

EXTRACT FROM MINUTES NO. 28/2020

of the Nomination Committee of the PKP CARGO S.A. Supervisory Board

on 30 September 2020

**Resolution no. 17/2020
adopted by the Nomination Committee of the PKP CARGO S.A. Supervisory Board
of 30 September 2020**

in the matter of: adopting the report on the completed recruitment procedure for the position of PKP CARGO S.A. Management Board Member in charge of Commerce

Acting pursuant to § 14 Section 6 Item 6 of the PKP CARGO S.A. Articles of Association and § 15 Section 1 of the Bylaws for Appointing Management Board Members in PKP CARGO Spółka Akcyjna, the Nomination Committee of the PKP CARGO S.A. Supervisory Board hereby resolves as follows:

§ 1

1. It accepts the report on the completed recruitment procedure for the position of Management Board Member in charge of Commerce at PKP CARGO S.A.
2. The report referred to in Section 1 forms an attachment to this Resolution.

§ 2

This resolution comes into force on the date of its adoption.

The vote was taken in an open ballot.

Number of voting Members of the PKP CARGO S.A. Supervisory Board Nomination Committee: 3

Number of votes "in favor": 2

Number of votes "against": 1

Number of votes "abstaining": 0

Zofia Dzik
Chairwoman of the Nomination Committee
of the PKP CARGO S.A. Supervisory Board

MINUTES
on the completed recruitment procedure
for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce

This Report has been prepared in accordance with the provisions of § 1 and § 15 section 1 of the *Bylaws for Appointing Management Board Members in PKP CARGO S.A.*

In connection with the provisions of § 14 sec. 6 item 3 of the Articles of Association of PKP CARGO S.A., pursuant to Resolution No. 46/VII/2020 of the PKP CARGO S.A. Supervisory Board of 25 May 2020, the PKP CARGO S.A. Supervisory Board appointed the Nomination Committee of the PKP CARGO S.A. Supervisory Board to prepare, organize and carry out the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce.

Pursuant to Resolution No. 46/VII/2020 of the PKP CARGO S.A. Supervisory Board of 25 May 2020 on initiating the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, on 8 March 2020 an announcement initiating the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce was published in a national newspaper and on PKP CARGO S.A.'s website pursuant to Resolution No. 51/VII/2020 of the Supervisory Board of 5 June 2020.

By conducting the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, the Nomination Committee took into account the special circumstances related to the announcement in the Republic of Poland of: the state of epidemic threat on 14 March 2020 and the state of epidemic on 20 March 2020 in connection with the infections of the SARS-CoV-2 virus.

In accordance with the announcement published on 8 June 2020, the candidates sent their applications electronically to a specified e-mail address, i.e. konkurs.zaradzpkpcargo@pkpcargo.com, by midnight on 13 July 2020.

On 14 July 2020, at 7:30 a.m., the following assembled at the PKP CARGO S.A.'s head office at ul. Grójecka 17 in Warsaw:

Members of the PKP CARGO S.A. Supervisory Board Nomination Committee:

1. Ms. Zofia Dzik – Chairwoman of the Nomination Committee (by teleconferencing),
2. Mr. Mirosław Antonowicz – Member of the Nomination Committee,
3. Mr. Władysław Szczepkowski – Member of the Nomination Committee,

and the PKP CARGO S.A. representative:

4. Ms. Joanna Ziemak.

At 8:10 a.m., the above representatives of the PKP CARGO S.A. Supervisory Board Nomination Committee obtained access to documents sent to the address konkurs.zarzadpkpcargo@pkpcargo.com and reported that documents of twelve candidates had been sent to the address.

On 30 September 2020, the Nomination Committee adopted a relevant report on the opening process of the applications received.

