

General Meeting of Shareholders of PKP CARGO

The General Meeting of Shareholders of PKP CARGO S.A. is the highest authority of the Company, serving the implementation of shareholders' rights to decide on key aspects of PKP CARGO S.A. The supervision role of the General Assembly is realized, among others, through the sole right of shareholders meeting to decide on the content of the Company Statute. To the extent permitted by the generally applicable laws, the Company's Articles of Association creates a detailed framework of corporate governance, specifying, among others, competences of the Company's bodies and their mutual relations.

The Company's Shareholder Meeting operates pursuant to the provisions of the Commercial Company Code, the Company's Articles of Association (in particular, §10-§13) and the Bylaws of the Shareholder Meeting. Shareholders are entitled to participate in and exercise their voting rights at the Shareholder Meeting in person or by proxy.

The main competences of the General Meeting of PKP CARGO S.A., in addition to matters reserved by the provisions of the Commercial Companies Code or other acts, include appointing and dismissing members of the Supervisory Board, subject to the personal rights of PKP S.A., adopting the Regulations of the General Meeting and expressing consent to the Company's regulation of non-current assets or acquisition / sale / subscription of shares / stocks of other companies exceeding the amount or interest threshold specified in the Company's Articles of Association.

The Shareholder Meeting is valid irrespective of the number of shares represented thereat.

Resolutions of the Shareholder Meeting are adopted by an absolute majority of votes except for resolutions the adoption of which is subject to more stringent requirements provided for by the Commercial Company Code or the Articles of Association. Moreover, the adoption of a resolution on amendments to § 14 Section 6, § 26 Section 3 or 4 or § 27 Section 7 of the Articles of Association requires a resolution of the Shareholder Meeting adopted by a majority of four-fifths of the votes in the presence of shareholders representing three-fourths of the Company's share capital.

Votes at the Shareholder Meeting are cast in an open ballot. A secret ballot is ordered for elections and motions for the dismissal of members of the Company's corporate bodies or the Company's liquidators, or for holding them accountable, or in other personal matters. Moreover, a secret ballot must be ordered at the request of at least one shareholder attending or represented at the Shareholder Meeting.

In accordance with the Bylaws of the Shareholder Meeting, open and secret ballots may be held using means of electronic communication with the consent of the Shareholder Meeting. The Shareholder Meeting may adopt a resolution on waiving the secrecy of voting in matters concerning the selection of a committee appointed by the Shareholder Meeting.

The Shareholder Meeting is presided over by its Chairman who oversees its efficient conduct in accordance with the adopted agenda. The Chairman may make decisions concerning procedural matters. Without the consent of the Shareholder Meeting, the Chairman may not remove or change the order of business entered in the adopted agenda.

The Shareholder Meeting of PKP CARGO S.A. is opened by the Chairman of the Shareholder Meeting appointed by the Management Board. If the President of the Management Board fails to appoint the Chairman of the Shareholder Meeting prior to the designated start time of the meeting, the provisions of Article 409 § 1 of the Commercial Company Code are applied and then the Chairman of the Shareholder Meeting is elected from among the persons entitled to participate in the Shareholder Meeting. The Chairman of the Shareholder Meeting is elected by an absolute majority of votes cast in a secret ballot. The Extraordinary Shareholder Meeting may be convened by a shareholder whose stake in the total number of votes in the Company is greater than 33%. In such a case, the shareholder convening the Extraordinary Shareholder Meeting appoints the Chairman of the Shareholder Meeting.

In accordance with the Company's Articles of Association, the voting rights of shareholders holding more than 10% of the total votes in the Company have been limited in such a way that none of them may exercise more than 10% of the total number of votes in the Company existing on the day of the General Meeting at the General Meeting. The limitation of the voting rights of shareholders representing more than 10% of the total votes in the Company does not expire after the sale of all shares by PKP S.A., which is not covered by the said limitation. As a consequence, the limitation of the voting right potentially hampers the acquisition of control over the Company by one investor, even if the share of PKP S.A. in the Company's share capital decreases to zero.

The Shareholder Meeting adopts the Bylaws of the PKP CARGO Spółka Akcyjna Shareholder Meeting laying down a detailed procedure of conduct for its meetings. Draft Bylaws of the Shareholder Meeting are presented by the Management Board. It is permitted to participate in the Shareholder Meeting by means of electronic communication, provided that the notice of convocation of the Shareholder Meeting contains information about such a possibility.