

Resolution no. 14 / 22 November 2013 of the Shareholders' Extraordinary General Meeting of

S.C. FONDUL PROPRIETATEA S.A.

Headquarters: 78-80 Buzesti St, 7<sup>th</sup> floor, sector 1, Bucharest, registered with the Trade Register under number J40/21901/2005, fiscal registration code 18253260

Today, 22 November 2013, 10:00 AM, the shareholders of S.C. Fondul Proprietatea S.A. ("the Fund") have met during the Shareholders' Extraordinary General Meeting ("EGM") of the Fund, at its first summoning, at "Radisson Blu" Hotel, 63-81 Calea Victoriei, Atlas Room, 1<sup>st</sup> District, Bucharest, the EGM being opened by its Chairman, namely Mr. Grzegorz Maciej Konieczny, in his capacity of legal representative of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, having its headquarters in Bucharest, 78-80 Buzesti Street, 7<sup>th</sup> and 8<sup>th</sup> floors, 1<sup>st</sup> District, registered with the Trade Register under no. J40/8587/2009, sole identification code 25851096 ("the Sole Administrator") and with the Public Register of the Romanian National Securities Commission ("CNVM") under number PJM05SSAM/400001.

Whereas:

- The convening notice of the EGM was published in the Official Gazette of Romania, Part IV, number 5079 of 30 September 2013, in "Romania Libera" newspaper on 30 September 2013, as well as on the Fund's website – [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro) on 30 September 2013, supplemented convening notice published in the Official Gazette of Romania, Part IV, number 5465 of 18 October 2013, in "Romania Libera" newspaper on 18 October 2013 as well as on the Fund's website – [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro) on 18 October 2013.
- The provisions of the Fund's Articles of Association in force ("Articles of Association"),
- The applicable legislation, and especially the provisions of Article 21<sup>1</sup> of Regulation no.4/2010 regarding the registration with the National Securities Commission and functioning of Fondul Proprietatea SA, as well as transactions of shares issued by it, according to which "*The investment policy of Fondul Proprietatea is set by its fund manager, with the observance of the investment limits set by Law no. 247/2005, with the subsequent amendments and supplements*",

Following the debates, the Fund's shareholders decide as follows:

- I. The approval of the EGM agenda.

This item is adopted with 5,704,857,030 votes representing 96.18% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Articles of Association corroborated with Article 115 (2), first paragraph of Law no. 31/1990, before the start of the vote; (5,930,862,142 votes held by the present or represented shareholders for this point of the agenda before the start of the vote; at the end of the vote there were present shareholders totalling 6,054,971,077 voting rights – the percentage of the votes "for" computed to this number is 94.21%). The votes were recorded as follows:

- 5,704,857,030 votes "for",
- 5,259,167 votes "against",

- 2,922,601 votes “abstain”, and
- 217,823,344 votes were not casted.

II. The approval of the Investment Policy Statement attached as annex to this resolution and which will enter into force on the date of EGM approval and remains applicable for the extended/new mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (registered with the Trade Register under no. J40/8587/2009, Fiscal Registration Code RO 25851096), as provided at point 5.1. of the OGM Agenda

This item is adopted with 5,665,776,816 votes representing 96.01% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Articles of Association corroborated with Article 115 (2), first paragraph of Law no. 31/1990, before the start of the vote; (5,901,114,360 votes held by the present or represented shareholders for this point of the agenda before the start of the vote; at the end of the vote there were present shareholders totalling 6,054,971,077 voting rights – the percentage of the votes “for” computed to this number is 93.57%). The votes were recorded as follows:

- 5,665,776,816 votes “for”,
- 11,358,885 votes “against”,
- 256,000 votes “abstain”, and
- 223,722,659 votes were not casted.

III. The empowerment, with authority to be substituted, of Grzegorz Maciej KONIECZNY, Polish citizen, born on 22 November 1970 in Slupsk, Poland, domiciled in 81-740 Sopot Polna, 54 m.1, Poland, holder of Identity Card no. AVN632816, issued by the Polish Authorities on 25 September 2012, and valid until 25 September 2022, personal identification number 70112200078 to sign the shareholders’ resolutions and the amended and restated form of the Constitutive Act, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders’ resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution.

This item is adopted with 5,871,159,233 votes representing 99.76% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Articles of Association corroborated with Article 115 (2), first paragraph of Law no. 31/1990, before the start of the vote; (5,884,880,393 votes held by the present or represented shareholders for this point before the start of the vote; at the end of the vote there were present shareholders totalling 6,056,754,580 voting rights – the percentage of the votes “for” computed to this number is 96.93%). The votes were recorded as follows:

- 5,871,159,233 votes “for”,
- 121,982 votes “against”,
- 150,000 votes “abstain”, and

- 13,449,178 votes were not casted.

