

**CONVENING NOTICE OF THE EXTRAORDINARY GENERAL MEETING AND OF THE  
ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF  
FONDUL PROPRIETATEA S.A.**

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, with its headquarters in Bucharest, 78-80 Buzești Street, 7<sup>th</sup> and 8<sup>th</sup> floors, 1<sup>st</sup> District, registered with the Bucharest Trade Register under no. J40/8587/2009, with Sole Registration Code 25851096, registered with the Public Register of the National Securities Commission (**CNVM**) under no. PJM05SSAM/400001 as a branch of an Investment Management Company from a Member State of European Union, as Sole Administrator of FONDUL PROPRIETATEA S.A., a joint-stock company, organized as a closed-end investment company, with its headquarters in Bucharest, 78-80 Buzești Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, registered with the Trade Register under no. J40/21901/2005, with Sole Registration Code 18253260, with a subscribed registered share capital of RON 10,074,080,745.90, a paid-up share capital of RON 9,746,649,630.90 and with a total number of voting rights as at 31 August 2015 of 10,602,038,451 (the **Company/FP**),

Considering

- The provisions of Articles 12 - 13 of the Company's Constitutive Act in force;
- 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 depositary 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.

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**CONVOKES:**

- A. The Extraordinary General Meeting of Shareholders of Fondul Proprietatea S.A. on **29 October 2015, 13:00 o'clock** (Romanian time), at "Radisson Blu" Hotel, 63-81 Calea Victoriei Street, Atlas Room, 1<sup>st</sup> District, Bucharest, 010065, Romania (**EGM**), and

- B. The Ordinary General Meeting of Shareholders of Fondul Proprietatea S.A. on **29 October 2015, 14:00 o'clock** (Romanian time), at "Radisson Blu" Hotel, 63-81 Calea Victoriei Street, Atlas Room, 1<sup>st</sup> District, Bucharest, 010065, Romania (**OGM**).

Only the persons registered as shareholders of the Company on **8 October 2015** (the **Reference Date**) in the register of shareholders kept by Depozitarul Central S.A. have the right to participate and vote at the EGM and/or OGM.

**A. The agenda of the EGM is as follows.**

1. The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA as follows.

The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 10,074,080,745.90 to RON 9,869,265,720.90 pursuant to the cancellation of 227,572,250 own shares acquired by the Company during the fifth buy-back.

After the share capital decrease, the subscribed share capital of Fondul Proprietatea SA shall have a value of RON 9,869,265,720.90 being divided in 10,965,850,801 shares, each having a nominal value of RON 0.90 per share. The subscribed share capital decrease will take place on the basis of Article 207 paragraph 1 letter c) of Law no. 31/1990. 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 9,869,265,720.90, divided in 10,965,850,801 ordinary, nominative shares, having a nominal value of RON 0.90 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 herein will be effective after the following three conditions are met: (i) this resolution is published in the Official Gazette, Part IV for at least two months, (ii) Financial Supervisory Authority ("FSA") endorses the changing of first paragraph of Article 7 of the Constitutive Act, as modified based on this resolution, where required by applicable law or regulation, and (iii) the shareholder resolution for approving this share capital decrease is registered with the Trade Registry.

At this point, the Fund Manager will have a presentation with respect to the unpaid shares of the Romanian State held in Fondul Proprietatea SA, in view of the recent legislative changes.

2. The approval of the authorization of the Sole Administrator 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 computed so that all the outstanding treasury shares (acquired during this programme and/or previous ones) will not exceed 10% of the issued share capital at the relevant time, starting with the date when the share capital decrease mentioned under point (1) herein is effective, for a maximum period of 18 months as of the date when this 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 / share or higher than RON 2 / share. In case of acquisitions of global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A., the calculation of shares in relation to the aforementioned thresholds shall be based on the number of Fondul Proprietatea SA shares underlying such instruments and their minimum and maximum acquisition price in the currency equivalent (at the relevant official exchange rate published by the National Bank of Romania valid for the date on which the instruments are purchased) shall be within the price limits applicable to the share buy-backs above-mentioned, and shall be calculated based on the number of shares represented by each global depositary receipts or depositary interests. The transaction can only have as object fully paid shares, global depositary receipts or depositary interests corresponding to the shares. The buy-back programme is aimed at the share capital decrease. The shareholders' resolution regarding the share capital decrease and the change of the Constitutive Act will be approved by the shareholders, with the observance of the provisions of the Constitutive Act, being agreed that the shareholders may approve one or more share capital decreases as the shares are being bought back and the shareholders are convened by the Sole Administrator. This buy-back programme implementation will be subject to the availability of the necessary cash.

3. The approval of the amendment of the Investment Policy Statement, as described in the supporting materials.
4. In view of the provisions of Article 12 paragraph (3) letter (h) of the Constitutive Act and Article 241 paragraph (1) of Capital Market Law no. 297/2004, shareholders decide to authorize the sole administrator to execute any disposal acts over any holdings in the portfolio companies of Fondul Proprietatea S.A., which either individually or cumulatively during 2015 or 2016 financial year, for each year separately, exceed 20% of the total value of the non-current assets, less receivables, as follows.

The sole administrator is empowered to take all the necessary measures which will be required for the disposal of the said holdings held by Fondul Proprietatea SA in any of its portfolio companies, including engaging brokers, advisors and legal consultants if needed.

The decision to sell or not, depending on the market conditions, as well as the targeted portfolio companies will be taken by decision of the sole administrator, acting discretionary.

The value of the transaction contemplated herein or of the aggregated ones (if the case) performed within the term of this mandate, will not exceed in 2015 financial year 30% and in 2016 financial year 30% of the total value of the non-current assets, less receivables of Fondul Proprietatea S.A.. This herein authorization expires on 31 December 2016.

5. The approval of the AIFMD implementation plan for Fondul Proprietatea S.A. (as described in the supporting materials regarding point 5 of EGM agenda) in view of the need to comply with the Directive 2011/61/EU on Alternative Investment Fund Managers and the related national implementation laws and regulations, as well as of the related waiver of any selection procedure for its implementation.
6. The approval of the amendment of the Constitutive Act of Fondul Proprietatea as follows.

