acquisition or sale of shares in another company, except for the subscription to shares in the increased share capital of the Company’s subsidiaries;
- c) for the Company to purchase or sell a license or a copyright;
- d) for the Company to incur liabilities and dispose of its rights;
- e) for the Company to buy and sell fixed assets:
 - with the market value of PLN 20,000,000 (twenty million Polish zloty) or more, provided that, where agreements are concluded for a limited term, it is assumed that the value of the Company’s performance is as agreed in the agreement or anticipated in the period of five years, except when the agreements are executed within the scope of the Company’s line of business specified in § 5 sec. 1 item 1 of the Articles of Association, including transportation agreements, freight forwarding agreements and agreements on the provision of comprehensive traction and maneuvering services, subject to other provisions of the Articles of Association, including: § 25 sec. 3 items 13a, 13b, 13c, 13d, § 12 sec. 4 and 5, and Article 90i Section 3 of the Act on Public Offering;”

Attached to this current report, the Company provides the consolidated text of the PKP CARGO S.A. Articles of Association adopted by the Supervisory Board.

Detailed legal basis:

§ 5 Section 1 of the Regulation issued by the Finance Minister on 29 March 2018 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent (Journal of Laws of 2018, Item 757).