

**Resolution no. 1 / 14 January 2021
of the Shareholders' Extraordinary General Meeting of
FONDUL PROPRIETATEA S.A.**

Headquarters: 78-80 Buzești Street, 7th floor, sector 1, Bucharest, Romania,
Registered with the Trade Registry under number J40/21901/2005, fiscal registration code 18253260

Today, 14 January 2021, 11:00 AM (Romanian time), was adopted the current resolution of the Shareholders' Extraordinary General Meeting (“**EGM**”) of Fondul Proprietatea S.A. (the “**Fund**” or “**Fondul Proprietatea**”), at its first summoning, at “ATHÉNÉE PALACE HILTON BUCHAREST” Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, Sector 1, Bucharest, 010292, Romania, the EGM being opened by its Chairman, namely Mr. Johan Meyer, 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 EGM was published on the Fund's website (www.fondulproprietatea.ro) on 23 November 2020, in the Official Gazette of Romania, Part IV, number 4168 of 25 November 2020 and in “Adevărul” newspaper number 8438 of 25 November 2020;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (Companies' Law no. 31/1990);
- 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;
- 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 Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts;
- The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, with its subsequent amendments and supplementations (Issuers' Law);
- The provisions of Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations (Regulation no. 5/2018);

- The provisions of Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation (Law no. 243/2019);
- The provisions of Regulation of the Financial Supervisory Authority no. 7/2020 on the authorization and operation of alternative investment funds (Regulation no. 7/2020);
- The provisions of COMMISSION IMPLEMENTING REGULATION (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights (CE Regulation 1212/2018),

there are met the quorum for holding this meeting and the majority to decide legally, under the legally required majority (according to art. 115 paragraphs (1)-(2) of the Companies' Law no. 31/1990 and art. 14 I paragraph (3) letter (a) of the Fund's Constitutive Act).

Thus, it was decided as follows:

I. The approval of the amendment of Article 4 of the Constitutive Act, as follows:

*“(1) The duration of Fondul Proprietatea is until 31 December 2031.
(2) The duration may be extended by the extraordinary general meeting of shareholders, with additional periods of 5 years/each.”*

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

II. The approval of the amendment of Article 9 paragraph (1) and of the introduction of a new paragraph (1[^]1) to Article 9 of the Constitutive Act, as follows:

*“(1) The shares of Fondul Proprietatea are nominative, of equal value, issued in dematerialized form, established by registration in the account, and grants equal rights to their holders under the conditions provided by article 11. The existing fully paid up ordinary shares of Fondul Proprietatea are admitted to trading on the regulated market operated by Bursa de Valori Bucuresti S.A. and may be admitted to trading on other markets, with the approval of the extraordinary general meeting of shareholders.
(1[^]1) Fondul Proprietatea's Global Depositary Receipts (i.e. GDRs), having the shares of Fondul Proprietatea as underlying securities, are listed on the Specialist Fund Market of London Stock Exchange and may be admitted to trading on other markets, with the approval of the extraordinary general meeting of shareholders.”*

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

III. The approval of the amendment of Article 12 paragraph (2) letters f) and k) of the Constitutive Act, as follows:

“(2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:

f) to approve the remuneration policy applicable to the members of the Board of Nominees and to the Alternative Investment Fund Manager, that includes the level of remuneration of the members of the Board of Nominees and of the Alternative Investment Fund Manager, and to set the level of the remuneration of the financial auditor for financial audit services;

(...)

k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea, according to the legislation in force;”

This item is adopted with 2,330,019,816 votes, representing 93.476% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,330,019,816 votes „for”;
- 162,614,880 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

IV. The approval of the introduction of a new letter k¹) to paragraph (3) of Article 12 of the Constitutive Act, as follows:

*“(3) The extraordinary general meeting of the shareholders is entitled to decide on the following:
k¹) approval of: (i) the dissolution and liquidation of the Company; or (ii) the extension of the duration of the Company, in all cases according to the legislation in force;”*

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

V. The approval of the amendment of Article 13 paragraph (7) of the Constitutive Act, as follows:

“(7) The calling notice includes all elements required according to legislation and regulations in force.”

