

**Memorandum of Understanding between the Parties to the Company's Collective Bargaining Agreement for Employees hired by Units of PKP CARGO S.A. putting an end to the collective dispute.**

Current report no. 56/2016 of 16 November 2016

*Legal basis (selected in ESPI):*

*Art. 17 section 1 of MAR – confidential information*

In reference to current report no. 39/2016 of 22 June 2016 the Management Board of PKP CARGO S.A. („Company”, “PKP CARGO”) hereby announces that a memorandum of understanding has been executed on 16 November 2016 between the Parties to the Company's Collective Bargaining Agreement for Employees hired by Units of PKP CARGO S.A. („Memorandum of Understanding”).

The execution of this Memorandum of Understanding puts an end to the collective disputed commenced on 2 July 2015. By the power of this Memorandum of Understanding, the Parties have resolved to pay a gross non-recurring special bonus of PLN 800 in connection with the 15<sup>th</sup> anniversary of the Company's establishment to employees of PKP CARGO S.A. holding employment status and at least 1 year of seniority. Moreover, the Parties have resolved to appoint a task force to implement the post-inspection finding made by the District Labor Inspector in Warsaw dated 15 October 2015.

Specific legal basis:

Art. 17 section 1 of MAR - confidential information