After a break ordered by the Chairwoman of the PKP CARGO S.A. Supervisory Board Nomination Committee, the meeting of the Nomination Committee was recommenced at 5:00 p.m on 24 July 2020 at the Company's head office at ul. Grójecka 17. During the meeting, the Members of the Nomination Committee analyzed the submissions to verify whether the candidates satisfied the formal requirements set forth in the announcement, i.e.:

- university education;
- minimum 10 years in service, where the service includes all forms of employment or provision of services, such as: employment contract, service contract, management contract, etc.;
- at least 5 years of experience on senior management positions;
- full public rights;
- full legal capacity;
- not being subject to any legally prescribed restrictions or bans from holding the position of management board member in commercial partnerships and companies, with a special consideration to the provisions of Article 22 Section 2 of the Act on the Rules for Managing State Property;
- representation on good command of a foreign language (English as the preferred language or German or Russian);
- representation on not being currently indicted in pending criminal and fiscal criminal proceedings;
- representation on not having been convicted with a final and non-appealable court judgment for the commission of an intentional offense;
- representation on agreeing to the collection of references by the PKP CARGO S.A. Supervisory Board subject to notifying the candidate of such action;
- representation on agreeing to the processing of the candidate's personal data for the purposes of the recruitment procedure reading as follows: *"Pursuant to Article 6 Section 1a of the General Data Protection Regulation of 27 April 2016 (OJ EU L 119, 4.5.2016), I agree to the processing of my personal data for the purposes of the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce."*

Following the analysis of the submissions made by the candidates, the Nomination Committee adopted resolution 12/2020 of 14 July 2020 to admit twelve (12) candidates, of which seven (7) conditionally, to the next stage of the procedure i.e. interviews.

The Nomination Committee asked seven candidates to supplement the application documents by the deadline of 9:00 a.m. of 16 July 2020, specifying the details in the summons. Five (5) candidates satisfied this condition by sending the documents by the specified deadline to the electronic mail (e-mail) address of konkurs.zarzadpkpcargo@pkpcargo.com. Two (2) of the candidates were not admitted to the next stage of the procedure because they failed to supplement the application documents.

Pursuant to Resolution No. 51/VII/2020 adopted by the Supervisory Board on 5 June 2020 and as a result of the meeting of the Nomination Committee of 14 July 2020, the decision was made that the candidates for the PKP CARGO S.A. Management Board Member in charge of Commerce would be interviewed by Members of the PKP CARGO S.A. Supervisory Board on 16, 17 and 20 July 2020, in person, at the registered office of PKP CARGO S.A. at ul. Grójecka 17 in Warsaw or using remote communication devices because of the continuing state of epidemic.

All the Members of the PKP CARGO S.A. Supervisory Board were informed of the schedule of interviews and obtained remote access (over the Internet) to the bios of the candidates qualified for the next stage of the recruitment procedure in a separate folder with access limited to Members of the PKP CARGO S.A. Supervisory Board only.

On 15-16 July 2020, the Chairwoman of the Nomination Committee and the person named by the Committee Chairwoman informed electronically the ten (10) candidates who satisfied the formal requirements and were admitted to the next stage of the recruitment procedure about the date and place of the interview with the PKP CARGO S.A. Supervisory Board. The same information was also provided to each candidate by telephone.

The Nomination Committee carried out the interviews with the participation of the PKP CARGO S.A. Supervisory Board Members specified below:

- a/ on 16 July 2020 – with three (3) candidates;
- b/ on 17 May 2020 – with four (4) candidates, including one (1) of the candidates in the form of a videoconference;
- c/ on 20 July 2020 – with three (3) candidates for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce.

In reference to a/: the following participated in the interviews carried out on 16 July 2020:

1. Ms. Zofia Dzik – Chairwoman of the Nomination Committee, Member of the PKP CARGO S.A. Supervisory Board
2. Mr. Mirosław Antonowicz – Member of the Nomination Committee, Deputy Chairman of the PKP CARGO S.A. Supervisory Board, by teleconferencing
3. Mr. Władysław Szczepkowski – Member of the Nomination Committee, Member of the PKP CARGO S.A. Supervisory Board
4. Mr. Krzysztof Czarnota – Member of the PKP CARGO S.A. Supervisory Board
4. Ms. Małgorzata Kryszkiewicz – Member of the PKP CARGO S.A. Supervisory Board
5. Mr. Paweł Sosnowski – Member of the PKP CARGO S.A. Supervisory Board
6. Mr. Tadeusz Stachaczyński – Member of the PKP CARGO S.A. Supervisory Board

and:

