

***Memo regarding the cancelation of the shares
acquired during the sixth buy-back programme***

Through the Resolution no. 5/27 April 2015 the shareholders approved the sixth buy-back programme whereby the Fund Manager was authorized to buy-back shares of Fondul Proprietatea S.A., global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A., via trading on the regular market on which the shares, the global depositary receipts or the depositary interests corresponding to the shares of Fondul Proprietatea S.A. are listed or public tender offers, in compliance with the applicable law, for a maximum number of (i) 891,770,055 shares or equivalent of for global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A. or (ii) 10% of the issued share capital at the relevant time, whichever is the lesser. The sixth buy-back programme was launched on 9 September 2015.

On 26 April 2016 the shareholders approved a share capital decrease with a number of 179,598,899 shares acquired in the sixth buy-back during 9 September 2015 until 24 February 2016. The remaining 712,171,156 shares available in the sixth buy-back programme will be fully repurchased through market acquisitions and a public tender offer by the time of the 11 October 2016 shareholders' meeting.

Having in mind the scope for which the buy-back programme was approved, namely a share capital decrease, the Fund Manager would like to propose to the shareholders the approval of the decrease of the subscribed share capital of Fondul Proprietatea as follows.

The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 9,168,314,116.70 to RON 8,562,968,634.10 pursuant to the cancellation of 712,171,156 own shares acquired by the Company during the sixth buy-back programme.

After the share capital decrease, the subscribed share capital of Fondul Proprietatea SA shall have a value of RON 8,562,968,634.10 being divided in 10,074,080,746 shares, each having a nominal value of RON 0.85 per share.

The first paragraph of Article 7 of the Constitutive Act after the share capital decrease will be changed as follows.

“(1) The subscribed share capital of Fondul Proprietatea is in amount of RON 8,562,968,634.10, divided in 10,074,080,746 ordinary, nominative shares, having a nominal value of RON 0.85 each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by Depozitarul Central SA”.

The subscribed share capital decrease will take place on the basis of Article 207 paragraph 1 letter (c) of Law no. 31/1990 and will be effective after the following conditions are met:

- (i) this resolution is published in the Official Gazette of Romania, Part IV for at least two months;
- (ii) Financial Supervisory Authority endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea SA as approved by shareholders during this meeting, where required by applicable law or regulation;
- (iii) the share capital decrease approved by the shareholders on 26 April 2016 is effective;
- (iv) the shareholders' resolution for approving this share capital decrease is registered with the Trade Registry.

Franklin Templeton International Services S.À R.L., acting as Sole Director on behalf of FONDUL PROPRIETATEA S.A.

Oana Valentina Truta
Permanent representative