

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

Current Report No. 34/2018 of 6 November 2018

*Legal basis (selected in ESPI):*

*Article 17 Section 1 of MAR – confidential information*

The Management Board of PKP CARGO S.A. (“Company”, “PKP CARGO”) hereby reports that on 6 November 2018 a memorandum of agreement was executed between the Parties to the Company Collective Bargaining Agreement for Employees Hired by PKP CARGO S.A. Units (“Memorandum of Agreement”), (“Parties”).

By the power of this Memorandum of Agreement the Parties resolved that a quarterly performance bonus pilot program will be launched in PKP CARGO S.A. for Q4 2018. The Company has estimated that if all the intended targets are achieved, the amount of additional payouts will total approximately PLN 29.3 million.

Additionally, carrying out the arrangements made under the Memorandum of Agreement of 15 June 2018 executed by and between the Parties, the Parties have decided that insofar as the estimated results of the PKP CARGO Group for the first 9 months of 2018 are confirmed, the gratification related to Railway Employee Day will be raised. The Company has estimated that the impact this growth will exert on the Company’s results in 2018 will be roughly PLN 13.9 million.

At the same time, the Company’s Management Board reports that after adjusting for the foregoing figures, the projected level of the PKP CARGO Group’s EBITDA in 2018 will not be lower than PLN 904.8 million, while the other items published under current report no. 26/2018 on 21 August 2018 will stay at the projected level.

Specific legal basis:

Article 17 Section 1 of MAR - confidential information