**6.1. Article 1 paragraph (2) shall be amended and shall read as follows.**

*“(2) All invoices, offers, orders, tariffs, prospectuses and other documents used in business, issued by the Company shall indicate the name, the legal form, the registered office, the registration number with the Commercial Registry and the sole registration code (CUI), the subscribed share capital, and the paid share capital”.*

**6.2. Article 2 paragraph (3) shall be amended and shall read as follows.**

*“(3) Fondul Proprietatea is set up as an undertaking for collective investment (A.O.P.C.), of the closed-end-type, as defined by Art. 114 (1) letter b) of Law No. 297/2004, as further amended and completed and qualifies as an Alternative Investment Fund as defined by Law no. 74/2015 regarding the alternative investment fund managers that implemented in Romania Directive 2011/61/EU on alternative investment fund managers, as amended”.*

**6.3. Article 13 paragraph (7) shall be amended and shall read as follows.**

*“(7) The calling notice includes the place, hour and date of the general meeting of the shareholders, as well as the agenda, expressly mentioning all matters that will be subject to debate and all matters required by the applicable law”.*

**6.4. Article 17 paragraph (11) shall be amended and shall read as follows.**

*“(11) Monitors the following, based on information and reports received from the Fund Manager:*

- the list of all portfolio investments and percentage breakdown by each investment type;*
- a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review;*
- the total profit of the portfolio and comparison of profit with the appropriate market benchmark;*
- comparison of the obtained profit with the initial objective;*
- the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out therein are achieved, as well as any variations and actions taken to achieve such objectives and improve investment results;*
- the performance evaluation report.*

*The Board of Nominee shall draft and present to the general meeting of the shareholders an annual report regarding the monitoring activity performed or a monitoring report for another period agreed by the general meeting of shareholders”.*

**6.5. Article 17 paragraph (20) shall be amended and shall read as follows.**

*“(20) Approves the delegation by the Fund Manager of certain activities. The delegation will be in force after the approval by or the notification to the FSA or any other competent authority, where required by legislation in force”.*

**6.6. Article 19 paragraph (1) shall be amended and shall read as follows.**

*“(1) Fondul Proprietatea has appointed FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under Article 101-1 of the Luxembourg Act of 17 December 2010 concerning undertakings for collective investment, as amended from time to time, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, as its alternative investment fund manager, referred to throughout this document as*

the Fund Manager. In addition, FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.Ă R.L. is also Fondul Proprietatea's Sole Director and is represented in its capacity as sole director in Romania by the individuals as permanent representatives (in Romanian language "reprezentanti permanenti persoane fizice") appointed by FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.Ă R.L., upon its appointment as Fund Manager by the shareholders, and in accordance with Article 153<sup>13</sup> of Companies' Law no. 31/1990".

**6.7. Article 20 shall be amended and shall read as follows.**

*"The Fund Manager shall appoint a natural person as its permanent representative. The Fund Manager can make changes of its permanent representatives (that are the legal representatives and managers of the Fund Manager), in accordance with the applicable law. All changes will be registered at Trade Register".*

**6.8. Article 21 shall be amended and shall read as follows.**

*"(1) The management of Fondul Proprietatea is ensured by the Fund Manager, which fulfils the necessary and useful operations for the fulfilment of the company's business object, except of the operations reserved by the law for the general meeting of the shareholders and has all the obligations attributed to it by the applicable law.*

*(2) The Fund Manager exercises its attributions under the control of the general meeting of the shareholders and the monitoring of the Board of Nominees, according to article 17.*

*(3) In addition to the duties provided by the applicable law, the Fund Manager shall propose for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the investment policy of Fondul Proprietatea and it is responsible for the implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio. The Fund Manager undertakes to inform the Board of Nominees regularly, and as and when required by the Board of Nominees, about any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio.*

*(4) In excess of the duties provided by the applicable law, the Fund Manager shall be liable to:*

*i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;*

*ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining the prior approval of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;*

*iii) ensure that, if requested by any of the shareholders, a copy of or extract of the minutes of the general meeting shall be given to them and also, after the announcement of the ordinary annual general meeting of the shareholders is published, make available to the shareholders the financial statements of the company and the reports of the Fund Manager and of the company's financial auditors,*

*iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders*



and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;

v) manages the relationship with the Central Depository with regard to its shareholders register functions,

vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;

vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;

viii) approve the outsourcing of certain activities, within the limits of the approved budget; respectively delegating the execution of certain activities, with the prior notification or endorsement of the FSA or of any competent authority, where required by applicable legislation;

ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of the shareholders any agreement / document which may create binding obligations to Fondul Proprietatea, including but not limited to the purchase, sale, conversion or encumbrance of the non-current assets of Fondul Proprietatea whose value exceeds, either individually or cumulatively during a financial year, 20% of the total value of the non-current assets, less any receivables;

x) to enter into any agreement / document which may create binding obligations to Fondul Proprietatea, including the purchase, sale, conversion or encumbrance of the non-current assets of Fondul Proprietatea whose value does not exceed, either individually or cumulated, during a financial year, 20% of the total value of the non-current assets, less any receivables, without the approval of the ordinary or extraordinary general shareholders meeting;

xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;

xii) decide the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;

xiii) make available to the Board of Nominees the reports, as well as other necessary documents for exercising the monitoring duties, in accordance with art. 17 paragraph (11);

xiv) inform at once the Board of Nominees of any litigation or infringement of legislation regarding Fund Manager, any operation which might be an infringement to the investment policy and about the plans/ correction measures for approaching these matters;

xv) ask for the calling of the general meeting which shall decide properly whenever an issue appears on which the Board of Nominees has a disagreement with the Fund Manager, which cannot be resolved amiably;

xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration , when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea.

(5) For the avoidance of any doubt, in fulfilling the obligations listed under paragraph (4) of this Article 21, the Fund Manager acts mainly in its capacity as sole director according to the applicable Romanian legislation”.

**6.9. Article 23 paragraph (2) shall be amended and shall read as follows.**

“(2) The Fund Manager may delegate the representative powers in accordance with the applicable law”.

