

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 announced that it has rejected the Litigant’s claims subject of files no. 27522/3/2013 and 17107/3/2014, regarding the annulment of the Shareholders’ Resolutions described in [Annex 2](#) herein.

The decisions of the Bucharest Court above-mentioned are not final and may be appealed.

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:**

9 April 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. 692/299/2014 | 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. On 11 March 2015 the Court set a new hearing for 22 April 2015.  | 22 April 2015 |
| 2.   | 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 for procedural reason for 24 June 2014. On 24 June 2014 the Court | 23 April 2015 |

|    |                        |              |                           |  |   |             |
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|    |                        |              |                           | 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. On 26 February 2015 the Court postponed the hearing for 26 March 2015. On 26 March 2015 the Court postponed the trial for 23 April 2015.   |   |             |
| 3. | File no. (5804/2/2014) | 16453/3/2013 | 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"> <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> <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> </ul> | <p>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</p> | 27 May 2015 |

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|  |  |  | <ul style="list-style-type: none"> <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>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. On 25 February 2015 the Litigant filed a recusal claim against the judges; the recusal claim was dismissed and a new hearing was set for 27 May 2015.</p> |  |
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*Short description of the Shareholders' Resolutions challenged by the Litigant in File no. 27522/3/2013*

- EGM Resolution no. 1/25 April 2013 regarding the share capital decrease following the cancelation of the shares repurchased in the first buy-back programme;
- EGM Resolution no. 2/25 April 2013 regarding the amendment of Article 12 of the Constitutive Act;
- EGM Resolution no. 5/25 April 2013 regarding the amendment of Article 16 (2) of the Constitutive Act;
- EGM Resolution no. 6/25 April 2013 regarding the amendment of Article 17 (4) and (5) of the Constitutive Act;
- EGM Resolution no. 7/25 April 2013 regarding the amendment of Article 17 (11) of the Constitutive Act;
- EGM Resolution no. 8/25 April 2013 regarding the ratification of EGM Resolutions;
- EGM Resolution no. 9/25 April 2013 regarding the approval of EGM Resolutions;
- EGM Resolution no. 11/25 April 2013 regarding the amendment of Article 12 of the Constitutive Act (form proposed by a shareholder owning more than 5%);
- EGM Resolution no. 12/25 April 2013 regarding the amendment of Article 14 of the Constitutive Act (form proposed by a shareholder owning more than 5%);
- EGM Resolution no. 13/25 April 2013 regarding the amendment of Article 19 of the Constitutive Act (form proposed by a shareholder owning more than 5%);
- OGM Resolution no. 3/25 April 2013 regarding the approval of Addendum no. 3 to the Investment Management Agreement;
- OGM Resolution no. 4/25 April 2013 regarding the appointment of a member of the Board of Nominees;
- OGM Resolution no. 7/25 April 2013 regarding the ratification of OGM Resolutions;
- OGM Resolution no. 8/25 April 2013 regarding the approval of OGM Resolutions;
- OGM Resolution no. 9/25 April 2013 regarding the ratification of the appointment of the investment fund manager;
- OGM Resolution no. 10/25 April 2013 regarding the approval of the appointment of the investment fund manager.

*Short description of the Shareholders' Resolutions challenged by the Litigant in File no. 17107/3/2014*

- EGM Resolution no. 4/28 April 2014 for the amendment of Article 19 (1) of the Constitutive Act;
- EGM Resolution no. 6/28 April 2014 for the approval of the secondary listing on London Stock Exchange;
- EGM Resolution no. 10/28 April 2014 for the ratification of EGM Resolutions;
- OGM Resolution no. 2/28 April 2014 for the renewal/extension of the mandate of the investment fund manager;
- OGM Resolution no. 7/28 April 2014 for the ratification of OGM Resolutions.