



**Report on compensation  
disbursed to the PKP CARGO S.A.  
Management Board and Supervisory Board Members  
in 2023**

Company: PKP CARGO S.A.  
Address: ul. Grójecka 17, 02-021 Warsaw  
Court of registration: District Court for the capital city of Warsaw in Warsaw,  
12th Commercial Division of the National Court Register  
KRS number: 0000027702  
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## I. Introduction

This Report on compensation disbursed to the PKP CARGO S.A. Management Board and Supervisory Board Members in 2023 (hereinafter: “**Report**”) has been prepared by the Supervisory Board of PKP CARGO S.A. (“**Supervisory Board**”) in compliance with the obligations arising from Article 90g of the Act of 29 July 2005 on Public Offering and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies (consolidated text: Journal of Laws of 2021, item 1983, of 2 November 2021, as amended) (hereinafter: “**Act on Offerings**”) in conjunction with Resolution No. 23/2020 of the Ordinary Shareholder Meeting of PKP CARGO SA of 29 June 2020 on the adoption of the *Compensation policy for Members of the PKP CARGO S.A. Management Board and Supervisory Board*, as later amended (hereinafter: “**Policy**”).

In respect of Members of the PKP CARGO S.A. Management Board (hereinafter: “**Management Board Members**”) and Supervisory Board, the Policy, as a rule, has not significantly changed the regulations governing compensation payable prior to the adoption of the Policy. With regard to the variable components of the compensation of the members of the Management Board, also prior to the implementation of the Policy, the Supervisory Board granted bonuses for the financial year based on the assessment of the achievement of the adopted management objectives.

The report was reviewed by a statutory audit in respect to information required under the Act on Offerings. The entity reviewing the Report was Grant Thornton Polska P.S.A. (formerly: Grant Thornton Polska spółka z ograniczoną odpowiedzialnością sp.k.) with its registered office in Poznań, entered in the list of audit firms kept by the Polish Agency for Audit Oversight under file no. 4055;

## II. Report on compensation

### 1. Total compensation broken down by component, as defined in Article 90d(3)(1) of the Act on Offerings, and the relative proportion of these compensation components

#### 1.1. Compensation of the PKP CARGO S.A. Management Board

Members of the Management Board are entitled to fixed monthly compensation (“**Base Compensation**”) and variable compensation contingent on the attainment of financial or non-financial objectives (“**Bonus**”), as well as other additional cash and non-cash benefits.

The Base Compensation may vary depending on the function.

The Bonus is determined in a sustainable manner and is in line with the financial standing of PKP CARGO S.A. (hereinafter also the “**Company**”) and the achievement of the adopted management objectives (hereinafter, the “**Objectives**”).

Rules of granting Bonuses, setting the Objectives, specifying weights of the Objectives and criteria for their attainment and settlement are defined by a separate resolution of the Supervisory Board.

The total amount of the Bonus may not exceed 50% of the Base Compensation payable to the respective Management Board Member in the financial year for which the Bonus is due.

The Supervisory Board adopts a resolution to grant a Bonus after the PKP CARGO S.A. Shareholder Meeting adopts a resolution:

- 1) approving the Management Board Report on the Activity of PKP CARGO S.A. for the financial year for which the Bonus is due,
- 2) approving the financial statements of PKP CARGO S.A. for the financial year for which the Bonus is due,
- 3) granting a discharge to the Management Board Member on the performance of his or her duties in the financial year for which the Bonus is due.