**6.10. Article 34 paragraph (5) shall be deleted.**

**6.11. Article 35 paragraph (2) shall be amended and shall read as follows.**

*“(2) The deposit agreement shall mandatorily include clauses related to the replacement of the depository and rules for ensuring shareholders’ protection in such situations, as well as other mandatory clauses in accordance with the applicable regulations”.*

**6.12. Article 36 paragraph (2) shall be amended and shall read as follows.**

*“(2) Fund Manager means the Alternative Investment Fund Manager authorised to perform all investment management functions and all other required functions for the purpose of managing Fondul Proprietatea in accordance with the applicable law”.*

Following the reorganization of the National Securities Commission into FSA, the empowerment of the Sole Administrator to update throughout the Constitutive Act the phrase of “National Securities Commission” or any of its abbreviation therein with the term of “Financial Supervisory Authority” or “FSA”.

If the shareholders of Fondul Proprietatea S.A. vote in favour for the amendments of the Constitutive Act herein, these amendments will be effective starting with 1 April 2016, subject to their prior endorsement by the FSA, where required by applicable law or regulation.

7. The ratification and the approval of all EGM resolutions and of all legal acts (including resolutions, decisions, notices for convening all EGM and contracts) concluded, adopted and issued in the name of Fondul Proprietatea S.A. through Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, between 6 September 2010 and 28 October 2015 and the approval and ratification of any implementation acts, facts and operations based on such, including the management of the Company under an unitary system, as well as the approval of all the changes to the Constitutive Act approved by all the extraordinary general meetings of shareholders between 6 September 2010 and 28 October 2015, as endorsed by FSA and reflected in the in force Constitutive Act attached as an Annex to the Convening Notice.
8. In accordance with Article 129<sup>2</sup> of Regulation no. 1/2006, the approval of:
  - (i) **18 November 2015** as the **Ex – Date**, computed in accordance with the provisions of Article 2 (2) letter f<sup>1</sup>) of Regulation no. 1/2006;
  - (ii) **19 November 2015** as the **Registration Date**, computed in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004;As no payments to the shareholders shall be triggered by the EGM’s decisions herein, shareholders do not decide upon the Payment Date, as it is defined by Article 2 letter g) of Regulation no. 6/2009.
9. 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 and the amended and restated form of the Constitutive Act, 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 Register or with any other public institution.

**B. The agenda of the OGM is as follows.**

1. Presentation by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch of the Performance Report for the period 1 October 2014 – 30 June 2015.
2. Board of Nominees' presentation of the Review Report in relation to the Performance Report prepared by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch for the period 1 October 2014 – 30 June 2015.
3. The approval of the Addendum no. 3 to the Investment Management Agreement signed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea SA on 29 April 2014 ("Investment Management Agreement"), reflecting the changes imposed by Decision no. 88 / 20 March 2015 issued by FSA. If the shareholders vote in favour of this point, the Chairman of the Board of Nominees is empowered to sign the Addendum no. 3 (as described in the supporting materials) to the Investment Management Agreement with the Sole Administrator on behalf of Fondul Proprietatea S.A. Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch will have a presentation for shareholders at this point as concerns the effects of the special/extraordinary distribution to the portfolio of Fondul Proprietatea SA, as recommended by FSA on the occasion of the said Decision.
4. The approval of the Addendum no. 4 to the Investment Management Agreement dated 29 April 2014 between FONDUL PROPRIETATEA S.A. and FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED as proposed by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch. If the shareholders vote in favour of this point, the Chairman of the Board of Nominees is empowered to sign the Addendum no. 4 (as described in the supporting materials) to the Investment Management Agreement with the Sole Administrator on behalf of Fondul Proprietatea S.A. Addendum no. 4 will be effective subject to its prior endorsement by the FSA, where required by applicable law or regulation.
5. In accordance with Article 9.6 of the Investment Management Agreement of 29 April 2014, the shareholders decide on the continuation or not of the mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Fondul Proprietatea's fund manager and sole director as follows.
  - 5.1. The approval of the continuation of the current mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Fund Manager and Sole Director of Fondul Proprietatea.
  - 5.2. In case point 5.1 is not approved by the shareholders, the approval of:
    - the simultaneous termination of the mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Fund Manager and Sole Director of Fondul Proprietatea, and of the Investment Management Agreement signed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea SA beginning with the earliest date to occur of the following: (i) the appointment of a new fund manager and sole director of Fondul Proprietatea by Fondul Proprietatea in accordance with



the terms of the Investment Management Agreement dated 29 April 2014 and (ii) 22 May 2016, and

- the procedure to be observed for the selection of a new fund manager and sole director of Fondul Proprietatea, as described in the supporting materials. (*secret vote*)

6. In case the item 5.1. above is approved by the shareholders, the approval of the replacement of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch with another group entity in view of complying with the Directive 2011/61/EU on Alternative Investment Fund Managers and the related national implementation laws and regulations, as well as the waiver of any selection procedure as the change is made to comply with legal requirements as follows.

6.1. Revocation, starting with **1 April 2016**, 00:00 am (last day of mandate being 31 March 2016), of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch from the position of sole director and fund manager of Fondul Proprietatea SA, and termination of the Investment Management Agreement signed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea SA as a result of the mutual consent of the both parties. The approval of the Addendum no. 5 to the Investment Management Agreement dated 29 April 2014 between FONDUL PROPRIETATEA S.A. and FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED as proposed by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch. If the shareholders vote in favour of this point, the Chairman of the Board of Nominees is empowered to sign the Addendum no. 5 (as described in the supporting materials) to the Investment Management Agreement with the Sole Administrator on behalf of Fondul Proprietatea S.A.. Addendum no. 5 will be effective subject to its prior endorsement by the FSA, where required by applicable law or regulation. (*secret vote*)

The approval of termination is effective and conditional upon (i) the approval of the appointment of FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., as sole director and fund manager by the shareholders of Fondul Proprietatea and (ii) FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L accepting its mandate and being dully authorized by all competent authorities to perform its duties as sole director, fund manager and external Alternative Investment Fund Manager starting with 1 April 2016.