IV. The approval of 10 December 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004.

This item is adopted with 5,791,174,967 votes representing 98.41% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Articles of Association corroborated with Article 115 (2), first paragraph of Law no. 31/1990, before of the vote (5,884,205,882 votes held by the present or represented shareholders for this point before the start of the vote; at the end of the vote there were present shareholders totalling 6,057,249,580 voting rights – the percentage of the votes “for” computed to this number is 95.60%). The votes were recorded as follows:

- 5,791,174,967 votes “for”,
- 50,735,396 votes “against”,
- 150,000 votes “abstain”, and
- 42,145,519 votes were not casted.

This decision is drafted and signed on behalf of the shareholders by:

Oana Valentina Truta, Legal Representative of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, empowered by the Chairman of the meeting by Decision no. 40/22 November 2013

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Valeriu Ionita

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Florin-Daniel Gavrila

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Meeting Secretary

## INVESTMENT POLICY STATEMENT OF FONDUL PROPRIETATEA SA

### I. PURPOSE OF THE INVESTMENT POLICY STATEMENT

This investment policy statement (hereinafter referred to as the “**Investment Policy Statement**” or “**IPS**”) sets the prudential rules concerning the investment policy of Fondul Proprietatea S.A. (hereinafter referred to as “**Fondul Proprietatea**” or “**FP**”), presents the investment goals and objectives and the decision-making process for selecting investments in accordance with the investment objectives.

The investment policy shall be reviewed when needed by the Fund Manager and the Board of Nominees, in accordance with the provisions of FP’s Constitutive Act.

The IPS is set forth within the legal framework established by Title VII of Law 247/2005, and in accordance with FP’s Constitutive Act, the Extraordinary General Shareholders’ Assembly is responsible for approval of the IPS.

### II. ROLES, RESPONSIBILITIES AND PROCEDURES

**A. Fund Manager.** The Fund Manager is appointed by the General Shareholders Meeting and performs its activity based on an Investment Management Agreement (hereinafter referred to as the “**IMA**”). The Fund Manager has the power to make all decisions concerning the investments to be made by Fondul Proprietatea, in accordance with the restrictions provided in the constitutive act of Fondul Proprietatea, the IMA and applicable laws and regulations.

**B. Board of Nominees.** The Board of Nominees monitors the activity of the Fund Manager and represents the shareholders in relation to the Fund Manager. The exact roles and responsibilities of the Board of Nominees are detailed in the constitutive act of Fondul Proprietatea.

**C. General Shareholders Meeting.** The General Shareholders Meeting is the supreme corporate body of Fondul Proprietatea. Certain transactions performed by Fondul Proprietatea require the prior approval of the General Shareholders Meeting, in accordance with the Constitutive Act.

### III. INVESTMENT OBJECTIVES

The FP’s investment objective is capital appreciation via investments mainly in Romanian equities and equity-linked securities.

In the absence of portfolio investment opportunities offering better returns for shareholders, the Fund Manager will use all or a significant part of the proceeds from dividends and disposal of portfolio companies to implement measures aimed at maximizing cash returns to shareholders and/or reducing the discount between the NAV/share and market price/share. Discount management techniques may include (but are not limited to):

- recommendation of buy-back programs of the Fund’s shares to shareholders for approval, subject to compliance with the Constitutive Act and all applicable legislation.
- reduction of nominal value of shares, accompanied by cash distribution to shareholders
- execution of buy-back programs via (i) trading on the regular market on which the Fund’s shares are listed and (ii) public tender offers, in each case subject to available liquidity, compliance with the Constitutive Act and all applicable legislation, and receipt of all necessary regulatory approvals.
- increasing investor demand for the shares, with the aim of increasing the market price, by:

- ✓ Maintaining a transparent dividend policy,
- ✓ Increasing the share of listed companies in the portfolio and their transparency,
- ✓ Building good communication through active investor relations work
- ✓ Supporting initiatives to make the Romanian capital market more attractive for investors

In order to achieve the Fund objectives the Fund Manger should pay attention to:

- clarity of the Fund Manager's investment strategy and how it contributes to achieving the main investment objectives;
- active engagement with the portfolio companies in order to increase their value ,
- constructive communication and interaction with the Board of Nominees.

### **Risk management**

The Fund Manager is responsible for proper balancing of risk and expected returns.

The Fund Manager should implement appropriate tools and processes in order to monitor operational and investment risks and to respond to developments in a timely fashion.

## **IV. INVESTMENT LIMITS**

The investment policy will observe the prudential limits of investments provided for by the applicable laws and regulations in force and the Constitutive Act of FP.

Under normal market conditions, the Fund should have at least 80% of its net assets invested in Romanian equity and equity-linked securities.