### 1.1.1. Compensation of Management Board Members, by component

In 2023, the compensation of the Management Board Members was as follows:<sup>1</sup>

Full name, position, period of service of the Management Board Member in 2023	Fixed monthly compensation (in PLN)	Compensation for non-competition obligations / % share in total compensation	Severance pay / % share in total compensation	Other benefits (in PLN)			Income components on account of reimbursement of travel and accommodation expenses / % share in total compensation	Variable compensation/ bonus for 2022 (in PLN) <sup>2</sup>		Extraordinary allowances (in PLN) / % share in total compensation	Disability/retirement pension (in PLN) / % share in total compensation	Total compensation (in PLN) / % share in total compensation
	Net Base Compensation <sup>3</sup> / % share in total compensation			Taxable income on account of the Employee Capital Scheme contribution / % share in total compensation <sup>4</sup>	Taxable income on account of transportation benefits / % share in total compensation <sup>5</sup>	Taxable income subject to social insurance for using company car for private purposes / % share in total compensation		Single-year bonus / % share in total compensation	Multiple-year bonus / % share in total compensation			
Dariusz Seliga President of the Management Board from 1 Jan 2023 to 31 Dec 2023	576,000.00 72.52%	0.00	0.00	8,856.00 1.11%	3,055.98 0.38%	0.0	0.00	206,400.00 25.99%	0.00	0.00	0.00	<b>794,311.98</b> <b>100%</b>
Marek Olkiewicz Management Board Member in charge of Operations from 1 Jan 2023 to 31 Dec 2023	516,000.00 68.74%	0.00	0.00	0.00	1,018.66 0.14%	0.0	0.00	233,633.33 31.12%	0.00	0.00	0.00	<b>750,651.99</b> <b>100%</b>
Maciej Jankiewicz Management Board Member in charge of Finance from 1 Jan 2023 to 31 Dec 2023	516,000.00 73.06%	0.00	0.00	10,384.50 1.47%	3,567.72 0.51%	0.0	0.00	176,300.00 24.96%	0.00	0.00	0.00	<b>706,252.22</b> <b>100%</b>
Jacek Rutkowski Management Board Member in charge of Commerce from 1 Jan 2023 to 31 Dec 2023	516,000.00 76.86%	0.00	0.00	9,868.50 1.47%	3,572.55 0.53%	0.00	0.00	141,900.00 21.14%	0.00	0.00	0.00	<b>671,341.05</b> <b>100%</b>
Zenon Kozendra Management Board Member – Employee Representative from 1 Jan 2023 to 31 Dec 2023	516,000.00 65.68%	0.00	0.00	11,610.00 1.48%	0.00	0.0	0.00	258,000.00 32.84%	0.00	0.00	0.00	<b>785,610.00</b> <b>100%</b>
<b>Total</b>	<b>2,640,000.00</b> <b>71.19%</b>	<b>0.00</b>	<b>0.00</b>	<b>40,719.00</b> <b>1.10%</b>	<b>11,214.91</b> <b>0.30%</b>	<b>0.00</b>	<b>0.00</b>	<b>1,016,233.33</b> <b>27.41%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,708,167.24</b> <b>100%</b>

Source: Proprietary material

<sup>1</sup> Including the compensation of former Management Board Members disbursed under a management contract and non-competition agreement.

<sup>2</sup> Pursuant to paragraph 4 sec. 7 of the Policy, measurement of the Objectives and granting of the Bonus may take place no earlier than after the PKP CARGO S.A. Shareholder Meeting at which the following are approved: (I) the Management Board's report on the Company's activities in the financial year for which the Bonus is granted, (II) the Company's financial statements for the financial year for which the Bonus is granted, (III) a discharge is granted on the performance of duties by the Management Board Member for the financial year for which the Bonus is granted. Accordingly, as at the date of this Report, these conditions, as future events, have not yet been fulfilled for the Bonus for 2023

<sup>3</sup> Under a management contract and non-competition agreement.

<sup>4</sup> Under the Act of 4 October 2018 on Employee Capital Schemes (Journal of Laws of 2018, item 2215).

<sup>5</sup> Under the Agreement of 27 November 2013 on discounted transport services binding on PKP CARGO S.A.