6.2. Appointment of FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., a société à responsabilité limitée, qualifying as an alternative investment fund manager under Article 101-1 of the Luxembourg Act of 17 December 2010 concerning undertakings for collective investment, as amended from time to time, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, **as the alternative investment fund manager of Fondul Proprietatea SA and as the sole director of Fondul Proprietatea SA, for a mandate of two years starting with 1 April 2016**. The list containing data regarding FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L. (including name, headquarters, professional qualification, the evidence that it is authorized as an alternative investment fund manager) is published on the internet webpage of Fondul Proprietatea SA and is available at the registered office and may be consulted and completed by shareholders in accordance with the law. The approval and the execution of the Management Agreement (as described in the supporting materials) between FRANKLIN TEMPLETON INTERNATIONAL

SERVICES S.ÀR.L. and Fondul Proprietatea SA, as negotiated between FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L. and the Board of Nominees, and the empowerment of the Chairman of the Board of Nominees to execute it on behalf of Fondul Proprietatea SA. The Management Agreement shall be effective from 1 April 2016. (*secret vote*)

7. Approval of the increase of the gross monthly remuneration for each member of the Board of Nominees to RON 20,000/month, starting with 1 November 2015. The mandate agreements will be amended accordingly. Mr. Grzegorz Maciej Konieczny is empowered to sign the addenda (draft of which is presented in the supporting documentation) to the mandate agreements with the members of the Board of Nominees, for and on behalf of Fondul Proprietatea SA. This point is included on the OGM's agenda at the request of the Board of Nominees.
8. The approval of 2016 budget of Fondul Proprietatea SA, in accordance with the supporting materials.
9. The appointment of DELOITTE AUDIT S.R.L. with headquarters in Bucharest, 4-8 Nicolae Titulescu Street, 3rd Floor, 1st District, registered with the Trade Register under no. J40/6775/1995, Sole Registration Number RO7756924 as the financial auditor of Fondul Proprietatea SA, setting the duration of the financial audit agreement for the period starting with the date of approval of the decision and 31 August 2016; setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea SA for the year that will end 31 December 2015, (the financial statements prepared in accordance with Romanian Accounting Standards and the financial statements prepared in accordance with IFRS) and setting the level of remuneration for the financial auditor for the current financial year (the remuneration is included in the financial audit service agreement made available to the shareholders, at the headquarters of Fondul Proprietatea SA and on its internet webpage, together with the rest of the documentation). (*secret vote*)
10. The ratification and the approval of all OGM resolutions and of all legal acts (including resolutions, decisions, notices for convening all OGM and contracts) concluded, adopted or issued on behalf of Fondul Proprietatea S.A. by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, as well as of any management/administration measures adopted and/or implemented by it, approved or concluded between 6 September 2010 and 28 October 2015. The approval of the appointment of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Sole Administrator of Fondul Proprietatea S.A. and as Fund Manager pursuant to Law no. 297/2004 and according to the Investment Management Agreement signed on 25 February 2010 and the Investment Management Agreement signed on 29 April 2014 and the ratification of the Investment Management Agreement signed on 25 February 2010 including all amendments thereto and the Investment Management Agreement signed on 29 April 2014 including all amendments thereto.
11. In accordance with Article 129<sup>2</sup> of Regulation no. 1/2006, the approval of:
  - (i) **18 November 2015 as the Ex – Date**, computed in accordance with the provisions of Article 2 (2) letter f<sup>1</sup>) of Regulation no. 1/2006;
  - (ii) **19 November 2015 as the Registration Date**, computed in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004.As no payments to the shareholders shall be triggered by the OGM's decisions herein, shareholders do not decide upon the Payment Date, as it is defined by Article 2 letter g) of Regulation no. 6/2009.

12. 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.

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#### *GENERAL INFORMATION WITH RESPECT TO THE EGM AND OGM*

#### ***The right to include new items on the agenda. The right to present drafts of resolutions for the items included on the agenda or for the items proposed for inclusion on the agenda.***

In accordance with the provisions of Article 117<sup>1</sup>, paragraph (1) of Law no. 31/1990, Article 7 paragraph (1) of Regulation no. 6/2009 and the provisions of Article 13, paragraph (5), of the Company's Constitutive Act, one or several shareholders representing individually or jointly at least 5% of the Company's share capital may request the Sole Administrator of the Company the introduction of additional items on the agenda of the EGM and/or OGM and/or the presentation of draft resolutions for the items included or proposed to be included on the agenda of the EGM and/or OGM.

These requests must comply, cumulatively, with the following requirements:

- a) **in the case of natural person shareholders**, they must be accompanied by copies of the shareholders' identity documents (the identity documents presented by the shareholders must allow their identification in Company's registry of shareholders kept by Depozitarul Central SA), and **in the case of legal person shareholders**, they must be accompanied by:
- the original or a true copy of the findings certificate issued by the Trade Registry (in Romanian "certificat constatator") or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date of the GSM convening notice publication, allowing for the identification thereof in the Company's registry of shareholders kept by Depozitarul Central SA;
  - the capacity of shareholder's legal representative shall be taken from the Shareholders' Registry issued by Depozitarul Central SA at the Reference Date; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders' registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative of the shareholder;
  - the documents attesting the legal representative capacity drafted in a foreign language other than English shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder's legal representative capacity be notarised or apostilled. The same identification requirements mentioned above shall also be applicable to the legal representative of the shareholders addressing questions regarding the items on the agenda of General Shareholders' Meetings (**GSM**).
- b) they must be accompanied by a justification and/or a draft resolution proposed for passing, and

- c) they must be sent to and registered at the Company's headquarters in Bucharest, 78-80 Buzesti Street, 7<sup>th</sup> floor, 1<sup>st</sup> district, postal code 011017, by any type of courier service with proof of delivery or by e-mail with incorporated extended electronic signature in accordance with Law no. 455/2001 on the electronic signature at office@fondulproprietatea.ro by **5 October 2015, 6:00 PM** (Romanian time). Both means of transmission must contain the mention "TO THE EXTRAORDINARY/ORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 29 OCTOBER 2015" written clearly and in upper case; and they must bear the signature and seal of the shareholders or, as the case may be, their legal representatives.

