

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

Current report No. 33/2015 dated 18 June 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 20 July 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 the purpose of the EGM is to adopt amendments to the Company’s Articles of Associations, which are listed below along with the applicable provisions of the Articles of Association:

Current wording of § 14 sec. 6 items 2, 3, 6, 7 of the Articles of Association:

- “2) the nomination committee participates in the procedure of appointing members of the Management Board and its composition and functions are specified in § 26 sections 3 and 4;
- 3) the qualification procedure for the position of member of the Management Board shall be prepared and arranged by a professional executive search firm appointed by way of a resolution of the Supervisory Board on the terms and conditions specified in the Rules for Appointing Members of the Management Board (the “Recruitment Advisor”); the tasks of the Recruitment Advisor shall include organising and handling the qualification procedure for the position of member of the Management Board under the on-going supervision of the nomination committee, in particular preparing, organising and actively participating in interviews with candidates for the position of member of the Management Board; the Recruitment Advisor shall prepare written opinions on individual candidates for the position of member of the Management Board; subject to the provisions of the Articles of Association, the detailed scope of the competences and tasks of the Recruitment Advisor in the qualification procedure are set forth in the Rules for Appointing Members of the Management Board;
- 6) based on the conducted qualification procedure, the nomination committee should prepare a report which should in particular contain a statement on the compliance of the procedure for the appointment of a given member of the Management Board with the provisions of these Articles of Association and the Rules for Appointing Members of the Management Board; the detailed scope of what is required to be included in the report is provided for in the Rules for Appointing Members of the

Management Board; within seven days of signing the report, the Company makes the contents thereof available to the general public in the form of and on the terms set forth in the Rules for Appointing Members of the Management Board, including in the form of a current report and by being published on the Company's website;

- 7) upon each amendment to the Rules for Appointing Members of the Management Board, the nomination committee shall prepare a written report with detailed information regarding the implemented amendments, the nature and scope thereof as well as justifications for the implemented amendments; such report should also contain a statement on the compliance of the procedure for amending the Rules for Appointing Members of the Management Board with these Articles of Association and the Rules for Appointing Members of the Management Board; subject to the provisions of the Rules for Appointing Members of the Management Board, the detailed scope of what should be included in the report should be provided by the nomination committee; the Supervisory Board should submit a written report prepared by the nomination committee to the shareholders of the Company as part of the materials provided to them for the next General Meeting;”

is replaced by new wording:

- “2) the Management Board members appointment procedure shall be carried out with participation of the nominations and compensation committee whose composition and functions are defined in § 26 Sec. 3 and 4;
- 3) the recruitment procedure for the position of a Management Board member is prepared and organized by a professional personnel consultancy company selected by a resolution adopted by the Supervisory Board on the terms and conditions set forth in the Bylaws for Appointing Management Board Members (“**recruitment consultant**”); responsibilities of a recruitment consultant include organization and handling of the recruitment procedure for the position of a Management Board member under an ongoing supervision of the Nominations and Compensation Committee, including in particular preparations, organization and active participation in interviews with candidates for the position of a Management Board member; the recruitment consultant will prepare written opinions with assessments of each candidate for the position of a Management Board member; subject to the provisions of the Articles of Association, individual powers and tasks of the recruitment consultant in the recruitment procedure are defined in the Bylaws for Appointing Management Board Members;
- 6) the Nominations and Compensation Committee will accept a report on the conducted recruitment procedure, which should contain in particular a representation on compliance of the procedure to appoint a Management Board member with provisions of these Articles of Association and the Bylaws for Appointing Management Board Members; detailed content of the report is defined in the Bylaws for Appointing Management Board Members; within 7 days of the date of signing the report, the Company will make the report public, in the form and in accordance with the rules set forth in the Bylaws for Appointing Management Board

Members, including in the form of a current report and by publication on the Company's website;

- 7) after each amendment of the Bylaws for Appointing Management Board Members, the Nominations and Compensation 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 and Compensation Committee; the Supervisory Board will deliver the written report of the Nominations and Compensation Committee to the Company's shareholders along with the materials for the Company's shareholders for the next Shareholder Meeting;"

Current wording of § 26 sec. 1, 3, 4 of the Articles of Association:

- “ 1. The Supervisory Board appoints an audit committee composed of three of its members, including two members of the Supervisory Board meeting the independence criteria and appointed pursuant to the rules set forth in § 20 and § 21 above. At least one of member of the audit committee must have competence in accounting and/or auditing.
3. The Supervisory Board appoints a nomination committee composed of three of its members, including at least one member of the Supervisory Board meeting the independence criteria and appointed pursuant to the rules set forth in § 20 and § 21 above, being the chairman of the nomination committee.
4. The nomination committee organises and performs on-going supervision over the qualification procedure for the position of members of the Management Board and over the process of assessment and appointment of members of the Management Board.”

is replaced by new wording:

1. The Supervisory Board appoints an Audit Committee, which consists of at least three of its members, including two Supervisory Board members meeting the independence criteria and appointed in the manner specified in § 20 and 21 above. At least one Audit Committee member should be qualified in accounting or financial audit.
3. The Supervisory Board appoints the Nominations and Compensation Committee, which consists of three Supervisory Board members, of which at least one Supervisory Board Member meeting the independence criteria and appointed in the manner specified in § 20 and 21 above, who serves as the chairperson.
4. The Nominations and Compensation Committee organizes and exercises ongoing oversight over the recruitment procedure to the positions of Management Board

members and over the Management Board member evaluation and appointment process.”

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).