## 1.1.2. Bonus

The 2023 objectives for the President and Members of the Management Board (Resolution No. 115/VIII/2023 of the PKP CARGO S.A. Supervisory Board of 27 September 2023) were as follows:

full name of the Management Board Member position period of service in 2023	description of the criteria/objective (shared objectives)	weight of the objective	a) minimum threshold b) corresponding compensation	a) maximum threshold b) corresponding compensation
<b>Shared Objectives</b>				
<b>Dariusz Seliga</b> President of the Management Board from 1 Jan 2023 to 31 Dec 2023	<b>1. Fixed costs of PKP CARGO S.A.</b> (keeping the cost discipline) <i>Source: Standalone Financial Statements for 2023</i>	20%	a) above 90% of the weighted average value of attainment of all objectives	a) above 110% of the weighted average value of attainment of all objectives
<b>Marek Olkiewicz</b> Management Board Member in charge of Operations from 1 Jan 2023 to 31 Dec 2023	<b>2. Remainder of wagons in current repairs (PKP CARGO S.A.)</b> <i>Source: Daily "REPAIR STATUS" statistics of COPW</i>	20%	b) 0.70 times monthly compensation	b) 3.60 times monthly compensation
<b>Maciej Jankiewicz</b> Management Board Member in charge of Finance from 1 Jan 2023 to 31 Dec 2023	<b>3. Compliance with contractual levels of financial covenants</b> under the concluded loan agreements <b>as at 31 December 2023</b> (no violation of financial covenants). <i>Source: Standalone/Consolidated Financial Statements for 2023</i>	20%		
<b>Jacek Rutkowski</b> Management Board Member in charge of Commerce from 1 Jan 2023 to 31 Dec 2023	<b>4. Freight volume in key cargo categories: hard coal, aggregates and construction materials</b> <i>** aggregates and construction materials understood as: stone, gravel and lime, sand, cement and brick.</i> <i>Source: Management Board Report on the Activity of the PKP Cargo Group for the financial year 2023</i>	20%		
<b>Zenon Kozendra</b> Management Board Member – Employee Representative from 1 Jan 2023 to 31 Dec 2023	<b>5. Ensuring that real estate maintenance costs have not been overrun.</b> <i>Source: internal data</i>	20%		
<b>Cascading Objectives</b>				
<b>OBJECTIVE 1</b>	Participation in the development of the Rail Logistics Operator Platform ver. 1.0 ("PKOL").	25%	a) 25% of the value of attainment of all objectives	a) 100% of the value of attainment of all objectives
<b>OBJECTIVE 2</b>	Digitalization and improvement of the cybersecurity level of the PKP Group:	25%		b) 1.20 times monthly compensation
<b>OBJECTIVE 3</b>	Developing the concept and strategy for the target IT infrastructure of the PKP Group for the purposes of the Shared Data Processing Center	25%	b) 0.30 times monthly compensation	
<b>OBJECTIVE 4</b>	1) Complete Stage I of the construction of the Multimodal Terminal at ul. Karsznicka in Zduńska Wola ("Project"), which includes commencement of intermodal transshipment services at the Multimodal Terminal in Zduńska Wola in 2023; 2) Commence the execution of Stage 2 of the Project entailing the purchase of transshipment equipment in 2023; 3) Evaluate the assumptions for the modernization of the container terminal in Medyka managed by PKP Cargo Terminale sp. z o.o. and define detailed concept assumptions and planned schedule.	25%		

Individual Objectives				
<b>Dariusz Seliga</b> President of the Management Board from 1 Jan 2023 to 31 Dec 2023	<b>ESG Strategy of the PKP CARGO Group (until the end of 2023)</b>  <i>Source: Positive opinion of the Strategy Committee of the PKP CARGO S.A. Supervisory Board</i>	100%	b) 1.2 times monthly compensation	b) 1.2 times monthly compensation
<b>Marek Olkiewicz</b> Management Board Member in charge of Operations from 1 Jan 2023 to 31 Dec 2023	<b>Punctuality of trains based on carrier's fault</b>  <i>Source: SEPE system</i>	100%		
<b>Maciej Jankiewicz</b> Management Board Member in charge of Finance from 1 Jan 2023 to 31 Dec 2023	<b>Securing necessary funding from financial institutions</b>  <i>Source: internal data of PKP CARGO S.A.</i>	100%		
<b>Jacek Rutkowski</b> Management Board Member in charge of Commerce from 1 Jan 2023 to 31 Dec 2023	<b>Increase in the average price* actually obtained in 2023 vs. average 2022 price by at least 50% of the PPI (PPI Dec 2023 vs. Dec 2022).</b>  * average price calculated as revenues on sales of transportation services / freight turnover (PLN per ntkm)  <i>Source: internal data of PKP CARGO S.A.</i>	100%		
<b>Zenon Kozendra</b> Management Board Member – Employee Representative from 1 Jan 2023 to 31 Dec 2023	<b>Prepare and carry out a campaign improving occupational health and safety.</b>  <i>Source: Report on the execution of the campaign with a positive opinion by the Nomination Committee.</i>	100%		