In order to identify and prove the shareholder capacity of a person making proposals to supplement the agenda (or addressing questions according to art. 13 of Regulation no. 6/2009), the Company may request such person to provide a statement indicating the shareholder capacity and the number of shares held.

### ***Information materials and questions related to the agenda***

Each shareholder, irrespective of how many shares it owns from the Company's share capital, has the right to ask questions regarding the issues on the agenda of the general meetings. The questions shall be sent to the Company's headquarters in Bucharest, 78-80 Buzești Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017 or to office@fondulproprietatea.ro, so that they are received by the Company by **27 October 2015, 13:00 o'clock** (Romanian time), mentioning "TO THE EXTRAORDINARY/ORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 29 OCTOBER 2015" written clearly and in upper case. The Company shall answer the questions asked by the shareholders during the meetings; the questions may be answered as well on the Q&A section of the website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

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The identification requirements mentioned above in the section on supplementing the agenda are also applicable to a natural person shareholder and/or the legal representative of a legal person addressing questions regarding the items on the agenda of the GSM.

Commencing with **17 September 2015**, the general procedure for organizing general meetings (including the procedure for voting through a representative with a special/general power of attorney, the procedure which allows voting by correspondence, procedure to be observed when points requiring "secret vote" are on the agenda), shall be available on working days at the Company's headquarters in Bucharest, 78-80 Buzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, from 09:00 AM to 05:00 PM (Romanian time), as well as on the official website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

Commencing with **28 September 2015**, all information materials regarding the items included on the agenda of the EGM and OGM, and the draft resolutions proposed to be passed within the both meetings, shall be available on working days at the Company's headquarters in Bucharest, 78-80 Buzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, from 09:00 AM to 05:00 PM (Romanian time), as well as on the official website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro). The shareholders of the Company may receive, upon request, copies of the documents related to the issues on the agenda of the EGM and OGM.

### ***The attendance and voting to the General Meetings***

#### *Global Depositary Receipts Holders*

In accordance with Regulation no. 4/2013, the persons holding Global Depositary Receipts (“GDRs”) (issued based on the shares issued by FP) at the Reference Date can vote within EGM/OGM through the means of the Issuer of the GDRs (i.e. The Bank of New York Mellon – “Issuer of the GDRs”) which will have the quality of shareholder within the meaning and for the application of the provisions of Regulation no. 6/2009.

The Issuer of the GDRs is fully responsible for the correct, complete and on time information of the GDR holders, with the observance of the provisions comprised in the GDR issuance documents, with respect to the documents and supporting materials correspondent to the EGM/OGM made available by FP.

The Issuer of the GDRs will vote in the EGM/OGM in accordance and within the limits of the instructions of the GDR holders (having this quality at the Reference Date), as well as with the observance of the provisions comprised in the GDR issuance documents.

For computing the quorum of EGM/OGM, it will be taken into account only those supporting shares for which the Issuer of the GDRs cast a vote (including “abstention” votes) in accordance with the instructions of the GDR holders above-mentioned. The Issuer of the GDRs will instruct FP about the percentage of the voting rights corresponding to the supporting shares for which it will cast votes, issuing a declaration in this respect to FP until 27 October 2015, 13:00 o’clock (Romanian time).

The GDR holder will send to the entity where he/she/it has opened with the GDR account his/her/its voting instructions with respect to the agenda points of EGM/OGM, so that this information may be send to the Issuer of the GDRs.

The Issuer of the GDRs is fully responsible for taking all necessary measures so that the entity keeping record of the GDR holders, intermediaries involved in custodian services for the GDR holders and/or any entities involved in the evidence of the GDR holders, to report the voting instructions of the GDR holders with respect to the points of the EGM/OGM.

### Shareholders

The shareholders registered in the register of shareholders on the Reference Date may attend the EGM and/or OGM and vote as follows.

- a) in person, within GSM – direct vote;
- b) through a representative with a special or general power of attorney; or
- c) by correspondence.

#### **Direct vote**

Shareholders may exercise the direct (personal) vote after proving their identity:

- a) in the case of **natural persons who are sole shareholders** - by presenting the identity card; identity cards submitted by shareholders must allow for their identification on the list of Company’s shareholders as at the Reference Date issued by Depozitarul Central SA;
- b) in the case of **natural persons who are collective shareholders** – by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 17 September 2015 on the Company’s website (*Special conditions regarding collective natural person shareholders*);
- c) in the case of **legal persons shareholders**, by presenting:



- an original or a true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by the competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date when the general meeting convening notice was published, allowing for identification thereof on the list of Company’s shareholders on the Reference Date issued by Depozitarul Central SA;
- the capacity of shareholder’s legal representative shall be taken from the Shareholders’ Registry issued by Depozitarul Central SA at the Reference Date; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders’ registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finance the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided;
- the identity card or passport of the legal representative (identity document or identity card for Romanian citizens or passport for foreign citizens);

For all above-mentioned cases, documents presented in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for documents attesting the legal representative’s capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder’s legal representative capacity be notarised or apostilled.

### ***Power of attorney***

Shareholders may delegate other persons, except for the Fund Manager or its employees, BoN members, FP employees, to represent them and vote in EGM/OGM based on a special or a general power of attorney described below as follows. For more details, please refer to the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 17 September 2015 on the Company’s website.

#### ***Vote by representative holding a special power of attorney***

A special power of attorney may be given for a single shareholders’ meeting, as this EGM/OGM and shall contain specific voting instructions for these particular meetings. The representation of shareholders in the EGM and/or OGM may be conducted by representatives by duly filling in and signing the form for the special power of attorney. The representation may be conducted both by other shareholders and by third parties. Shareholders lacking exercise capacity or with limited exercise capacity may provide other persons with a special power of attorney.

The special power of attorney shall be sent either (i) in original, to the Company’s headquarters in Bucharest, 78-80 Buzeuşti Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017 or (ii) by e-mail with extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at: office@fondulproprietatea.ro, so that it is received by the Company by **27 October 2015, 13:00 o’clock** (Romanian time).

