

**Resolution no. 4 / 28 April 2014 of the Shareholders' Ordinary General Meeting of**

**FONDUL PROPRIETATEA S.A.**

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

Today, 28 April 2014, 11:00 AM, the shareholders of Fondul Proprietatea S.A. ("**the Fund**") have met during the Shareholders' Ordinary General Meeting ("**OGM**") of the Fund, at its first summoning, at "JW Marriott" Hotel, "Constanta" Room, 90 Calea 13 Septembrie Street, 5<sup>th</sup> District, Postal Code 050726, Bucharest, Romania, the OGM 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 OGM was published on the Fund's website ([www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)) on 18 March 2014, in the Official Gazette of Romania, Part IV, number 1795/20 March 2014 and in "Romania Libera" newspaper no. 7072/20 March 2014,
- The provisions of the Fund's Articles of Association in force ("Articles of Association"),
- The applicable legislation,

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

I. The approval of the OGM agenda.

This item is adopted with 4,418,546,295 votes representing 99.93% of the total validly casted votes, in accordance with Article 14 (1), second paragraph of the Articles of Association and Article 112 (1), second paragraph of Law no. 31/1990. The casted votes have been recorded as follows: 4,418,546,295 votes "for" and 2,783,296 votes "against". Also, there have been recorded 5,161,052 "abstains" and 180,282,105 votes have been annulled.

II. The approval of the net profit allocation for the financial year 2013, as described in the annex to this resolution.

This item is adopted with 4,201,769,120 votes representing 94.68% of the total validly casted votes, in accordance with Article 14 (1), second paragraph of the Articles of Association and Article 112 (1), second paragraph of Law no. 31/1990. The casted votes have been recorded as follows: 4,201,769,120 votes "for" and 236,058,125 votes "against". Also, there have been recorded 1,125,719 "abstains" and 180,282,105 votes have been annulled.

III. The empowerment, with authority to be substituted, of Grzegorz Maciej KONIECZNY, as legal representative of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, to sign the shareholders' resolutions, 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 4,418,185,764 votes representing 99.89% of the total validly casted votes, in accordance with Article 14 (1), second paragraph of the Articles of Association and Article 112 (1), second paragraph of Law no. 31/1990. The casted votes have been recorded as follows: 4,418,185,764 votes "for" and 4,470,199 votes "against". Also, there have been recorded 4,976,398 "abstains" and 187,150,507 votes have been annulled.

IV. The approval of 15 May 2014 as the registration date, in accordance with the provisions of Article 238 para. (1) of Capital Market Law no. 297/2004.

This item is adopted with 4,432,467,350 votes representing 99.92% of the total validly casted votes, in accordance with Article 14 (1), second paragraph of the Articles of Association and Article 112 (1), second paragraph of Law no. 31/1990. The casted votes have been recorded as follows: 4,432,467,350 votes "for" and 3,276,484 votes "against". Also, there have been recorded 715,721 "abstains" and 180,282,105 votes have been annulled.

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

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Grzegorz Maciej KONIECZNY

Chairman of the meeting

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Florin-Daniel Gavrilă

Meeting secretary

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Valeriu Ioniță

Technical secretary

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## Annex - Net profit allocation for the financial year 2013

In the financial statements of Fondul Proprietatea S.A. ("Fund") for the year ended 31 December 2013, prepared in accordance with Romanian accounting regulations (National Securities Commission ("CNVM") Regulation no. 4/2011 approved by CNVM Order no.13/2011), as subsequently amended, the Fund reported an audited net profit of RON 682,154,399.

The Fund is obliged to make transfers to the legal reserves until those reserves reach a value equivalent to 20% of the value of the issued share capital of the Fondul Proprietatea. Following the 2013 transfer of RON 34,107,720 the value of those reserves is RON 192,259,194 (being 1.40% of the issued share capital).

Result for the year 2013 - net profit (RON)	682,154,399
Less mandatory transfer to legal reserves: 5% of gross profit (RON)	(34,107,720)
<b>Unallocated profits (RON)</b>	<b>648,046,679</b>

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch in the capacity of Sole Director of Fondul Proprietatea S.A. proposes to keep the remaining RON 648,046,679 under unallocated retained earnings, taking into account that the Fund Manager has already recommended, and the shareholders have approved, a cash distribution of RON 0.05 per share via the decrease of the share capital through the reduction of the nominal value of the Fund's shares.

In the General Shareholders Meeting on 3 February 2014, shareholders approved the decrease of the Fund's share capital from RON 13,538,087,407 to RON 12,861,183,036.65 through the reduction of the nominal value of the Fund's shares from RON 1.00 to RON 0.95 and to distribute the difference of RON 0.05 per share to the Fund's shareholders registered with Central Depository on 30 April 2014, proportionally with their participation in the paid share capital of Fondul Proprietatea. The payment shall start 30 days after the decrease of the share capital mentioned above is effective.

The RON 0.05 per share distribution is equivalent to the value of the potential 2013 dividend based on the dividend policy of the Fund as documented in the Fund's Prospectus.

Such a cash distribution to shareholders is a more tax efficient option for the Fund's shareholders. Based on our current understanding of Romanian tax law, no Romanian tax will arise for the Fund or its shareholders on this distribution, which means that the net cash distribution received by the shareholders will be higher by the applicable dividend withholding rate.

The decrease of share capital is subject to the endorsement from the FSA. If this regulatory approval, or any litigation or other event will delay or block the implementation of cash distribution, the Fund Manager may consider proposing a dividend distribution of the unallocated profits for 2013, to ensure that shareholders will receive an annual cash distribution.

In addition, the Fund Manager will seek to return further value to shareholders by continuing to buy-back shares. The Fund Manager has already received authorisation from shareholders during the 22 November 2013 General Shareholders Meeting to launch a third buy-back programme to repurchase 252,858,056 shares or 1.89% of the paid share capital. The third buy-back programme can start after the shareholders' resolution approving the buy-back is published in the Official Gazette. The publication in the Official Gazette is in progress.

Furthermore, the Fund Manager will submit for shareholders' approval in the Annual Shareholders Meeting on 28 April 2014, the authorisation for a fourth buy-back programme, for a maximum number of (i) 990,855,616 shares or (ii) 10% of the issued share capital at the relevant time, whichever is the lesser. This will commence on the date when the buy-back programme approved through the Extraordinary General Meeting of Shareholders Resolution no. 15/22 November 2013 is

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completed (or otherwise cancelled by the shareholders), and will take place for a maximum period of 18 months as of the date when the shareholders' resolution is published in the Official Gazette of Romania, Part IV. The buy-back shall be performed at a price that cannot be lower than RON 0.2 per share or higher than RON 2.0 per share. The shares repurchased in the third and fourth buy-back programmes will be cancelled.