

Convocation of the Extraordinary General Meeting and intended amendments to the Articles of Association

Current report No. 14/2015 dated 17 March 2015

Legal basis (selected in ESPI):

Art. 56(1)(2) of the Public Offering Act – current and periodic information

The Management Board of PKP CARGO S.A. (the “Company”) publishes the notice (attached hereto) on convocation of the Extraordinary General Meeting of the Company (“EGM”), along with draft resolutions to be discussed during the EGM.

The EGM of the Company is to take place on 13 April 2015, at 10:00 a.m., at the Company's headquarters at 17 Grójecka Street, Warsaw.

The Management Board of the Company also informs that items related to the intended changes to the Company's Articles of Association were placed on the EGM's agenda.

The Company below makes public the applicable provisions of the Articles of Association of the Company and the proposed amendments:

1) In § 5 sec. 1 of the Articles of Association:

- a) in item 2 the letters “i”, “j”, “k”, “l” shall be deleted and the numbering of the following letters shall be changed:
 - letter “m” to letter “i”,
 - letter “n” to letter “j”,
 - letter “o” to letter “k”,
 - letter “p” to letter “l”,
- b) in item 3 letter “c” shall be deleted and the numbering of the following letters shall be changed:
 - letter “d” to letter “c”,
 - letter “e” to letter “d”,
 - letter “f” to letter “e”,
 - letter “g” to letter “f”,
 - letter “h” to letter “g”,
 - letter “i” to letter “h”,
 - letter “j” to letter “i”,
- c) in item 9, after letter d letters e – n, worded as follows, shall be added:

- e) publishing of journals and periodicals PKD – 58.14.Z,
- f) other publishing activities PKD – 58.19.Z,
- g) data processing, hosting and related activities PKD – 63.11.Z,
- h) public relations and communication activities PKD – 70.21.Z,
- i) business and other management consultancy activities PKD – 70.22.Z,
- j) market research and public opinion polling PKD – 73.20.Z,
- k) activities of employment placement agencies PKD – 78.10.Z,
- l) other human resources provision PKD – 78.30.Z,
- m) office administrative service activities PKD – 82.11.Z,
- n) organization of conventions and trade shows PKD – 82.30.Z,”

- 2) In § 6 of Articles of Association sec. 5 shall be deleted and the numbering of the current section “6” shall be changed to “5”.
- 3) Current wording of § 7 of the Articles of Association:

“§ 7 Reserve capitals

The Company may create reserve capitals pursuant to a resolution of the Management Board.”

is replaced by new wording:

“§ 7 Supplementary and reserve capitals

1. The Company establishes a supplementary capital to cover losses which may occur in connection with the Company’s business activity. The annual write-downs towards the supplementary capital should amount to at least 8% of the profit for every financial year and should be made until this capital reaches at least one third of the share capital. The value of the write-downs towards the supplementary capital is determined by the General Meeting. The use of the supplementary capital is decided by the General Meeting, however, the portion of the supplementary capital amounting to one third of the share capital may be used solely to cover the loss disclosed in the financial statement.
2. The Company establishes reserve capitals (funds) from the write-down from the net profit towards those capitals. The value of the write-down towards the reserve capitals is determined by the General Meeting. The reserve capitals may be allotted towards covering extraordinary losses or expenses as well as towards raising the share capital and paying out the dividend. Moreover, the Company may establish funds provided for in the provisions of the law.
3. The Company may establish other funds.”

4) Current wording of § 10 sec. 3:

„3. General Meetings may be held at the Company’s registered office in Warsaw.”,

is replaced by new wording:

„3. General Meetings may be held at the Company’s registered office.”

5) In § 13 of the Articles of Association:

1. Current wording of sec. 3:

„3. For the purposes of the limitation on voting rights set out in sec. 1, votes of shareholders connected by a dominance or subsidiary relationship shall be added in accordance with the rules described below.”,

is replaced by new wording:

„3. For the purpose of limiting the voting right in accordance with sec. 1, the votes of the shareholders between which there is a relationship of dominance or dependence, are accumulated in accordance with the principles described below.”

2. Current wording of sec. 6:

„6. Shareholders whose votes are subject to accumulation and reduction in accordance with the provisions of sections 3 to 7 shall collectively be referred to as a “Grouping”. An accumulation of votes involves the summing up of the votes held by the individual shareholders who are members of a Grouping. A reduction of votes involves a decrease of the total number of the votes in the Company held at the General Meeting by shareholders who are members of a Grouping. Reduction of votes is effected as follows:

- 1) for each shareholder who is a member of a Grouping a percentage share is calculated for his shares in the accumulated number of votes held by the entire Grouping;
- 2) the number of votes is calculated corresponding to 10% of the total number of the votes existing in the Company on the date of the General Meeting;
- 3) for each shareholder the product of his percentage share referred to in point 1) and the amount of shares referred to in point 2) is calculated;
- 4) the number of votes held by each of the shareholders who are members of the Grouping after the reduction is the result of the calculation from point 3) after being rounded up to an integral number of votes;
- 5) the limitation on the exercise of voting rights also applies to shareholders who are absent from the General Meeting.”,

is replaced by new wording:

„6. The accumulation of votes consists in adding up the votes possessed by the individual shareholders referred to in sec. 3. The shareholders whose votes are being accumulated in accordance with the provisions of sec. 3 – 6 are jointly referred to as “Group”. The votes comprising the Group are subject to reduction. The reduction of the votes consists in reducing the overall number of votes in the Company to which the shareholders comprising the Group are entitled. The votes are reduced in accordance with the following principles:

- 1) for each shareholder comprising the Group a percentage share of votes to which he is entitled in the cumulative number of votes to which the entire Group is entitled is calculated;
- 2) the number of votes corresponding to 10% of the overall number of votes existing in the Company on the day the General Meeting is held is calculated;
- 3) for each shareholder the product of the percentage share referred to in item 1) and the number of votes referred to in item 2) is calculated;
- 4) the number of votes to which each shareholder comprising the Group after the reduction is entitled is the number received in item 3) after it is rounded off upwards to one vote;
- 5) the limitation of exercising the voting right also applies to a shareholder absent during the General Meeting.”

Legal basis:

§ 38 sec.1 items 1), 2), 3) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognized as equivalent (Journal of Laws of 2014, item 133).