*Documents accompanying the special power of attorney:*

a) for **natural person shareholders** – copy of the shareholder’s identity card, allowing for identification thereof on the list of the Company’s shareholders on the Reference Date issued by Depozitarul Central SA and a copy of the identity card of the representative (identity document or identity card for Romanian citizens or passport for foreign citizens); in case of **collective natural person shareholders**, by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 17 September 2015 on the Company’s website (*Special conditions regarding collective natural person shareholders*);

b) for **legal person shareholders**:

- original or true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date when the general meeting convening notice was published and allowing identification thereof on the Company’s shareholders list on the Reference Date issued by Depozitarul Central SA;
- the capacity of shareholder’s legal representative shall be taken from the Shareholders’ Registry issued by Depozitarul Central SA at the Reference Date; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders’ registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finance the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided; and
- copy of the identity card of the representative (the person especially delegated) (identity document or identity card for Romanian citizens or passport for foreign citizens).

Documents drafted in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for the documents attesting the legal representative capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder’s legal representative capacity be legalized or apostilled.

The special power of attorney form:

- a) shall be made available to the shareholders by the Company starting from **17 September 2015** at the same coordinates and under the same conditions as the information materials;
- b) shall be updated by the Company if new items are added to the EGM and/or OGM agenda and shall be published on the Company’s website in its updated form;
- c) shall be filled in by the shareholder in three counterparts: one for the shareholder, one for the representative, and one for the Company.

Generally speaking, a shareholder may mandate only one proxy to represent him/her/it at the GSM. However, the special power of attorney may nominate other person(s) as substitutes empowered to represent the shareholder in case the said main proxy would be in impossibility to attend. The special power of attorney must provide the order under which the said substitutes vote in case the proxy does not attend the GSM.

### ***Vote by representative holding a general power of attorney***

In opposition with the special ones, general power of attorney allows the proxy to vote on behalf of the shareholder in any aspect on the agenda of one or more companies identified in the power of attorney, including disposal acts. The duration of this general mandate cannot exceed 3 years.

For the mandate's validity, the proxy must be either an intermediary (in accordance with Article 2 para. (1) point (14) of Law no. 297/2004) or an attorney at law for whom the shareholder is a client. Also, the proxy should not be in a conflict of interest situation, such as:

- a) It is a majority shareholder of FP, or of another entity, controlled by that respective shareholder;
- b) It is a member of an administration, management or supervisory body of FP, of a majority shareholder or of another entity, controlled by that respective shareholder;
- c) Is an employee or auditor of FP or of a majority shareholder or of another entity, controlled by that respective shareholder;
- d) Is a spouse or relative (up to, and including, fourth degree filiation) of one of the individuals mentioned above.

The proxy cannot be replaced by another person. If the proxy is a legal entity, then the latter may carry out the general mandate through any of member of its administration/management body or of one of its employees.

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Before their first use, the general power of attorney are to be sent to the Company's headquarters in Bucharest, 78-80 Buzești Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017 so that it is received by the Company by **27 October 2015, 13:00 o'clock** (Romanian time), in copy, certified as being the same with the original by the proxy. The said copies are retained by FP, and a mention of this is inserted in the minutes of the general shareholders' meetings.

#### *Documents accompanying the general power of attorney:*

- a) proof that the proxy is an intermediary in accordance with Article 2 para. (1) point (14) of Law no. 297/2004 or an attorney at law, and that the shareholder is the proxy's client.
- b) for **natural person shareholders** – copy of the shareholder's identity card, allowing for identification thereof on the list of FP shareholders issued by Depozitarul Central SA and a copy of the identity card of the representative (identity document or identity card for Romanian citizens or passport for foreign citizens); in case of **collective natural person shareholders**, by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 17 September 2015 on the Company's website (*Special conditions regarding collective natural person shareholders*);
- c) for **legal person shareholders**:
  - original or true copy of the findings certificate issued by the Trade Registry (in Romanian "certificat constatator") or any other document, in original or true copy, issued by a competent authority of the state where the

shareholder is duly incorporated, all being no older than 12 months as from the date when the general meeting convening notice was published and allowing identification thereof on the FP shareholders list issued by Depozitarul Central SA;

- the capacity of shareholder's legal representative shall be taken from the Shareholders' Registry issued by Depozitarul Central SA; however, if the shareholder did not inform timely Depozitarul Central SA of its legal representative (so that the shareholders' registry at the reference date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finances the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided; and
- copy of the identity card of the representative (the proxy) (identity document or identity card for Romanian citizens or passport for foreign citizens).

Documents drafted in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for the documents attesting the legal representative capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. FP shall not request that the documents attesting the shareholder's legal representative capacity, be legalized or apostilled.

The documents with respect to the quality of the shareholder above-mentioned will not be necessary, if the general power of attorney is signed by that respective shareholder, and the proxy (intermediary/attorney at law) issues a declaration confirming that:

- a) the shareholder is a client of the proxy;
- b) the general power of attorney is signed by that respective shareholder (ink signed or through an extended electronic signature, as the case may be).

The said declaration must be submitted in original at FP (in the same time with the general power of attorney and at the same coordinates as indicated in this convening notice) signed and stamped (if the case) by the intermediary/attorney at law (without other criteria being necessary as pertaining with its form).

The general power of attorney form shall be made available to the shareholders by the Company starting from **17 September 2015** at the same coordinates and under the same conditions as the information materials.

### ***Vote by correspondence using the forms for voting by correspondence***

The vote of the shareholders at the EGM and/or OGM can also be expressed by correspondence, by duly filling in and signing the forms for the vote by correspondence.

The ballots by correspondence will be sent either (i) in original, personally, by representative or by any form of courier service with proof of delivery, to the Company's headquarters in Bucharest, 78-80 Buzeşti St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, or (ii) by e-mail with the extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at office@fondulproprietatea.ro, so that they are received by the Company by **27 October 2015, 13:00 o'clock** (Romanian time).

