

Appointment of Supervisory Board members on part of the employees

Current Report No. 38/2016 of 20 May 2016

Legal basis (selected in ESPI):

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

The Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) hereby reports that on 20 May 2016 the Supervisory Board of PKP CARGO S.A. with its registered office in Warsaw, following the election procedure aimed at choosing employee representatives to the Company’s Supervisory Board, adopted a resolution on appointing the elected candidates for employee representatives to the Supervisory Board of PKP CARGO of the 6th term of office, which, pursuant to § 7 Section 9 of the “Rules and regulations for running elections for candidates to become an employee representative in the PKP CARGO S.A. Supervisory Board and the procedure for their removal” is equivalent to the appointment, on 20 May 2016, of the following persons to the PKP CARGO Supervisory Board:

- Mr. Krzysztof Antoni Czarnota,
- Mr. Marek Janusz Podskalny,
- Mr. Tadeusz Stachaczyński.

Information on the education, qualifications and professional careers of Mr. Krzysztof Antoni Czarnota, Mr. Marek Janusz Podskalny and Mr. Tadeusz Stachaczyński is presented in the attachment to this report.

According to the declarations submitted to the Company, none of the three newly-elected members of the PKP CARGO Supervisory Board conducts any activity competitive to that of the Company or is involved in any competitive company as a partner in a civil law company or partnership or as a member of a corporate body of a capital company or participates in another competitive legal person as a member of its corporate body, or is listed in the Register of Insolvent Debtors kept pursuant to the National Court Register Act.

At the same time, the Management Board hereby reports, with reference to Current Report No. 72/2015 of 14 December 2015, that the PKP CARGO Supervisory Board has not adopted a resolution asserting that the election of the employee representatives to the Supervisory Board, i.e. Mr. Edward Klos and Mr. Wojciech Flacht, is valid and correct, which would be equivalent to appointing these employee representatives to act in this capacity in the Company’s Supervisory Board. Moreover, in connection with the expiration of the mandates of members of the PKP CARGO Supervisory Board of the 5th term of office on 11 May 2016, i.e. on the date of the Company’s Ordinary Shareholder Meeting approving the financial statements for the last full financial year, elections were held for employee representatives to the PKP CARGO Supervisory Board of the 6th term of office.

The composition of the Supervisory Board of the 6th term of office is as follows:

- 1) Mr. Mirosław Pawłowski,
- 2) Mr. Andrzej Wach,
- 3) Ms. Małgorzata Kryszkiewicz,
- 4) Mr. Czesław Warszewicz,
- 5) Mr. Jerzy Kleniewski,
- 6) Mr. Raimondo Eggink,

- 7) Ms. Zofia Dzik,
- 8) Mr. Krzysztof Czarnota,
- 9) Mr. Marek Podskalny,
- 10) Mr. Tadeusz Stachaczyński.

Legal basis:

§ 5 Section 1 Item 22 of the Finance Minister's Regulation of 19 February 2009 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 2014 Item 133).