7. Ms. Joanna Ziemak – PKP CARGO S.A.

In reference to b/ and c/: the following participated in the interviews carried out on 17 and 20 July 2020:

1. Ms. Zofia Dzik – Chairwoman of the Nomination Committee,
Member of the PKP CARGO S.A. Supervisory Board
2. Mr. Mirosław Antonowicz – Member of the Nomination Committee, Deputy
Chairman of the PKP CARGO S.A. Supervisory Board
3. Mr. Władysław Szczepkowski – Member of the Nomination Committee,
Member of the PKP CARGO S.A. Supervisory Board
4. Mr. Krzysztof Czarnota – Member of the PKP CARGO S.A. Supervisory Board
4. Ms. Małgorzata Kryszkiewicz – Member of the PKP CARGO S.A. Supervisory Board
5. Mr. Paweł Sosnowski – Member of the PKP CARGO S.A. Supervisory Board
6. Mr. Tadeusz Stachaczyński – Member of the PKP CARGO S.A. Supervisory Board
7. Ms. Izabela Wojtyczka – Member of the PKP CARGO S.A. Supervisory Board

and:

8. Ms. Joanna Ziemak – PKP CARGO S.A.

During the interview, the candidates had the opportunity to present their experience and knowledge of the industry and processes in place in PKP CARGO S.A., answering the questions asked by the Supervisory Board Members.

The qualifications being evaluated pursuant to § 4 of the Supervisory Board Resolution No. 51/VII/2020 of 5 June 2020 on the content of the announcement in connection with the initiated recruitment procedure for the positions of the PKP CARGO S.A. Management Board Member in charge of Commerce included familiarity with the following areas and issues:

- knowledge of the scope of PKP CARGO S.A.'s activity;
- knowledge of the rules of functioning of commercial companies;
- experience in building relationships with PKP CARGO S.A.'s stakeholders;
- general familiarity with labor law;
- knowledge and experience in the area of HR management, including at least 5 years of experience on senior management positions;
- strategic thinking skills and ability to create a business strategy;
- leadership skills;
- ability to build a culture of cooperation;
- objective-driven attitude;
- negotiation and organizational skills;
- skills in the areas of change and emergency management;
- openness to learning and developing others;
- education profile and additional qualifications;
- command of a foreign language;
- knowledge of competition rules and the competitive environment of PKP CARGO S.A.;
- knowledge and skills in the area of sales and trade;
- knowledge and experience in the area of marketing and sales support;
- knowledge and experience in the area of customer service processes;

- knowledge and experience in the area of negotiation processes and rules of business contract conclusion;
- knowledge and experience in the area of pricing policy;
- knowledge and experience in the area of quality assurance process.

Based on the interviews with the candidates, the Members of the Nomination Committee decided that two (2) candidates to not meet the criteria specified in the announcement, i.e. senior management experience.

A Report on the course of interviews for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce was prepared and formally adopted by the Nomination Committee on 30 September 2020. Following the interviews, the Nomination Committee along with the PKP CARGO S.A. Supervisory Board Members carried out an analysis of all the interviewed candidates, as a result of which it was determined that three (3) best rated candidates would be invited to the next stage of interviews with the participation of the President of the PKP CARGO S.A. Management Board.

The next stage of interviews was scheduled for 29 July 2020, having consulted and agreed with all the selected candidates regarding the date suitable for all.

On 24 July 2020, the person named by the Chairwoman of the Nomination Committee informed electronically the three (3) selected candidates about the date and place of the interview with the Supervisory Board; information was also provided to each candidate by telephone.

On 29 July 2020, the Nomination Committee further interviewed the three (3) candidates for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce; one (1) of the candidates was interviewed in the form of a videoconference.

