

## **Suspension of the launch of strike activity in PKP CARGO S.A. until 31 March 2016**

Current Report No. 74/2015 of 16 December 2015

*Legal basis (selected in ESPI):*

*Article 56 Section 5 of the Act on Offering - information update*

With reference to Current Report No. 68/2015 of 9 December 2015 and Current Report No. 58/2015 of 2 November 2015, the Management Board of PKP CARGO S.A. (“Company”) hereby reports that a memorandum of agreement was signed with the National Protest and Strike Committee active in PKP CARGO S.A. (“KKPS”) (“Memorandum of Agreement”) under which the parties undertake to take steps leading to the execution, by no later than 31 March 2016, a memorandum of agreement ending the collective dispute pending in the Company since 2 July 2015.

Under the Memorandum of Agreement, KKPS undertakes not to start the strike planned for 18 December 2015 in the Company’s Plants and to suspend and not to commence any protest and strike activity related to the subject matter of the collective dispute until 31 March 2016.

Additionally, the parties to the Memorandum of Agreement hereby agree that by 31 March 2016 they will conduct negotiations in good faith in order to implement the statement of the Regional Labor Inspector of 15 October 2015 in the matter of changes to the terms of remuneration in the form of additional protocols to the Company Collective Bargaining Agreement.

The Parties to the Memorandum of Agreement have also agreed on taking steps to suspend, until 31 March 2016, the pending court proceedings, the commencement of which was reported by the Company in its current report no. 58/2015 of 2 November 2015.

The Company’s Management Board also reports that on 16 December 2015, the “Memorandum of Agreement between the parties to the Company Collective Bargaining Agreement for employees of PKP CARGO S.A. plants” (“CCBA Memorandum of Agreement”) on the basis of which the parties resolve to:

- 1) suspend, until 31 March 2016, organizational changes in the Company, associated with the transfer of the Logistics and Dispatch functions from the Plants to the Head Office, transfer of Commercial Sections from the Plants to PKP CARGO Connect Sp. z o.o., a PKP CARGO subsidiary, relocation of Head Office and Plant employees and separation of the rolling stock maintenance and repair function to the PKP CARGOTABOR Sp. z o.o. subsidiary or to another entity,
- 2) cancel, by 31 December 2015, all the decisions to release employees from the obligation to provide work by 31 December 2015.

Legal basis:

Article 56 Section 5 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 (Journal of Laws of 2013, item 1382).