*Source: Proprietary material*

The Supervisory Board adopted the following assumptions for setting the Objectives:

- 1) Shared Objectives are the same for all Management Board Members, that is each Management Board Member is equally responsible for the attainment of each Objective;
- 2) Cascading Objectives are the same for all Management Board Members, that is each Management Board Member is equally responsible for the attainment of each Objective;
- 3) Individual Objectives were set for each Management Board Member;
- 4) Bonus payments resulting from the attainment of the Objectives are pro-rated for the period of service of the respective Management Board Member;
- 5) The degree of attainment of each metric of the Shared Objectives is calculated as a percentage of the reference value, which corresponds to 100% attainment, except for Objective 3.
- 6) The attainment of the individual metrics of the Cascading and Individual Objectives and the Shared Objective 3 metric is calculated as achieved or not achieved;
- 7) The compensation multiplier is calculated based on the weighted average value of attainment of all indicators for Shared Objectives and the compensation multiplier is based on the achievement of the Cascading Objectives and the Individual Objective.

As at the date of preparing this Report, the Supervisory Board did not make the settlement of the Objectives set for 2023, described in detail in Resolution No. 115/VIII/2023 of the PKP CARGO S.A. Supervisory Board of 27 September 2023.

### 1.1.3. Additional non-cash benefits

Management Board Members used technical tools and equipment owned by PKP CARGO S.A. to assist them in the proper performance of their duties, including from company cars.

Management Board and Supervisory Board Members are covered by the D&O insurance purchased by the Company. Considering the fact that the D&O insurance (policy) covers generally (by listing the functions discharged) all the members of the Management Board and Supervisory Board (without naming them specifically), it is impossible to assign taxable income to a specific person because during the term of the insurance the composition of the above bodies may change (see, among others, the judgment of the Voivodeship Administrative Court in Wrocław of 26 September 2018, file ref. no. I SA/Wr 525/18). In view of the foregoing, the value of the D&O insurance calculated per Member of these Company bodies is not presented in the tables below as one of the compensation components.

## 1.2. Compensation of Supervisory Board Members

A Supervisory Board Member is only entitled to a fixed monthly compensation, the amount of which is set by the Shareholder Meeting of PKP CARGO S.A., in consideration of the need to guarantee the independence of Supervisory Board Members in the performance of their duties arising from their function and in compliance with generally applicable provisions of law.

A Supervisory Board Member is entitled to monthly compensation regardless of the number of meetings of the Supervisory Board or membership in committees established by the Supervisory Board or the number of meetings of these committees.

Compensation of the Supervisory Board Members are not related to the Company's financial performance.

