

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 an Annex to this report.

In particular, the Fund Manager would like to note that the Bucharest Court announced on 23 January 2015 that it has rejected several annulment requests filed by the Litigant against certain Fund’s shareholders’ resolutions described below as follows.

- File no. **10428/3/2014** having as subject the annulment of EGM Resolution no. 2/3 February 2014 for approving the share capital decrease of the Fund.
- File no. **10430/3/2014** having as subject the annulment of EGM Resolution no. 15/22.11.2013 for the approval of the third buy-back programme; EGM Resolution no. 16/22.11.2013 for the ratification and approval of EGM Resolutions; EGM Resolution no. 17/22.11.2013 for the amendment of Article 19 (3) of the Constitutive Act regarding the duration of the mandate; OGM Resolution no. 14/22.11.2013 for the approval of certain provisions regarding the mandate of 4 years if it would have been approved; OGM Resolution no. 15/22.11.2013 for the ratification and approval of OGM Resolutions; OGM Resolution no. 16/22.11.2013 for the approval of certain provisions regarding the management

Report date:

26 January 2015

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti St.,
7th 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 11,815,279,886.85

Paid share capital:

RON 11,469,658,154.35

Number of shares in issue:

12,437,136,723

Number of paid shares:

12,073,324,373

Regulated market on which the

issued securities are traded:

Bucharest Stock Exchange

of the Fund.

- File **14983/3/2014** having as subject the annulment of EGM Resolution no. 3/3 February 2014 regarding the ratification and approval of shareholders' resolution and EGM Resolution no.1/3 February 2014 regarding the change of Constitutive Act.
- File no. **14986/3/2014** having as subject the annulment of EGM Resolution no. 9/28 April 2014 for the approval of the fourth buy-back programme; OGM Resolution 1/2014 (approval of the new IMA); EGM Resolution 7/2014 (share capital decrease); all EGM Resolutions from 23 September 2014; all OGM Resolutions from 23 September 2014, save for OGM 11/23 September 2014 for the amendment of the audit contract.

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

Crt.	File number	Court	The object of the court file	Status	Next hearing
1.	File no. 692/299/2014	1 st 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.	28 January 2015
2.	File no. 16453/3/2013 (5804/2/2014)	Bucharest Court of Appeal	<p>The file has as subject the annulment request filed by the Litigant against the following Shareholders' Resolutions of the Fund:</p> <ul style="list-style-type: none"> - EGM Resolution no. 4/25 April 2012 regarding the approval of the buy-back programme; - EGM Resolution no. 5/25 April 2012 regarding the ratification of EGM Resolutions no. 1 and 2 of 6 September 2010; - EGM Resolution no. 6/25 April 2012 regarding the approval of EGM Resolutions no. 1 and 2 of 6 September 2010; - EGM Resolution no. 7/25 April 2012 regarding the ratification of EGM Resolutions; - EGM Resolution no. 8/25 April 2012 regarding the approval of EGM Resolution; - 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; - 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; 	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 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	28 January 2015

			<ul style="list-style-type: none"> - OGM Resolution no. 11/25 April 2012 regarding the ratification of OGM Resolutions no. 8 and 9 of 6 September; - OGM Resolution no. 12/25 April 2012 regarding the approval of OGM Resolutions no. 8 and 9 of 6 September; - OGM Resolution no. 13/25 April 2012 regarding the ratification of OGM Resolutions; - OGM Resolution no. 14/25 April 2012 regarding the approval of OGM resolutions; - OGM Resolution no. 15/25 April 2012 regarding the ratification of the Investment Management Agreement; - OGM Resolution no. 16/25 April 2012 regarding the approval of the Investment Management Agreement; - OGM Resolution no. 17/25 April 2012 regarding the ratification of all the legal acts of the Fund Manager; - OGM Resolution no. 18/25 April 2012 regarding the approval of all the legal acts of the Fund Manager. 	<p>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.</p>	
3.	File no. 43424/3/2012	Bucharest Court of Appeal	Request for annulment of the following GSM Resolutions: EGM 14, 15 and 16 and OGM 25, 26, 27, 30, 31, 32, 33, 34, 35 and 36 all from 23 November 2012.	<p>Ongoing. On 21 February 2013 the Court postponed the hearing for 21 March 2013. On 21 March 2013 the Court decided to send this file to file no. 8541/3/2012 in order for the joining of these two files to be discussed. The next hearing in 8541/3/2012 has been set for 4 April 2013. On 4 April 2013 the Court rejected the request of joining these two files and set a new hearing 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 26 September 2013. Following the hearing on 26</p>	16 February 2015

				<p>September 2013 the Court is expected to issue a decision on the suspension of the file on 3 October 2013. On 3 October 2013, the Court rejected the suspension request and set a new hearing for 24 October 2013. On 24 October 2013 the Court decided to postpone the hearing for 7 November 2013. On 7 November 2013, the Court decided to send the file to Panel C13 to settle the recusal request filed by the Litigant. The next hearing was set on 19 December 2013. On 19 December 2013, the Court postponed the hearing for 30 January 2014 to give the Litigant time to file documentation in supporting its claims. On 30 January 2014 the Court postponed the issuance of a decision for a week on the exception related to the Litigant's interest. The Court postponed the issuance of a decision for 20 February 2014. On 20 February the Court ruled in favour of the Fund and rejected the Litigant's request for lack of interest. The Litigant appealed the decision and the first hearing has been in set for 30 June 2014. On 30 June 2014 the Court postponed the hearing for 29 September 2014 due for procedural reasons. On 29 September 2014 the Court postponed the hearing for 24 November 2014. Next hearing has been set for 16 February 2015</p>	
4.	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. On 7 February 2013 the Court postponed the hearing, due for</p>	18 February 2015

				<p>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 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"> - EGM Resolution no. 13/2012; 	
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				<ul style="list-style-type: none"> - OGM Resolution no. 28/2012; - OGM Resolution no. 29/2012. <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>	
5.	File no. 27522/3/2013	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 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.</p>	20 February 2015

6.	File no. 17107/3/2014	Bucharest Court	Annulment action against: <ul style="list-style-type: none"> - OGM 2/28 April 2014 for the renewal/extension of FTIML Bucharest Branch mandate; - OGM 7/28 April 2014 for the ratification of OGM Resolutions; - EGM 4/28 April 2014 for the amendment of Article 19 (1) of the Constitutive Act; - EGM 6/28 April 2014 for the approval of the secondary listing on London Stock Exchange; - EGM 10/28 April 2014 for the ratification of EGM Resolutions. 	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
7.	File no. 17692/3/2013	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 request for de-registration with Trade Registry of these resolutions.	Ongoing (retrial). Initial decision in favour of the Fund. The first hearing has been set for 13 June 2013, hearing when the court 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	26 February 2015

				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.	
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