The following participated in the interviews held on 29 July 2020:

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| 1. | Ms. Zofia Dzik | – | Chairwoman of the Nomination Committee,
Member of the PKP CARGO S.A. Supervisory Board |
| 2. | Mr. Mirosław Antonowicz | – | Member of the Nomination Committee, Deputy
Chairman of the PKP CARGO S.A. Supervisory Board |
| 3. | Mr. Władysław Szczepkowski | – | Member of the Nomination Committee,
Member of the PKP CARGO S.A. Supervisory Board |
| 4. | Mr. Krzysztof Czarnota | – | Member of the PKP CARGO S.A. Supervisory Board |
| 5. | Mr. Górski | – | Member of the PKP CARGO S.A. Supervisory Board,
by teleconferencing |
| 6. | Mr. Paweł Sosnowski | – | Member of the PKP CARGO S.A. Supervisory Board |
| 7. | Ms. Izabela Wojtyczka | – | Member of the PKP CARGO S.A. Supervisory Board,
by teleconferencing |

and:

- | | | | |
|----|-----------------------|---|--|
| 8. | Mr. Czesław Warsewicz | – | President of the PKP CARGO S.A. Management Board |
| 9. | Ms. Joanna Ziemak | – | PKP CARGO S.A. |

During the interview, the candidates had the opportunity to present their experience and knowledge of the industry and processes in place in PKP CARGO S.A., answering the questions asked by the Supervisory Board Members and the President of the PKP CARGO S.A. Management Board.

After having conducted the second stage of interviews, the Nomination Committee along with the Supervisory Board Members participating in the interviews evaluated the respective candidates by taking into account the criteria of required substantive knowledge, adequate professional experience, management skills, leadership competence, communication skills and the level of energy and professional ambitions. At the closing of the meeting, the President of the PKP CARGO S.A. Management Board also presented his opinion about the candidates.

After the interviews with the candidates, the Nomination Committee members, i.e.:

1. Ms. Zofia Dzik
 2. Mr. Władysław Szczepkowski
- with the participation of:
3. Ms. Joanna Ziemak – PKP CARGO S.A.

checked, by telephone, the references of the three (3) selected candidates admitted to the next stage of interviews; the persons providing reference were selected at random by Nomination Committee Members from among the persons previously named by the candidates.

On 19 August 2020, in the head office of PKP CARGO S.A. the Nomination Committee held a meeting attended by:

1. Ms. Zofia Dzik – Chairwoman of the Nomination Committee, Member of the PKP CARGO S.A. Supervisory Board
2. Mr. Mirosław Antonowicz – Member of the Nomination Committee, Deputy Chairman of the PKP CARGO S.A. Supervisory Board
3. Mr. Władysław Szczepkowski – Member of the Nomination Committee, Member of the PKP CARGO S.A. Supervisory Board
4. Ms. Izabela Wojtyczka – Member of the PKP CARGO S.A. Supervisory Board

and:

8. Ms. Joanna Ziemak – PKP CARGO S.A.

During the meeting, after discussion, the Nomination Committee made a decision to postpone to a later date the adoption of a Nomination Committee Resolution recommending to the Supervisory Board the candidates for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce.

On 24 August 2020, after having conducted an individual evaluation of each of the three candidates admitted to the second stage of interviews, on the basis of documents presented by the candidates and the outcome of the interviews for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, the Nomination Committee adopted Resolution 16/2020 of 24 August 2020 recommending to the PKP CARGO S.A. Supervisory Board two candidates for further examination. The above Resolution was adopted by the Nomination Committee with the majority of two votes “for” and one vote “against”; Ms. Zofia Dzik, Chairwoman of the Nomination Committee, submitted a dissenting opinion to the Resolution in relation to one of the two candidates recommended to the Supervisory Board.

On 24 August 2020, a meeting of the PKP CARGO S.A. Supervisory Board was held, during which Ms. Zofia Dzik, Chairwoman of the Nomination Committee, discussed the course of the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce and presented the recommendations.

Subsequently, the Supervisory Board, having familiarized itself with the recommendation of the Nomination Committee and the dissenting opinion submitted by the Nomination Committee Chairwoman in relation to one of the candidates, adopted Resolution No. 58/VII/2020 of 24 August 2020, selecting Mr. Piotr Wąsaty for the position of PKP CARGO S.A. Management Board Member in charge of Commerce.