In 2023, the compensation of the Supervisory Board Members was as follows:

Full name, position, period in which the Supervisory Board Member received compensation in 2023	Fixed compensation (in PLN)	Other benefits (in PLN)		Other income components on account of reimbursement of travel and accommodation expenses (in PLN) <sup>6</sup> / % share in total compensation	Total compensation (in PLN)
	Base compensation / % share in total compensation	taxable on account of the refundable Employee Capital Scheme contribution <sup>7</sup> / % share in total compensation	taxable on account of transportation benefits <sup>8</sup> / % share in total compensation		
Władysław Szczepkowski Supervisory Board Member, Supervisory Board Chairman from 1 Jan 2023 to 31 Dec 2023	145,324.80 98.52%	2,179.92 1.48%	0.00	0.00	<b>147,504.72</b> <b>100%</b>
Andrzej Leszczyński Supervisory Board Vice- Chairman from 1 Jan 2023 to 31 Dec 2023	125,243.52 100%	0.00	0.00	0.00	<b>125,243.52</b> <b>100%</b>
Grzegorz Dostatni Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 98.52%	1,878.60 1.48%	0.00	0.00	<b>127,122.12</b> <b>100%</b>
Henryk Grymel Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 100%	0.00	0.00	0.00	<b>125,243.52</b> <b>100%</b>
Tomasz Pietrek Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 91.13%	1,878.60 1.37%	0.00	10,304.00 7.50%	<b>137,426.12</b> <b>100%</b>
Marek Ryszka Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 98.52%	1,878.60 1.48%	0.00	0.00	127,122.12 100%
Paweł Sosnowski Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 99.19%	0.00	1,018.66 0.81%	0.00	<b>126,262.18</b> <b>100%</b>
Jarosław Stawiarski Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 100%	0.00	0.00	0.00	<b>125,243.52</b> <b>100%</b>
Jarosław Ślepaczuk Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 96.09%	1,878.60 1.44%	0.00	3,220.00 2.47%	<b>130,342.12</b> <b>100%</b>
Michał Wnorowski Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 98.52%	1,878.60 1.48%	0.00	0.00	<b>127,122.12</b> <b>100%</b>
Izabela Wojtyczka Supervisory Board Member from 1 Jan 2023 to 31 Dec 2023	125,243.52 97.86%	1,722.05 1.34%	1,018.66 0.80%	0.00	<b>127,984.23</b> <b>100%</b>
<b>Total</b>	<b>1,397,760.00</b> <b>97.98%</b>	<b>13,294.97</b> <b>0.93%</b>	<b>2,037.32</b> <b>0.14%</b>	<b>13,524.00</b> <b>0.95%</b>	<b>1,426,616.29</b> <b>100%</b>

Source: Proprietary material.

<sup>6</sup>under Article 392 § 3 of the Commercial Company Code (Journal of Laws of 2020, item 1526, as amended)

<sup>7</sup> under the Act of 4 October 2018 on Employee Capital Schemes (Journal of Laws of 2018, item 2215).

<sup>8</sup> under the Agreement of 27 November 2013 on discounted transport services binding on PKP CARGO S.A.

## **2. Explanation of how the total compensation complies with the adopted compensation policy, including how it contributes to the long-term performance of the Company**

The compensation system for Management Board Members is incentive-based. When defining the benefits available to Management Board Members, it was decided that the Bonus is partially correlated to the Company's performance, which results in increased efforts to attain the objectives set in the Company's business strategy and business plans by Management Board Members.

As a consequence, the adopted compensation system indirectly contributes to growth in the Company's business, product offering and market position, and translates into improved financial performance.

The compensation of Supervisory Board Members consists solely of fixed compensation set by the PKP CARGO S.A. Shareholder Meeting, which is intended to increase resilience to risk.

In the opinion of the Supervisory Board, the level of compensation of the Members of the Management Board and the Supervisory Board in 2023 was appropriate to ensure the achievement and maintenance of an adequate level of motivation of individuals with top competencies necessary for the optimal management and supervision of PKP CARGO S.A.

The level of compensation was commensurate with the skills and experience of the respective members of the Management Board and the Supervisory Board, as well as the scope of their duties and responsibilities, and contributed to the growth of the Company.

## **3. Information on the way of applying the performance criteria**

The Bonus payable to Management Board Members is contingent, among other criteria, on the attainment of the Objectives correlated with the Company's Annual Business Plan and the projection of the PKP CARGO Group's financial results.

Following the Supervisory Board's approval of the Annual Business Plan, the Nomination Committee of the PKP CARGO S.A. Supervisory Board adopts a recommendation for the Supervisory Board on setting the Objectives to be attained by Members of the Management Board. The basis for the qualitative and quantitative Objectives are the parameters adopted in the Business Plan and the projection of the PKP CARGO Group's financial results.

If the Management Objectives have been attained, the Bonus may be granted by way of a resolution of the Supervisory Board after the Shareholder Meeting of PKP CARGO S.A. adopts the resolutions: approving the financial statements of PKP CARGO S.A. and the Management Board Report on the Activity of PKP CARGO S.A. and granting a discharge on the performance of duties by the Management Board Members in the financial year for which the Bonus is due.

## **4. Information on annual change in compensation, the Company's performance and the average compensation of employees who are not Members of the Management Board or Supervisory Board in the period of at least the last 5 financial years, cumulatively, in order to enable comparison**

Pursuant to Article 90g(3) of the Act on Offerings, the Supervisory Board presents information for the years 2019-2023, that is for the financial years for which it is required to prepare the Report.

Presented below are changes in the compensation of Management Board Members for 2019-2023:

Full name, position, of the Management Board Members		Compensation (in PLN)							Remarks
		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	% change 2023 vs. 2022	Change 2023 vs. 2022	
President of the Management Board	Czesław Warszewicz	577,334.92	562,945.57	813,738.64	192,000.00	0.00	0.00	Not applicable	dismissed on 18 October 2021
	Władysław Szczepkowski	Not applicable	Not applicable	119,840.00	169,732.01	0.00	0.00	Not applicable	for the period of delegation of a Supervisory Board Member to the Management Board
	Dariusz Seliga	Not applicable	Not applicable	Not applicable	421,056.79	794,311.98	88.65%	373,255.19	appointed 13 April 2022
Management Board Member in charge of Operations	Witold Bawor	517,533.54	511,542.14	808,715.08	174,580.00	0.00	0.00	Not applicable	dismissed on 18 October 2021
	Marek Olkiewicz	Not applicable	Not applicable	Not applicable	472,225.52	750,651.99	58.96%	278,426.47	appointed 3 February 2022
Management Board Member in charge of Finance	Leszek Borowiec	516,000.00	503,995.64	728,302.57	172,000.00	0.00	0.00	Not applicable	dismissed on 18 October 2021
	Maciej Jankiewicz	Not applicable	Not applicable	Not applicable	361,057.11	706,252.22	95.61	345,195.11	appointed 25 April 2022
Management Board Member in charge of Commerce	Grzegorz Fingas	517,533.54	515,096.73	349,160.00	Not applicable	0.00	0.00	Not applicable	dismissed on 23 March 2020
	Piotr Wasaty	Not applicable	172,650.25	630,169.57	172,000.00	0.00	0.00	Not applicable	dismissed on 18 October 2021
	Jacek Rutkowski	Not applicable	Not applicable	Not applicable	358,760.23	671,341.05	87.13%	312,580.82	appointed 25 April 2022
Management Board Member – Employee Representative	Zenon Kozendra	517,533.54	510,646.50	875,336.00	527,678.20	785,610.00	48.88%	257,931.80	
	Average employee compensation, excluding compensation of Management Board Members <sup>9</sup>	5,264.59	5,373.90	5,656.12	6,201.79	7,346.88	18.46%	1,145.09	
	Number of employees as at 31 December, excluding the Management Board and Supervisory Board Members	17,254	15,903	14,884	14,410	14,205	-1.42%	-205	

Source: Proprietary material.

<sup>9</sup> The average monthly compensation is calculated as the ratio of the sum of gross compensation to the average number of employees (in FTEs, i.e. after converting part-time employees to full-time employees) in the respective period.



