

Signing of Memorandum of Agreement with Minezit SE

Current Report No. 18/2017 of 20 June 2017

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information.

In reference to current report No. 16/2017 of 13 June 2017 on signing a letter of intent with Minezit SE (“**MSE**”), the Management Board of PKP CARGO S.A. (“**PKP CARGO**”) (jointly “**Parties**”) hereby reports that on 20 June 2017 it executed a binding memorandum of agreement (“**Memorandum of Agreement**”) under the Dutch law between PKP CARGO and MSE concerning the execution of a joint project, which will be a way to settle the put option relating to the shares held by MSE, which constitute 20% of the share capital of Advanced World Transport B.V. with its registered office in Amsterdam (“**AWT**”).

According to the Agreement:

1. The Parties confirm that they are interested in establishing a joint venture together, which will conduct the business of renting and leasing rolling stock (“**Project**”);
2. MSE agrees to defer the settlement of the put option for the sale of 20% of AWT shares held by MSE on the following conditions:
 - a) by 30 September 2017, the Parties will: (i) have completed the negotiation of the conditional shareholder agreement, (ii) have agreed on the non-cash contribution (contribution-in-kind) to the joint venture to be made by PKP CARGO, and (iii) have completed the negotiation of the conditional sale and leaseback agreement, to be executed between the joint venture company and PKP CARGO (all of the above referred to as “**Project Execution**”).
 - b) by 31 December 2017, the Parties will: (i) have established the joint venture company (ii) have signed the shareholder agreement, (iii) PKP CARGO will have made the contribution-in-kind to the joint venture and (iv) procure the execution of the sale and leaseback agreement between the joint venture and PKP CARGO (all of the above referred to as: “**Project Closing**”).
3. Either Party may withdraw from Project Execution if Project Execution is not completed by 30 September 2017 or if Project Closing is not effected by 31 December 2017. The withdrawal will be possible on or after 1 October 2017. In the event of a withdrawal from Project Execution, the price of the put option of EUR 27,000,000 (twenty seven million Euro) will be payable by PKP CARGO to MSE within 20 business days of the date of withdrawal by any of the parties.

4. The Parties additionally agreed that if a decision is made by AWT BV or PKP CARGO to sell AWT Rekultivace a.s. with its registered office in Havířov, Czech Republic, MSE would have the right to purchase the shares or the enterprise of that company, for the price negotiated with a third party interested in buying AWT Rekultivace a.s.

Legal basis: Article 17 Section 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse.