

*Memo regarding the election of two members in the Board of Nominees*

In accordance with the provisions of Fondul Proprietatea's Constitutive Act ("**the Constitutive Act**"), the Board of Nominees is composed of five members.

Due to the fact that the mandates of two of the members of the Board of Nominees shall expire on 30 September 2016, we propose that the agenda of the Shareholders' Meeting of 26 April 2016 to include the election of two members, as per Articles 12 and 15 of the Constitutive Act, in order to allow the registration of these new mandates with the Trade Registry in due time and without the need for summoning another shareholders' meeting for this purpose alone. Please find below the procedure to be observed in this case for the election of the members of the Board of Nominees as follows.

Pursuant to the provisions of Article 16 (5) of the Constitutive Act: "*In case of vacancy arising for the position of one or more members of the Board of Nominees, the general meeting of shareholders shall be immediately summoned for the appointment of new members*".

Furthermore, Article 15 (2) of the Articles of Association states that "*any shareholder will be entitled to submit his/her proposals for the members of the Board of Nominees.*"

The conditions that must be met simultaneously by the candidates for the position of member of the Board of Nominees are:

1. May be Fondul Proprietatea's shareholders, or
2. Any other persons appointed by the shareholders, and
3. Must have the adequate expertise and knowledge to receive the Fund Manager's and the advisers' reports and to make judgments based on the information received regarding Fondul Proprietatea's management, within the objectives and principles set out in the investment policy and also by the applicable laws and regulations, and
4. Must have the suitable qualification to decide (if necessary, with the help of an independent consultant) whether the transactions proposed by the Fund Manager, which require the approval of the Board of Nominees, are made for the benefit of the shareholders.

Considering Articles 12, 15 and 16 of Fondul Proprietatea's Constitutive Act, we invite the shareholders to "*approve the appointment of two members in the Board of Nominees of Fondul Proprietatea S.A. following the expiration of two mandates on 30 September 2016. The mandates of the new members are valid for a period of three (3) years onwards, subject to the acceptance of the mandates by the newly appointed members. The proposals of the shareholders for the two mandates that will expire may be submitted by 21 March 2016 at the Company's headquarters in Bucharest, 78-80 Buzesti Street, 7th floor, 1<sup>st</sup> district, postal code 011017 or by e-mail having incorporated an extended electronic signature in accordance with Law no. 455/2001 regarding electronic signature, at [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro). The candidates for the Board of Nominees must submit the copy of their ID, the resume which details their current professional activity, the fiscal record and the criminal record, or solemn statement, if the candidate is not a Romanian citizen. The list including information with regard to the name, the locality of residence, the professional qualification, the capacity as shareholder, fiscal record and criminal record for each candidate proposed will be published on the webpage of the Company and shall be daily updated on the basis of received proposals (secret vote).*

- (a) *The appointment of a member of the Board of Nominees following the expiration of the mandate of Mr. SORIN MIHAI MÎNDRUȚESCU on 30 September 2016; the mandate of the new member is valid for a period of three (3) years and shall produce its effects starting with the said date onwards, subject to the acceptance of the mandate by the newly appointed member (secret vote).*
- (b) *The appointment of a member of the Board of Nominees following the expiration of the mandate of Mr. MARK HENRY GITENSTEIN on 30 September 2016; the mandate of the new member is valid for a period of three (3) years and shall produce its effects starting with the said date onwards, subject to the acceptance of the mandate by the newly appointed member (secret vote)”.*

The list of candidates will be published and updated on the Fund’s official webpage: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro) as follows:

<i>Candidate’s full name</i>	<i>Domicile</i>	<i>Professional qualification</i>	<i>Shareholder of Fondul Proprietatea SA</i>	<i>Fiscal Record</i>	<i>Criminal Record</i>
1.					
2.					
3.					

The Fund Manager will update accordingly soon after the expiry of the 21 March 2016 deadline the drafts of special power of attorneys and correspondence votes so to include the proposals received from the shareholders.

Sincerely,

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

**Oana Valentina Truța**  
**Legal Representative**