Presented below are the financial results of PKPCARGO S.A. and the PKP CARGO Group for 2019-2023:

	2019	2020	2021	2022	2023	Change 2023 vs. 2022	% change 2023 vs. 2022
		financial result of the Company (PLN million)					
Revenues from contracts with customers	3,572.0	2,936.6	3,085.3	4,003.6	4,225.5	+221.9	+5.5%
Operating profit before depreciation and amortization (EBITDA)	624.0	400.5	345.1	850.5	868.6	+18.1	+2.1%
Net profit / loss	-8.3	-173.9	-223.3	102.7	45.2	-57.5	-56.0%
		financial results of the PKP CARGO Group (PLN million)					
Revenues from contracts with customers	4,781.6	4,075.6	4,266.5	5,390.1	5,491.9	+101.8	+1.9%
Operating profit before depreciation and amortization (EBITDA)	859.9	580.2	513.2	1,066.3	1,083.1	+16.8	+1.6%
Net profit / loss	36.0	-224.3	-225.3	148.0	82.1	-65.9	-44.5%

Source: Proprietary material.

#### **5. Amount of compensation from companies belonging to the same group within the meaning of Accounting Act of 29 September 1994 (Journal of Laws 2023.120, consolidated text of 16 January 2023, as amended)**

Any additional involvement of a Management Board Member or Supervisory Board Member in the management or supervisory bodies of other members of the PKP CARGO Group shall not constitute grounds for the collection by such Management Board Member or Supervisory Board Member of any additional compensation from the Company or members of the PKP CARGO Group.

#### **6. The number of granted or offered financial instruments and main conditions for exercising rights from these instruments, including the price and date of exercising and changes to them**

In 2023, the Company did not grant any financial instruments.

#### **7. Information on using the possibility of reclaiming variable compensation components**

In the reporting period, no grounds existed for the Company to reclaim any variable compensation components.

#### **8. Information on derogations from the procedure of implementing the compensation policy and derogations applied in accordance with Article 90f of the Act on Offerings, including explanation of reasons and procedure and specification of elements from which derogation was applied**

In 2023, due to the absence of grounds, the Supervisory Board decided not to apply any derogations from the application of the adopted Policy.

#### **9. Information on recognizing, in the compensation of Management Board and Supervisory Board Members, cash or in-kind benefits granted to relatives, pursuant to Article 90g(5) of the Act on Offerings**

In 2023, compensation of the PKP CARGO S.A. Management Board and Supervisory Board Members did not include benefits granted to relatives because no such benefits were determined.

#### **10. Explanation of how the Report takes into account the resolution referred to in Article 90g(6) of the Act on Offerings**

On 29 June 2023, the Shareholder Meeting adopted Resolution No. 49/2023, which approved the report on compensation. The resolution did not include any comments, recommendations or guidelines.

## 11. Extraordinary events in the reporting period

No such events occurred in 2023.

## III. Conclusion

### 1. Description of amendments and an update to the Policy in 2023.

The Ordinary Shareholder Meeting of PKP CARGO S.A. did not amend the Policy in 2023.

Given the provisions of § 10 sec. 2 of the Policy, the Policy will be updated no later than in 2025.

### 2. Evaluation of the practical application of the Compensation Policy for Members of the PKP CARGO S.A. Management Board and Supervisory Board

In the opinion of the Supervisory Board:

- 1) the compensation paid to members of the Management Board and Supervisory Board in the period covered by the Report were consistent with the adopted Policy and fulfilled the requirements provided for by law,
- 2) the existing Policy, while it allows for flexibility in granting variable compensation, does not encourage risk-taking beyond that approved by the Supervisory Board.

#### Signatures of PKP CARGO S.A. Supervisory Board Members:

1.	Władysław Szczepkowski	Supervisory Board Chairman	.....
2.	Henryk Grymel	Supervisory Board Member	.....
3.	Bogusław Nadolnik	Supervisory Board Member	.....
4.	Tomasz Pietrek	Supervisory Board Member	.....
5.	Robert Stępień	Supervisory Board Member	.....
6.	Jarosław Ślepaczuk	Supervisory Board Member	.....
7.	Michał Wnorowski	Supervisory Board Member	.....
8.	Izabela Wojtyczka	Supervisory Board Member	.....