The selected candidate was subsequently informed by telephone about the above decision of the PKP CARGO S.A. Supervisory Board and he made a statement of consent to be appointed to the position of the PKP CARGO S.A. Management Board Member in charge of Commerce.

After the candidate gave his consent, the Supervisory Board adopted resolution no. 59/VII/2020 of 24 August 2020 to appoint Mr. Piotr Wasaty to the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, for the 7th term of office, as of 1 September 2020.

On 25 August 2020, the person named by the Chairwoman of the Nomination Committee forwarded by e-mail, with acknowledgment of receipt, the decision of the PKP CARGO S.A. Supervisory Board on completion of the recruitment procedure, to the candidates who were not selected for the position in the PKP CARGO S.A.'s Management Board, thanking them on behalf of the Company's Supervisory Board for submitting their applications and participating in the recruitment procedure. The Chairwoman of the Nomination Committee informed the candidates who participated in the interviews at the last stage of the procedure, about the outcome of the recruitment procedure.

On 28 August 2020, the appointed Management Board Member in charge of Commerce, Mr. Piotr Wasaty, made a statement explaining the differences in the wording of his last name: in the application documents submitted during the recruitment procedure to the PKP CARGO S.A. Supervisory Board Nomination Committee, the name "Piotr WĄSATY" was used (with the Polish letter "ą"); while according to the current identification documents, the correct name is "Piotr WASATY" (without Polish characters).

The list of candidates in the recruitment procedure forms Attachment 1 to this Report. Five candidates participating in the recruitment procedure requested to remove their personal data from the published report on the completed recruitment procedure.

It is hereby declared that the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce has been conducted in accordance with the procedure for the appointment of a Management Board Member as set forth in the Articles of Association of PKP CARGO S.A. and the Bylaws for Appointing Management Board Members in PKP CARGO S.A. in effect as at the date of commencement of the recruitment procedure.

Nomination Committee of the PKP CARGO S.A. Supervisory Board:

Ms. Zofia Dzik – Chairperson of the Nomination Committee

Mr. Władysław Szczepkowski – Member of the Nomination Committee

Ms. Izabela Wojtyczka – Member of the Nomination Committee

Attachment 1

*to the Report on the completed recruitment procedure for the position of the PKP CARGO S.A.
Management Board Member in charge of Commerce*

List of candidates in the recruitment procedure for the position of PKP CARGO S.A. Management Board Member in charge of Commerce.

1. In accordance with the provisions of § 15 sec. 2 of the "Bylaws for Appointing Management Board Members in PKP CARGO S.A." in effect as at the date of commencement of the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, this Candidate has requested the Company to remove his/her personal data from the published report on the completed recruitment procedure.
2. In accordance with the provisions of § 15 sec. 2 of the "Bylaws for Appointing Management Board Members in PKP CARGO S.A." in effect as at the date of commencement of the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, this Candidate has requested the Company to remove his/her personal data from the published report on the completed recruitment procedure.
3. In accordance with the provisions of § 15 sec. 2 of the "Bylaws for Appointing Management Board Members in PKP CARGO S.A." in effect as at the date of commencement of the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, this Candidate has requested the Company to remove his/her personal data from the published report on the completed recruitment procedure.
4. In accordance with the provisions of § 15 sec. 2 of the "Bylaws for Appointing Management Board Members in PKP CARGO S.A." in effect as at the date of commencement of the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, this Candidate has requested the Company to remove his/her personal data from the published report on the completed recruitment procedure.
5. In accordance with the provisions of § 15 sec. 2 of the "Bylaws for Appointing Management Board Members in PKP CARGO S.A." in effect as at the date of commencement of the recruitment procedure for the position of the PKP CARGO S.A. Management Board Member in charge of Commerce, this Candidate has requested the Company to remove his/her personal data from the published report on the completed recruitment procedure.
6. Mr. Robert Czaplą
7. Mr. Tomasz Krawczyk
8. Mr. Rafał Momot
9. Mr. Grzegorz Trojan
10. Mr. Maciej Walczyk
11. Mr. Piotr Wąsaty
12. Ms. Karolina Wolko