This item is adopted with 2,330,019,816 votes, representing 93.476% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 2,330,019,816 votes „for”;
- 162,614,880 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

VI. The approval of the introduction of a new paragraph (6) to Article 19 of the Constitutive Act, as follows:

“(6) The rules for remuneration of the Alternative Investment Fund Manager and the size of administration fees are included in the remuneration policy and the remuneration policy is approved by ordinary general meeting of shareholders, at least once at four years. The annual size of the administration fees is included in annual budget and approved by the ordinary general meeting of shareholders according to the legislation in force.”

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

VII. The approval of the amendment of Article 20 of the Constitutive Act, as follows:

“The Alternative Investment Fund Manager shall appoint a natural person as its permanent representative. The Alternative Investment Fund Manager can change the permanent representative in accordance with the applicable law. All changes will be registered with the Trade Registry.”

This item is adopted with 1,593,245,591 votes, representing 63.918% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 1,593,245,591 votes „for”;
- 644,753,144 votes „against”;
- 254,635,961 abstentions;
- 0 votes „not given”.

VIII. The approval of the amendment of Article 24 paragraph (2) of the Constitutive Act, as follows:

“(2) The internal audit activity organised for Fondul Proprietatea, will be rendered by a third party on a contractual basis, in accordance with the applicable legal provisions.”

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

IX. The approval of the amendment of Article 31 paragraph (1) of the Constitutive Act, as follows:

“(1) The dissolution of Fondul Proprietatea shall take place in the following cases:

- a) impossibility of performing the company's business object;*
- b) declaring the company's nullity;*
- c) by decision of the extraordinary general meeting of the shareholders, in accordance with article 14;*
- d) as consequence of losses, if the net asset value, determined as difference between the total asset and company's debts, represents less than half of the value of the subscribed share capital and if, not later than the termination of the financial year subsequent to the one during which the losses have been ascertained, the general meeting of the shareholders fails to decrease the share capital with an amount at least equal with the one of losses which could not be covered from reserves or to reconstitute the company's net asset up to the value at least equal with half of the subscribed share capital;*
- e) opening of the bankruptcy procedure;*
- f) the number of shareholders reduces under the legal minimum;*

f¹) expiration of the duration of Fondul Proprietatea, if the extraordinary general meeting of shareholders of Fondul Proprietatea does not decide the extension of the duration, in accordance with Article 4;

g) other causes provided by the law or by this constitutive act.”

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

X. The approval of the amendment of Article 32 of the Constitutive Act, as follows:

“(1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure and, irrespective of the reasons for dissolution of the Company, Fondul Proprietatea will be wound up only after finalising the related procedures, in accordance with the law.

(2) The shareholders cannot, directly or indirectly, redeem their shares from Fondul Proprietatea's assets prior to the start of the liquidation procedure.

(3) The liquidation of Fondul Proprietatea and distribution of the patrimony are made in accordance with the law.”

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

XI. The approval of the amendment of Article 34 of the Constitutive Act, as follows:

“(1) The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitation provided by the legal provisions in force for a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors and of this Constitutive Act.

(2) Fondul Proprietatea shall be subject to the investment restrictions and can invest only in the categories of assets according to the provisions applicable to a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors according to legislation in force.

(3) Subject to the terms of this Constitutive Act, of the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.

(4) Prudential rules concerning the investment policy will be approved by the shareholders through Investment Policy Statement.

(5) The detailed presentation of the investment policy and the rules for pricing the assets of the Company, drafted in line with Romanian and European legislation in force, are included in rules of the Fund and are published by the AIFM on the website of the Company.”

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

XII. The approval of:

(a) The date of 1 February 2021 as the *Ex – Date*, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 2 paragraph (2) letter (I) of Regulation no. 5/2018; and of

The date of 2 February 2021 as the **Registration Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 86 paragraph (1) of Issuers’ Law.

As they are not applicable to this EGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation and the payment date.

(b) The empowerment, with authority to be substituted, of Johan Meyer to sign the shareholders’ resolutions and the amended, renumbered and restated form of the Constitutive Act, if the case may be, 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’ resolutions, including formalities for publication and registration thereof with the Trade Registry or with any other public institution.

This item is adopted with 2,492,634,696 votes, representing 100% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 2,492,634,696 votes „for”;
- 0 votes „against”;
- 0 abstentions;
- 0 votes „not given”.

This EGM decision no. 1 is drafted on behalf of the shareholders today, 14 January 2021, in 3 original counterparts by:

Johan MEYER
Chairman

Valeria NISTOR
Technical secretary