

**Resolution no. 2 / 25 April 2017**  
**of the Shareholders' Ordinary General Meeting of**  
**FONDUL PROPRIETATEA S.A.**

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

Today, 25 April 2017, 9:00 o'clock (Romanian time), 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, "Constanța" 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 permanent representative of Franklin Templeton International Services S.à r.l., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016, in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A..

Whereas:

- The convening notice of the OGM was published on the Fund's website (www.fondulproprietatea.ro) on 3 March 2017, in the Official Gazette of Romania, Part IV, number 750 of 7 March 2017 and in "Bursa" newspaper no. 43 of 7 March 2017;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (Law no. 31/1990);
- The provisions of Law no. 297/2004 on capital market, with its subsequent amendments and supplementations (Law no. 297/2004);
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004;
- The provisions of CNVM Regulation no. 1/2006 on issuers and operations with securities, with its subsequent amendments and supplementations (Regulation no. 1/2006);
- The provisions of CNVM Regulation no. 6/2009 on exercising certain rights of shareholders within general meetings of companies, with its subsequent amendments and supplementations (Regulation no. 6/2009);
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depository receipts (Regulation no. 4/2013);
- The provisions of Article 21 of CNVM Regulation no. 4/2010 on the registration with CNVM and the operation of the company "Fondul Proprietatea" S.A., as well as on trading the shares issued by this company.

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

- I. The approval of the net profit allocation registered for the financial year 2016, as presented in the supporting documentation, and enclosed also to this herein resolution.

This item is adopted with 3,106,028,609 votes representing 100% of the validly casted votes, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Law no. 31/1990. The casted votes were recorded as follows: 3,106,028,609 votes "for" and 0 votes "against". There were also registered 637,814 abstains and 574,419 votes „not given”.

- II. In accordance with Article 129<sup>2</sup> of Regulation no. 1/2006, the approval of **22 May 2017** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f<sup>1</sup>) of Regulation no. 1/2006, and **23 May 2017** as the **Registration Date**, computed in accordance with the provisions of Article 238 paragraph

(1) of Capital Market Law no. 297/2004.

As they are not applicable to this OGM, the shareholders do not decide on the date of the guaranteed participation, as defined by Article 2 letter f<sup>1</sup>) of Regulation no. 6/2009, and on the Payment Date, as defined by Article 2 letter g) of Regulation no. 6/2009.

This item is adopted with 3,106,896,423 votes representing 100% of the validly casted votes, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Law no. 31/1990. The casted votes were recorded as follows: 3,106,896,423 votes “for” and 0 votes “against”. There were also registered 344,419 votes „not given”.

III. The empowerment, with authority to be substituted, of Grzegorz Maciej KONIECZNY 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 Registry or with any other public institution.

This item is adopted with 3,106,821,423 votes representing 100% of the validly casted votes, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Law no. 31/1990. The casted votes were recorded as follows: 3,106,821,423 votes “for” and 0 votes “against”. There were also registered 75,000 abstains and 344,419 votes „not given”.

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

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**Grzegorz Maciej KONIECZNY**  
Chairman

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**Vlad NEACȘU**  
Meeting secretary

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**Valeriu IONIȚĂ**  
Technical secretary

**Annex** – The net profit allocation registered for the financial year 2016, as presented in the supporting documentation<sup>1</sup> and approved during the Shareholders' Ordinary General Meeting of Fondul Proprietatea S.A. of 25 April 2017

**“PROFIT ALLOCATION PROPOSAL**

Fondul Proprietatea S.A. (“Fondul Proprietatea” or “the Fund”) reported an audited net profit of RON 446,969,856 in the financial statements of for the year ended 31 December 2016, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”) and applying the Financial Supervisory Authority (“FSA”) Norm no. 39/ 28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorised, regulated and supervised by the FSA – Financial Investments and Instruments Sector (“Norm 39/2015”).

In accordance with the requirements of the Companies' Law (“Law 31/1990”), the Fund is obliged to transfer at least 5% of the profit to the legal reserves until those reserves reach a value equivalent to 20% of the share capital of the Fund.

	<b>RON</b>
Result for the year 2016 – net profit	446,969,856
Less mandatory transfer to legal reserves	(22,348,493)
<b>Unallocated profits</b>	<b>424,621,363</b>

Following the transfer of RON 22,348,493 from the 2016 profit, the legal reserve amounts to RON 266,084,000 (being 2.9% of the share capital of the Fund as at 31 December 2016).

According to the article 29 of the Romanian Accounting Law (Law 82/1991) and to article 23 (1) from Norm 39/2015, the annual financial statements must be published together with the proposal to allocate the profit or cover the losses.

Considering the above, the Fund's Sole Director proposes to shareholders that the unallocated profit of RON 424,621,363 remains available to the Fund under unallocated retained earnings.

The proposal is motivated by the following reasons:

1. Two cash distributions are already announced for 2017, subject to the regulatory approvals. According to the annual cash distribution policy, the Fund's Sole Director has recommended and the shareholders already approved two returns of capital, one in March 2017 and one in June 2017, of RON 0.05 per share each, via the decrease of the share capital through the reduction of the nominal value of the Fund's shares.

2. The retained accounting losses as stated in 2015 financial statements in amount of RON 2,473,157,472 will be covered according to the 31 October 2016 General Shareholder's Meeting resolution, respectively from other reserves (RON 156,118,900) and from registered share capital (RON 2,317,038,572), through the decrease of the subscribed share capital of the Fund from RON 8,562,968,634.10 to RON 6,245,930,062.52 by reducing the par value of the shares from RON 0.85 to RON 0.62. The subscribed share capital decrease will be effective after the following conditions are met:

- (i) the shareholders resolution is published in the Official Gazette of Romania, Part IV for at least two months – the shareholder resolution was published in Official Gazette no. 4027 / 16.11.2016 and the two months deadline expired on 16 January 2017;
- (ii) FSA endorses the amendment of article 7 paragraph (1) and article 9 paragraph (2) of the Constitutive Act of Fondul Proprietatea as approved by shareholders during 31 October 2016 General Shareholder's

<sup>1</sup> The supporting documentation, enclosed as well to this herein resolution, was made available to the shareholders on the website of Fondul Proprietatea SA as of 22 March 2017.

*Meeting – the Fund filed the request with FSA in January and the FSA response on the endorsement request was issued and communicated to the Fund on 22 March 2017;*

*(iii) the share capital decrease approved by the shareholders on 11 October 2016 is effective – the effective date for this share capital decrease is 18 January 2017;*

*(iv) the shareholders' resolution for approving the share capital decrease is registered with the Trade Registry – this process is still in progress given the fact that it can be performed only after FSA issues the endorsement mentioned at point (ii).*

*As of 22 March 2017, these cumulative conditions are not yet fulfilled and the above share capital decrease is still in progress”.*