Investments limits, include but are not limited to the following:

- up to 10% of its assets invested in listed shares or money market instruments issued by one single issuer, except of the government bonds
- up to 20% of its assets invested in unlisted securities or money market instruments except of the government bonds and other cases permitted by law\*
- up to 10% of assets invested in bank deposits with one single bank
- up to 10% of assets invested in financial instruments issued by entities belonging to the same group of companies
- up to 10% of assets invested in UCITS units or other collective investment scheme units
- exposure to the counterparty risk in a transaction with derivatives traded out of the regulated markets may not exceed 10% of assets, irrespective of the counterparty of the transaction, while the global exposure of derivatives may not exceed 15% of the total allocation of net assets
- not less than 20% of assets investments in listed securities and newly issued securities

*\* Shares received from Romanian State on the basis of Law No. 247/2005 are exempted from the general rules on allocation. Where the Fund acquires further securities in the same issuer as securities received from Romanian State, the general rules on allocation shall apply to the newly acquired securities only. For the calculation of the ownership limit for securities not admitted to trade, shall be excluded from the value of assets not admitted to trade the value of securities not admitted to trade owed from the Romanian State on the basis of Law No. 247/2005. Therefore, any part of the current Fondul Proprietatea Portfolio (as it has been set up, on securities not admitted to trade owed from the Romanian State on the basis of Law No. 247/2005 and including the modifications made by GEO No. 81/2007) shall be exempted from the general rules on allocation. However, any new acquisition made by the Fund shall observe the general rules on allocation.*

All investment restrictions are available on Fondul Proprietatea website, Investment Policy Statement Section.

## **V. ADDITIONAL GUIDELINES**

Subject to applicable legal provisions in force and the FP Constitutive Act, all decisions regarding sector and security selection, portfolio construction, timing of buy or sell transactions and choice of venue and structure of transaction are delegated to the Fund Manager.

Subject to the applicable legal provisions and the FP's Constitutive Act, the Fund Manager on behalf of the Fund, may buy, sell, exchange, exercise all rights, has a good and valid title to sell and transfer any rights and to enter into conditional contractual liabilities. This includes, without limitation, the power to enter into derivatives and to negotiate and execute loan agreements, repurchase agreements and/ or securities lending agreements, in accordance with the legal applicable provisions in force and the FP Constitutive Act.

Transactions which involve a broker acting as a "principal", where the broker is also the investment manager (or an affiliate of such investment manager) who makes the transaction (or an affiliate of such investment manager) are not permitted.

Transactions should be executed at the lowest possible cost (including commissions, efficiency of execution and the impact of the market) and best execution should be provided at all times.

### **Cash allocation**

Cash allocation is made by the Fund Manager, based on market conditions. It should be aimed at reducing risks to the Portfolio

### **Valuation**

Valuation of assets shall be made in accordance with the regulations in force issued by the Financial Supervisory Authority and in accordance with the internal regulations of Fondul Proprietatea.

## **VI. LIMITATIONS OF DISCRETIONARY MANAGEMENT**

The Fund Manager assumes the management over the entire Portfolio, subject to the IPS.

The Fund Manager is subject to limitations set out by the Constitutive Act of Fondul Proprietatea and the existing applicable legal provisions in force.

## **VII. LIQUIDITY**

The Fund Manager shall maintain adequate liquidity in order to at least meet the following requirements:

- cover the operating and tax expenses of the FP;
- cover the capital expenditure requirements for the FP on-going activities;
- ensure appropriate funds for dividend payments and share buy-backs (where the case).

## **VIII. TIME HORIZON**

The duration of Fondul Proprietatea is not limited in time.

## **IX. TAX CONSIDERATIONS**

The FP is established as a commercial undertaking and is subject to corporate tax in accordance with the Romanian Fiscal Code. The Fund Manager shall take into consideration the tax impact of various operations over the FP net profitability. Another important consideration to be given is to different taxation of capital gains and dividends.

## **X. CONSTRAINTS**

The FP shall not invest in any other type of asset class, except those specifically mentioned in the applicable legislation and the Constitutive Act. The use of derivatives is permitted subject to the limitations contained in applicable legislation in force. Short selling of securities is prohibited.

Borrowing is allowed only in accordance with the FSA regulations applicable to other undertakings for collective investment and FP's Constitutive Act.

**XI. POLICY REVIEW**

The IPS shall be reviewed on regular basis by the Fund manager and Board of Nominees in order to ensure that it remains consistent with overall objectives of FP.

Any changes to the investment policy proposed by the Fund Manager and/or the Board of Nominees shall be approved by the General Shareholders Meeting, with observance of investment limits provided in the applicable legislation in force.

**Grzegorz Maciej Konieczny**

**Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as sole director on behalf of S.C. FONDUL PROPRIETATEA S.A.**