

Memorandum of Agreement executed by parties to the Company Collective Bargaining Agreement for Employees Hired by the PKP CARGO S.A. Head Office and Units

Current Report No. 19/2021 of 27 August 2021

Legal basis (selected in ESPI):

Article 17(1) of MAR – confidential information

The Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) hereby reports that on 27 August 2021 a memorandum of agreement was executed between the Parties to the Company Collective Bargaining Agreement for Employees Hired by the PKP CARGO S.A. Head Office and Units (“Memorandum of Agreement”), (“Parties”).

Under the Memorandum of Agreement, the Parties resolved that:

1. eligible employees will receive a non-recurring bonus in the gross amount of PLN 500 gross per person;
2. the cash benefit on the occasion of the Railway Employee Day will be increased by PLN 800.

According to the Company’s estimates, the bonus and the increase in the benefit will generate a total cost of approximately PLN 23.9 million, of which PLN 21.4 million will be posted against the Q3 2021 result, while the remaining PLN 2.5 million will be captured in Q4 2021.

The execution of these arrangements by the Company will be in compliance with the provisions of the Employee Guarantee Package of 2 September 2013.

In January 2022, the Parties will commence negotiations on the roll-out of a systemic wage increase from 1 April 2022, taking into account both the Company’s financial results for 2021 and its current standing.

At the same time, the Parties recommend the disbursement of benefits in the PKP CARGO Group companies on the same terms as those stated in the Memorandum of Agreement, provided that such disbursement is justified by the economic standing of the respective PKP CARGO Group company.

Specific legal basis:

Article 17(1) of MAR – confidential information