

Submission of a draft resolution on a matter covered by the agenda of the Company's Extraordinary Shareholder Meeting called for 8 February 2016 and the intended amendments to the Articles of Association

Current report no. 8/2016 of 4 February 2016

Legal basis (selected in ESPI):

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

In reference to current report no. 4/2016 of 11 January 2016, on announcing the calling of an Extraordinary Shareholder Meeting of PKP CARGO S.A. (“ESM”), the Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) reports that on 4 February 2016 it received a submission from an authorized shareholder of the Company (“Shareholder”), pursuant to art. 401 § 4 of the Commercial Companies Code, on the matters to be considered under item 6 of the announced agenda for the ESM called for 8 February 2016 pertaining to the “Adoption of a resolution on amending § 19 of the PKP CARGO S.A. Articles of Association.”

The draft resolution received from the Shareholder forms an attachment to this current report.

The Extraordinary Shareholder Meeting agenda published in Attachment no. 1 to current report no. 4/2016 on 11 January 2016 remains unchanged.

According to the draft resolution presented by the Shareholder, the current § 19 Section 12 of PKP CARGO's Articles of Association worded as follows is to be changed:

“A Management Board member, commercial proxy, liquidator, branch manager, plant manager or the chief accountant employed by the company, legal counsel or attorney or a person directly reporting to a Management Board member or to a liquidator may not simultaneously be a Supervisory Board member. The rule laid down in the first sentence shall apply accordingly to management board members and liquidators of a subsidiary company or cooperative. A Supervisory Board member may not concurrently discharge an elected function or sit in the bodies of a company, inter-company or national trade union organization, a federation of trade unions or a confederation of trade unions”,

by deleting the period in the final sentence, the deleted period shall be replaced with a comma and the phrase worded as follows shall be appended: *“with the exception that the requirements set forth in this sentence are not applicable to members of the Supervisory Board of the term of office specified in § 27 Section 5 sentence two and the term of office immediately following it”,* assigning the following wording to this section:

“A Management Board member, commercial proxy, liquidator, branch manager, plant manager or the chief accountant employed by the company, legal counsel or attorney or a person directly reporting to a Management Board member or to a liquidator may not simultaneously be a Supervisory Board member. The principle expressed in the first sentence is duly applicable to management board members and liquidators of a subsidiary company or cooperative. A Supervisory Board member may not concurrently discharge an elected function or sit in the bodies of a company, inter-company or national trade union organization, a federation of trade unions or a confederation of trade unions, with the exception that the requirements set forth in this sentence are not applicable to members of the Supervisory Board of the term of office specified in § 27 Section 5 sentence two and the term of office immediately following it.”

According to the Shareholder's request, the current § 19 Section 14 of PKP CARGO's Articles of Association worded as follows:

“Whereas the obligation ties connecting each Supervisory Board member with the Company constitute a unique organizational and corporate relationship aimed at exercising with due diligence continuous supervision over the Company,

from which relationship the Supervisory Board member's obligation ensues to act with care and an increased measure of diligence, given the professional nature of duties performed in a supervisory body, each Supervisory Board member:

1) should have higher education;

2) is obligated to exercise his/ her rights and perform his/ her obligations in person, with utmost professional care, subject to the Articles of Association and applicable provisions of law;

3) cannot take any action or perform any activities that would be in contradiction to his/ her duties or could raise suspicion of bias of that Supervisory Board member or of promotion of his/ her private interest;

4) is obligated to keep confidential the business secrets of the Company and documents conveyed to the Supervisory Board member in connection with the exercise of rights and performance of duties in the Supervisory Board and not to disclose them to other persons unless required by mandatory provisions of law."

shall read as follows:

"Whereas the obligation ties connecting each Supervisory Board member with the Company constitute a unique organizational and corporate relationship aimed at exercising with due diligence continuous supervision over the Company, from which relationship the Supervisory Board member's obligation ensues to act with care and an increased measure of diligence, given the professional nature of duties performed in a supervisory body, each Supervisory Board member:

1) is obligated to exercise his/ her rights and perform his/ her obligations in person, with utmost professional care, subject to the Articles of Association and applicable provisions of law;

2) cannot take any action or perform any activities that would be in contradiction to his/ her duties or could raise suspicion of bias of that Supervisory Board member or of promotion of his/ her private interest;

3) is obligated to keep confidential the business secrets of the Company and documents conveyed to the Supervisory Board member in connection with the exercise of rights and performance of duties in the Supervisory Board and not to disclose them to other persons unless required by mandatory provisions of law."

According to the Shareholder's request, the current Section 15 of § 19 of PKP CARGO's Articles of Association worded as follows shall be deleted:

"The requirement referred to in Section 14 item 1) above shall apply only to the members of the Supervisory Board appointed to the Supervisory Board after the date of registration of amendments to the Articles of Associations adopted by Resolution No. 15/2015 of the Company's Extraordinary Shareholder Meeting of 29 September 2015."

Legal basis:

§ 38 Section 1 Item 3) and § 38 Section 1 Item 2) 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 Number 133).