

To: Investors of Fondul Proprietatea S.A.

Notification of amendments to provisions on social contributions

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea SA ("Fondul Proprietatea"), hereby, would like to notify its shareholders that amendments to the provisions on social contributions have been enacted as of 1 January 2018. Based on these amendments individual investors of Fondul Proprietatea might be liable to health insurance contribution on investment income (including dividend distributions and the return of capital), provided that the total income obtained (e.g. from independent activities, real estate, other capital investments and farming) exceeds 12 minimum gross salaries during the previous tax year.

Below please find a link to the amended provisions of the Fiscal Code. The relevant provisions are included under Title V, Chapter III, Article 153 to 183.

https://static.anaf.ro/static/10/Anaf/legislatie/Cod_fiscal_norme_2018.htm

The above notification does not constitute a tax or legal advice. We strongly recommend consulting a certified tax advisor, as a case by case analysis would have to be performed for each investor.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch acting as Investment Manager of FONDUL PROPRIETATEA S.A.

Notification date:

31 January 2018

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017

Phone/fax number:

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

Email:

office@fondulproprietatea.ro

Internet:

www.fondulproprietatea.ro

Sole Registration Code

with the Trade Register

Office:

18253260

Order number in the Trade

Register:

J40/21901/2005

Register on Data Protection

Notification Register under

number:

18668

Subscribed share capital:

RON 4,854,034,784.56

Paid-up share capital:

RON 4,664,852,362.56

Number of shares in issue:

9,334,682,278

Number of paid shares:

8,970,869,928

Regulated market on which

the issued securities are

traded:

Shares on Bucharest Stock
Exchange

GDRs on London Stock

Exchange