

To: **Bucharest Stock Exchange**  
**Financial Supervisory Authority**

Current report according to Article 113 point A, paragraph (1) letter j) of the Romanian National Securities Commission Regulation no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of Article 99 of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

**Important events to be reported:**

### **Update on all litigations between a litigant and Fondul Proprietatea SA**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (“**the Fund Manager**”), in its capacity as sole administrator and fund manager of Fondul Proprietatea SA (“**the Fund**”), would like to update shareholders and investors on all ongoing cases between Ioana Sfiraiala (**the “Litigant”**) and the Fund, as set out in the table enclosed as Annex 1 to this report.

In particular, the Fund Manager would like to note that the Bucharest Court of Appeal announced on 16 February 2015 that it has rejected the Litigant’s appeal in file no. 43424/3/2012 regarding the Litigant’s annulment action against certain Shareholders’ Resolutions of 23 November 2012, as set out in Annex 2 herein.

The decision of the Bucharest Court of Appeal is final and maintains the initial decision of the Bucharest Court issued in favor of the Fund.

The updated table of all pending files, as well as all closed files with the same Litigant, is available on the Fund’s webpage and can be accessed [here](#).

**Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity of Sole Administrator of FONDUL PROPRIETATEA S.A.**

**Oana Valentina Truta**  
**Legal Representative**

**Report date:**

17 February 2015

**Name of the issuing entity:**

Fondul Proprietatea S.A.

**Registered office:**

78-80 Buzesti St.,  
7<sup>th</sup> floor, district 1,  
Bucharest, postal code 011017

**Phone/fax number:**

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

**Sole Registration Code with the**

**Trade Register Office:**

18253260

**Order number in the**

**Trade Register:**

J40/21901/2005

**Subscribed share capital:**

RON 11,575,064,733.65

**Paid share capital:**

RON 11,229,443,001.15

**Number of shares in issue:**

12,184,278,667

**Number of paid shares:**

11,820,466,317

**Regulated market on which the issued securities are traded:**

Bucharest Stock Exchange

Crt.	File number	Court	The object of the court file	Status	Next hearing
1.	File no. 8541/3/2012	Bucharest Court of Appeal	Challenging the followings Resolutions: EGM 13, OGM 28 and OGM 29, all from 23 November 2012.	<p>Ongoing. On 13 December 2012, the Court set a new hearing for 10 January 2013.</p> <p>On 7 February 2013 the Court postponed the hearing, due for procedural reasons, for 7 March 2013. On 7 March 2013 the hearing was postponed, due for procedural reasons for 4 April 2013. On 4 April 2013 the Court postponed the trial due for procedural reasons for 16 May 2013. On 16 May 2013 the Court postponed the hearing for 27 June 2013. On 27 June 2013 the Court postponed the hearing for 10 October 2013. On 10 October 2013 the Court decided to postpone the hearing for 24 October 2013. On 24 October 2013, the Court rejected the Litigant's request for joining this file with file no. 43424/3/2012 and ordered sending file no. 8541/3/2012 back to Panel C23. On 5 December 2013 the Court decided to postpone the hearing for 16 January 2014. On 16 January 2014, the Court postponed issuing a decision for 23 January 2014 for the object regarding the lack of interest of the Litigant raised. The Court announced that it has rejected this exception regarding the Litigant and set a new hearing for 13 March 2014. On 13 March 2014 was the last hearing – the issuance of a decision was postponed one week. On 20 March 2014, the Court announced that it</p>	18 February 2015

				<p>postponed issuing a decision. On 27 March 2014, the Court announced that it postponed issuing a decision. On 4 April 2014, the Bucharest Court announced that it ruled against the Fund and annulled the following resolutions of the Fund's shareholders:</p> <ul style="list-style-type: none"> <li>- EGM Resolution no. 13/2012;</li> <li>- OGM Resolution no. 28/2012;</li> <li>- OGM Resolution no. 29/2012.</li> </ul> <p>The Fund appealed the decision and the first hearing is set for 10 September 2014. A new hearing has been set for 5 November 2014. On 5 November 2014 the Court postponed the hearing for 3 December 2014. Next hearing has been set for 18 February 2015.</p>	
2.	<b>File no. 27522/3/2013</b>	Bucharest Court	Challenging EGM Resolutions no. 1, 2, 5, 6, 7, 8, 9, 11, 12 and 13 of 25 April 2013 and OGM Resolutions no. 3, 4,7, 8, 9 and 10 of 25 April 2013	<p>Ongoing. The first hearing was set on 10 January 2014. On 10 January 2014, the Court sent the file to Panel F1. A new hearing has been set for 7 March 2014. On 7 March 2014, the Court postponed the hearing for 4 April 2014. On 4 April 2014 the Court is expected to issue a procedural decision on the panel competent to solve the file. On 11 April 2014 the Court decided to postpone the issuance of the decision for 18 April 2014. On 18 April 2014, the Court postponed issuing a decision for 23 April 2014. On 23 April 2014 the Court postponed the hearing for 9 May 2014. On 9 May 2014 the Court decided to send the file to another panel within the 6th Civil Section due to jurisdiction reasons. A new</p>	20 February 2015

				hearing has been set for 20 June 2014. Following this term, the Court postponed the hearing for 19 September 2014 due for procedural reasons. On 19 September 2014 the Court postponed the hearing for 14 November 2014. The next hearing has been set for 12 December 2014. Next hearing has been set for 20 February 2015.	
3.	File no. 17107/3/2014	Bucharest Court	Annulment action against: <ul style="list-style-type: none"> <li>- OGM 2/28 April 2014 for the renewal/extension of FTIML Bucharest Branch mandate;</li> <li>- OGM 7/28 April 2014 for the ratification of OGM Resolutions;</li> <li>- EGM 4/28 April 2014 for the amendment of Article 19 (1) of the Constitutive Act;</li> <li>- EGM 6/28 April 2014 for the approval of the secondary listing on London Stock Exchange;</li> <li>- EGM 10/28 April 2014 for the ratification of EGM Resolutions.</li> </ul>	Ongoing. First hearing has been set for 19 September 2014. On 19 September 2014 the Court postponed the hearing for 14 November 2014. The next hearing has been set for 26 January 2015. Next hearing has been set for 23 February 2015.	23 February 2015
4.	File no. 16453/3/2013 (5804/2/2014)	Bucharest Court of Appeal	The file has as subject the annulment request filed by the Litigant against the following Shareholders' Resolutions of the Fund: <ul style="list-style-type: none"> <li>- EGM Resolution no. 4/25 April 2012 regarding the approval of the buy-back programme;</li> <li>- EGM Resolution no. 5/25 April 2012 regarding the ratification of EGM Resolutions no. 1 and 2 of 6 September 2010;</li> <li>- EGM Resolution no. 6/25 April 2012 regarding the approval of EGM Resolutions no. 1 and 2 of 6 September 2010;</li> <li>- EGM Resolution no. 7/25 April 2012 regarding the ratification of EGM Resolutions;</li> </ul>	Ongoing. Decision in favour of the Fund. On 13 September 2013 Manchester Securities, as a significant shareholder of the Fund, has filed a request of intervention supporting the position of the Fund and asking the court to reject the claim of the Litigant. On 11 October 2013, the Court rejected the request of intervention filed and postponed the hearing for 8 November 2013. On 8 November 2013 the Court suspended the file due to procedural reasons. On 5 February 2014 the procedural reasons were solved by the Court of Appeal and a new hearing in front of the Bucharest Court has	25 February 2015

			<ul style="list-style-type: none"> <li>- EGM Resolution no. 8/25 April 2012 regarding the approval of EGM Resolution;</li> <li>- EGM Resolution no. 9/25 April 2012 regarding the ratification of the Articles of Association in the form approved through EGM Resolution no. 1/6 September 2010;</li> <li>- EGM Resolution no. 10/25 April 2012 regarding the approval of the Articles of Association in the form approved through EGM Resolution no. 1/6 September 2010;</li> <li>- OGM Resolution no. 11/25 April 2012 regarding the ratification of OGM Resolutions no. 8 and 9 of 6 September;</li> <li>- OGM Resolution no. 12/25 April 2012 regarding the approval of OGM Resolutions no. 8 and 9 of 6 September;</li> <li>- OGM Resolution no. 13/25 April 2012 regarding the ratification of OGM Resolutions;</li> <li>- OGM Resolution no. 14/25 April 2012 regarding the approval of OGM resolutions;</li> <li>- OGM Resolution no. 15/25 April 2012 regarding the ratification of the Investment Management Agreement;</li> <li>- OGM Resolution no. 16/25 April 2012 regarding the approval of the Investment Management Agreement;</li> <li>- OGM Resolution no. 17/25 April 2012 regarding the ratification of all the legal acts of the Fund Manager;</li> <li>- OGM Resolution no. 18/25 April 2012 regarding the approval of all the legal acts of the Fund Manager.</li> </ul>	<p>been set for 20 June 2014. On 20 June 2014 the Litigant filed a recusal claim. On 26 June 2014 the Court dismissed the said recusal claim. A new hearing has been set for 10 July 2014, when it was the last hearing. The Court postponed the issuance of a decision for 18 July 2014. On 21 July 2014 the Court announced that it has rejected the Litigant's request acknowledging that she does not have an interest to promote such an action. The Litigant filed an appeal (registered under number 5804/2/2014), with the first hearing being set for 10 December 2014. Next hearing has been set for 28 January 2015. On 28 January 2015 the Court postponed the hearing for 25 February 2015.</p>	
<b>5.</b>	<b>File no. 17692/3/2013</b>	Bucharest Court	Challenging EGM Resolution no. 2/04.04.2012 for amending the Constitutive Act and EGM Resolution no. 3/25.04.2012 for subscribed share capital decrease and a	Ongoing (retrial). Initial decision in favour of the Fund. The first hearing has been set for 13 June 2013, hearing when the court	26 February 2015

			request for de-registration with Trade Registry of these resolutions.	rejected the Litigant's re-examination request. The file has been rendered for the judgment to continue. The next hearing has been set for 3 October 2013 when the Court postponed the hearing due to procedural reasons for 31 October 2013. On 31 October 2013, the Court admitted the intervention request filed in this file. On 28 November 2013, the Court decided to postpone for 5 December 2013 the decision regarding the objection raised by the Fund regarding the right of the Litigant to start such a case. On 5 December 2013, the Court rejected the Litigant's request arguing that the Litigant had no right to start such a case. The Litigant filed an appeal and the Bucharest Court of Appeal set the first hearing on 27 May 2014. On 27 May 2014, the Court postponed the hearing, due for procedural reason for 24 June 2014. On 24 June 2014 the Court postponed the hearing for procedural reasons for 30 September 2014. On 30 September 2014 the Court admitted the appeal and sent the file for a retrial with the Bucharest Court. The first hearing in this stage has been set for 26 February 2015.	
6.	<b>File no. 692/299/2014</b>	1 <sup>st</sup> District Court House	Legal action filed by the Fund against the Litigant and her husband for the annulment of certain legal deeds concluded between them with an aim of separating the assets between them; this legal case in relation to the forced execution initiated by the Fund against the Litigant for the recovery of legal fees.	After first procedural hearings, the next hearing has been set for 10 December 2014. Next hearing has been set for 28 January 2015. On 28 January 2015 the Court has postponed the hearing for 11 March 2015.	11 March 2015

*Short description of the Shareholders' Resolutions challenged by the Litigant in File no. 43424/3/2012*

- **EGM Resolution no. 14** having as subject the ratification of the Constitutive Act;
- **EGM Resolution no. 15** having as subject the ratification of EGM Resolutions;
- **EGM Resolution no. 16** having as subject the re-adoption of EGM Resolutions;
- **OGM Resolution no. 25** having as subject the ratification of the appointment of the Fund Manager;
- **OGM Resolution no. 26** having as subject the re-approval of the appointment of the Fund Manager;
- **OGM Resolution no. 27** having as subject the ratification of the 2010 Investment Management Agreement;
- **OGM Resolution no. 30** having as subject the re-adoption of the termination of the mandate of the former Supervisory and Directorate Board members;
- **OGM Resolution no. 31** having as subject the ratification of the appointment of the first members of the Board of Nominees;
- **OGM Resolution no. 32** having as subject the re-adoption of the appointment of the first members of the Board of Nominees;
- **OGM Resolution no. 33** having as subject the ratification of OGM Resolutions;
- **OGM Resolution no. 34** having as subject the re-approval of OGM Resolutions;
- **OGM Resolution no. 35** having as subject the ratification of the legal acts of the Fund Manager;
- **OGM Resolution no. 36** having as subject the re-adoption of the legal acts of the Fund Manager.