

**Wording of the amended and new provisions of the Articles of Association  
adopted by the Extraordinary Shareholder Meeting of PKP CARGO S.A.  
on 16 January 2019 and registered by the Court on 6 February 2019**

**The following new wording has been given to § 6 sec. 1 item 3 of the Articles of Association:**

“3) 1,448,902 (one million four hundred forty eight thousand nine hundred two) C series bearer shares with a par value of PLN 50 (fifty Polish zloty) each.”

**After § 12 sec. 2 item 7, item 8 of the Articles of Association has been added reading as follows:**

“8) selecting or changing an audit firm to audit the Company’s financial statements and to provide additional services.”.

**In § 25 sec. 3 of the Articles of Association, item 1 has been deleted.**

**After § 14 sec. 3, sec. 3a of the Articles of Association has been added reading as follows:**

“3a. The contract with a Management Board member shall be signed by a Supervisory Board member authorized by a Supervisory Board resolution or an attorney-in-fact appointed by a Shareholder Meeting resolution, on the terms and conditions set forth in such resolution.”.

**The following new wording of § 14 sec. 5 of the Articles of Association has been adopted:**

“5. The Supervisory Board will elect one Management Board member from among the candidates submitted by the Company’s employees. A candidate should have higher education, at least 5-year tenure of work in the PKP group and have no criminal record. Failure to appoint a representative of employees to the Management Board does not preclude the appointment of the Management Board or the effective adoption of its resolutions. The power referred to in the first sentence above was granted to the Company’s employees in connection with Article 4 Section 4 of the Act on Commercialization and Restructuring of PKP and the provisions of the Employee Guarantee Package.”.

**After § 14 sec. 11, sec. 12 of the Articles of Association has been added reading as follows:**

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

**The following new wording of § 16 sec. 3 item 2 of the Articles of Association has been adopted:**

“2) establishing mortgages and pledges;”.

**After § 16 sec. 3 item 2, sec. 2a of the Articles of Association has been added reading as follows:**

“2a) establishing security interest other that specified in item 2 with value exceeding PLN 50,000;”.

**The following new wording of § 16 sec. 3 item 4 of the Articles of Association has been adopted:**

“4) issuing, accepting, guaranteeing or endorsing bills of exchange;”.

**The following new wording of § 20 sec. 1 of the Articles of Association has been adopted:**

“1. At least two Supervisory Board members elected by the Shareholder Meeting should satisfy the criteria of independence from the Company and entities with significant ties to the Company as described in:

- 1) § 21 of the Articles of Association;
- 2) Schedule II to EC Recommendation;
- 3) Best Practice of GPW Listed Companies;
- 4) The Act on Statutory Auditors.”.

**The following new wording of § 20 sec. 2 of the Articles of Association has been adopted:**

“2. Candidates for independent members of the Supervisory Board will submit to the Company a written representation on fulfilling the independence criteria prescribed by section 1. A Supervisory Board member shall inform the Company immediately of non-compliance with any of the independence criteria. Within two weeks of obtaining information on non-compliance with an independence criterion by an independent Supervisory Board member, the Management Board will convene a Shareholder Meeting to amend the composition of the Supervisory Board.”.

**The following new wording of § 26 sec. 1 of the Articles of Association has been adopted:**

“1. The Supervisory Board, taking account of the provisions of 20 and § 21, will appoint an audit committee consisting of at least three Supervisory Board members, provided that the majority of the audit committee members, including its chairperson, meet the independence criteria, and:

- 1) at least one member of the audit committee has the knowledge and skills in the area of accounting or auditing of financial statements;

And

- 2) at least one member of the audit committee has the knowledge and skills in the specific industry in which the Company operates or the various members of the audit committee have, in specific areas, knowledge and skills pertaining to this industry.”.

**The following new wording of § 26 sec. 2 items 1-5 of the Articles of Association has been adopted:**

“2. The tasks of the audit committee include in particular:

- 1) overseeing the unit dealing with internal audit;
- 2) monitoring the financial reporting process;
- 3) monitoring the effective operation of internal control systems, risk management systems and internal audit, among others with regard to financial reporting;
- 4) monitoring the performance of financial audit activities;

5) verifying and monitoring independence of the statutory auditor and the audit firm, including with respect to the provision of non-audit services to the Company by the audit firm;”.

**After § 26 sec. 2 item 6, item 7 of the Articles of Association has been added reading as follows:**

“7) evaluating the independence of a statutory auditor and giving consent for the provision of permitted non-audit services by the statutory auditor;”.

**In § 29 of the Articles of Association, the following new item 2 has been added:**

“2. “Best Practice of GPW Listed Companies” means a collection of practices introduced by the Warsaw Stock Exchange by the power of resolution No. 26/1413/2015 of the Board of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) of 13 October 2015.”,  
as a result of which the previous items 2-13 shall now be numbered 3-14.

**The following new wording has been adopted for § 29 item 11 of the Articles of Association:**

“11. “Act on Statutory Auditors” means the Act of 11 May 2017 on statutory auditors, audit firms and public oversight (Journal of Laws of 2017, Item 1089, as amended).”.