

Letter of intent signed with Minezit SE

Current Report No. 16/2017 of 13 June 2017

Legal basis (selected in ESPI):

Article 17 Section 1 of MAR – confidential information.

In reference to current report No. 11/2017 of 4 May 2017 on Minezit SE's ("MSE") intention to exercise the put option, the Management Board of PKP CARGO S.A. ("PKP CARGO") (jointly referred to as "**Parties**") hereby reports that on 13 June 2017 it signed a letter of intent with MSE ("**Letter of Intent**"). The subject matter of the Letter of Intent is to define the rules of cooperation between PKP CARGO and MSE on their joint venture project related to the rental and lease of rolling stock ("**Project**"). Execution of the project 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 Letter of Intent, the Parties will agree on the terms and conditions of Project Execution ("**Project Execution**") by 30 September 2017 and they will implement the Project ("**Project Implementation**") by 31 December 2017.

Either Party may withdraw from Project Execution if Project Execution is not completed by 30 September 2017 or if Project Implementation does not occur 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 of any of the parties.

The Parties additionally agreed that if a decision is made to dispose of AWT Rekultivace a.s. with its registered office in Havířov, Czech Republic, MSE will have the first refusal right to purchase the shares or the enterprise of that company.

The Parties undertook that by 20 June 2017, they would sign a memorandum of agreement to define the rules for executing of the Project.

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