Documents accompanying ballot papers:

- a) for **natural person shareholders** – copy of identity card, allowing for identification thereof in the list of Company’s shareholders on the Reference Date issued by Depozitarul Central SA and, if such be the case, a copy of the identity card of the legal representative (in the case of natural persons lacking exercise capacity or with limited exercise capacity) (identity document or identity card for Romanian citizens or passport for foreign citizens) along with the proof of legal representative capacity; in case of **collective natural person shareholders** by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 17 September 2015 on the Company’s website (*Special conditions regarding collective natural person shareholders*);
- b) for **legal person shareholders**:
- original or true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date of the general meeting convening notice, allowing for the identification thereof in the Company’s list of shareholders on the Reference Date issued by Depozitarul Central SA;
  - the capacity of shareholder’s legal representative shall be taken from the Shareholders’ Registry issued by Depozitarul Central SA at the Reference Date; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders’ registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finance the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided;

Documents in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for the documents attesting the legal representative drafted in a language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the legal representative capacity be notarised or apostilled.

The form of the vote by correspondence ballot:

- a) shall be made available to the shareholders by the Company starting from **17 September 2015** at the same coordinates and under the same conditions as the information materials and the forms for the special powers of attorney;
- b) shall be updated by the Company if new items are added to the EGM and/or OGM agenda and shall be published on the Company’s website in its updated form.

If a shareholder voted by sending a ballot paper by correspondence, but then attends the GSM either personally or through a proxy (provided a special/general power of attorney has been submitted under the conditions above-mentioned), the correspondence vote shall be annulled and only the direct or the vote expressed through the proxy shall be taken into consideration. If the person representing the shareholder at the general shareholders’ meeting is other than the person who expressed the correspondence vote, then for its validity, the proxy must present at the general meeting a written revocation of the correspondence vote, signed by the shareholder or by the representative who



expressed the correspondence vote. This will not be applicable if the shareholder or its legal representative is present at the general meeting.

The general procedure for the organisation of general meetings (which shall be available at the same coordinates and in the same conditions as the information materials) details the procedure allowing both the vote by representative with special/general power of attorney and the vote by correspondence, and the shareholders must comply with the said procedure.

Special/General powers of attorney and ballots for voting by correspondence must be signed by all the natural person collective shareholders or their legal representatives (in the case of natural persons lacking exercise capacity or with limited exercise capacity), who shall assume both their capacity (proven by means of evidentiary documents attached to the special/general power of attorney/ballot) and the signature authenticity.

The checking and validation of the special/general powers of attorney submitted, as well as the centralization, checking, validation, and records of the votes by correspondence shall be performed by a commission established within the Company, whose members shall safely keep these documents, as well as the confidentiality of the votes thus expressed. Powers of attorney shall also be checked by the EGM and OGM secretary. In the event that the agenda is supplemented and the shareholders fail to send the updated special powers of attorney and/or ballots for voting by correspondence, the special powers of attorney and ballots sent prior to the supplementation of the agenda shall be considered only with reference to the items therein which are also found on the supplemented agenda. Additional information may be obtained from the Department for Shareholder Relations at the telephone number 021-200 96 28 and on the Company's website: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

SOLE ADMINISTRATOR:

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch

By: \_\_\_\_\_  
Oana-Valentina Truța  
Legal Representative

## **CONSTITUTIVE ACT IN FORCE UPDATED AT 12 AUGUST 2015**

### **CHAPTER I**

Name of the company, legal form, headquarters and duration

#### **ARTICLE 1**

Name of the Company

- (1) The name of the Company is "Fondul Proprietatea" - S.A.
- (2) All invoices, offers, orders, tariffs, prospectuses and other documents used in business, issued by the Company shall indicate the name, the legal form, the registered office, the registration number with the Commercial Registry and the sole registration code (CUI), the subscribed share capital, and the paid share capital with the mention "closed – end investment company".

#### **ARTICLE 2**

Legal form of the company

- (1) "Fondul Proprietatea" - S.A., hereinafter referred to as Fondul Proprietatea, is a Romanian legal person, set up as a joint-stock company.
- (2) Fondul Proprietatea is organized, operates and ceases its activity under the provisions of Law No. 247/2005 on property and justice reform, and additional measures, as further amended and completed, of Law No. 297/2004 on the capital market, as further amended and completed, and of Company Law No. 31/1990, republished, as further amended and completed.
- (3) Fondul Proprietatea is set up as an undertaking for collective investment (A.O.P.C.), of the closed-end-type, as defined by Art. 114(1) letter b) of Law No. 297/2004, as further amended and completed.

#### **ARTICLE 3**

Company headquarters

- (1) The registered office of Fondul Proprietatea is located in Bucharest, 78-80 Buzesti Street, floor 7<sup>th</sup>, Sector 1; the headquarters may be changed to any other location in Romania, by decision of the asset management company (Fund Manager), according to article 21 paragraph (3) xii).
- (2) The Company may set up secondary headquarters such as branches, representative offices, working points or other units with no legal personality, under the terms provided by law.

#### **ARTICLE 4**

Company duration

The duration of Fondul Proprietatea is unlimited.

### **CHAPTER II**

Purpose and business object of the company

#### **ARTICLE 5**

## Company purpose

The purpose of Fondul Proprietatea is the management and administration of the portfolio.

### **ARTICLE 6**

#### Business object

- (1) Fondul Proprietatea has as main object of activity the management and administration of the portfolio.
- (2) The main domain of activity of Fondul Proprietatea is the one described by CAEN Code 643 – mutual funds and other similar financial entities, and the main activity is financial investments - CAEN Code 6430.
- (3) The business object of Fondul Proprietatea is the following:
  - a) management and administration of the portfolio;
  - b) other additional and adjacent activities, according to the regulations in force.

### **CHAPTER III**

#### Share capital, shares

### **ARTICLE 7**

#### Share capital

- (1) The subscribed share capital of Fondul Proprietatea is in amount of RON 10,074,080,745.90, divided in 11,193,423,051 ordinary, nominative shares, having a nominal value of RON 0.90 each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by Depozitarul Central SA.
- (2) The identification data of each shareholder, the contribution to the share capital of each shareholder, the number of shares to which a shareholder is entitled to and the participation quota out of the total share capital are included in the shareholders' register kept by a computerized system by the Central Depository.

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### **ARTICLE 8**

#### Share capital increase and decrease

- (1) The extraordinary general meeting of the shareholders shall decide, under the conditions of the law, on the share capital increase and decrease of Fondul Proprietatea, in accordance with the provisions of art. 12 (3) letter c) and d) of this constitutive act.
- (2) The share capital may be increased, in accordance with the provisions of the law, by:
  - a) by issuing new shares in exchange for cash contributions;
  - b) incorporating reserves, except for the legal reserves and of the reserves created out of the re-evaluation of the patrimony, as well as of the benefits and issuing premiums.
- (3) The share capital increase stated for in paragraph 2 shall be registered at the Trade Register Office, on the basis of the decision made by the General Meeting of the Shareholders of Fondul Proprietatea,
- (4) Any share capital decrease shall be performed in accordance with the provisions of the law.
- (5) The share capital may be decreased by:
  - a) decreasing the number of shares;
  - b) decreasing the nominal value of shares; and
  - c) other means provided by the law.
- (6) In case the Fund Manager notices that, due to accrued losses, the amount of the net assets, established as the difference between the total assets and total liabilities of Fondul Proprietatea, is less than half of the value of the subscribed share capital, Fund Manager is bound to call the extraordinary general meeting of the shareholders, which will decide if

Fondul Proprietatea requires to be dissolved. In case the extraordinary general meeting of the shareholders does not decide the dissolution of Fondul Proprietatea, then Fondul Proprietatea is bound to proceed, at the latest by the termination of the fiscal year subsequent to the one in which the losses were determined, to a share capital decrease with an amount at least equal to that of the losses which could not be covered by reserves, in case in this time the net assets of Fondul Proprietatea were not reconstituted up to a value at least equal to half of the share capital.

(7) Share capital decrease shall be performed only after two months as of the publication in the Official Gazette of Romania, Part IV, of the resolution of the extraordinary general meeting of the shareholders.

## **ARTICLE 9**

### **Shares**

(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 art. 11.

(2) The nominal value of a share is RON 0.90.

(3) The shares are indivisible with respect to Fondul Proprietatea, acknowledging only one holder for each share. In case a share becomes the property of more persons, Fondul Proprietatea / the Central Depository is not bound to register the transfer as long as those persons will not appoint a sole representative to exercise the rights arising from the share.

(4) The partial or total transfer of the shares amongst the shareholders or third parties is done according to the terms, conditions and procedure provided by law.

(5) Fondul Proprietatea may buy back its own shares in accordance with the conditions laid down in legislation in force.

(6) The right to dividends are held by the shareholders registered in the shareholders' register, according to the provisions of Law No. 297/2004, as further amended and completed, as well as the regulations issued for the implementation thereof.

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## **ARTICLE 10**

### **Bonds**

Fondul Proprietatea is authorized to issue bonds in accordance with the provisions of the law. Fondul Proprietatea is not allowed to conclude loan agreements for investment reasons.

## **ARTICLE 11**

### **Rights and obligations arising from shares**

(1) Each share fully paid by the shareholders, according to the law, grants them the right to vote in the general meeting of the shareholders, according to the provisions of paragraph (2), the right to elect and to be elected in the management bodies, the right to take part in the profit distribution, according to the provisions of this constitutive act and the legal dispositions, respectively other rights provided by the constitutive act.

(2) The shares issued by Fondul Proprietatea grant the right to vote, each share grants one voting right.

(3) Holding one share implies the rightful adhesion to this constitutive act.

(4) The rights and obligations follow the shares in case ownership thereof passes to another person.

## **CHAPTER IV**

### **General meeting of the shareholders**

## ARTICLE 12

### General meetings of the shareholders

- (1) The general meeting of the shareholders may be ordinary and extraordinary.
- (2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:
- a) to discuss, approve and amend the annual financial statements after reviewing the reports of the Fund Manager and financial auditor;
  - b) to establish the distribution of the net profit and to establish the dividends;
  - c) to appoint the members of the Board of Nominees ("BoN") and to cancel their appointment;
  - d) to appoint the Fund Manager in accordance with the law and to cancel its appointment;
  - e) to appoint and cancel the appointment of the financial auditor and to set the minimum duration of the financial audit agreement;
  - f) to set the level of the remuneration of the members of the Board of Nominees, the Fund Manager and of the financial auditor for financial audit services for the ongoing fiscal year;
  - g) to rule over the management of the Fund Manager and to evaluate his/her performances and to discharge him/her from its management,
  - h) to decide on the action in a court of law against the Fund Manager or, as the case may be, against the financial audit, for damages caused to Fondul Proprietatea;
  - i) to approve the strategies and the development policies of Fondul Proprietatea;
  - j) to establish the annual income and expenditure budget for the following financial year;
  - k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea;
  - l) to decide on any other aspects regarding Fondul Proprietatea, according to the legal duties.
- (3) The extraordinary general meeting of the shareholders is entitled to decide on the following:
- a) set-up or closing of some secondary units: branches, agencies, representative offices or other such units with no legal personality;
  - b) share capital increase;
  - c) share capital decrease or re-completion thereof by issuing new shares;
  - d) conversion of shares from one category to another;
  - e) conversion of a category of bonds to another category or to shares;
  - f) issue new bonds;
  - g) approves the admission for trading and nominates the regulated market on which the shares of Fondul Proprietatea will be traded;
  - h) execution of any agreement / legal document which may create binding obligations to Fondul Proprietatea including, without limitation to, agreements for purchase, sale or exchange or creation of encumbrances of the non-current assets of Fondul Proprietatea whose value exceeds, either individually or cumulatively during a financial year, 20% of the total value of the non-current assets, less any receivables;
  - i) change of the management system of Fondul Proprietatea;
  - j) limitation or cancellation of the preference right of the shareholders;
  - k) approves the Investment Policy Statement;
  - l) any other amendment of the constitutive act or any other resolution requiring the approval of the extraordinary general meeting of the shareholders, according to applicable law or to this Constitutive Act.

## ARTICLE 13

### Summoning the general meeting of the shareholders

- (1) The general meeting of the shareholders is called by the Fund Manager whenever required. Prior to the convocation of the general meeting of the shareholders, the Fund Manager shall communicate to the Board of Nominees the intention to call the general



meeting and shall introduce on the list of matters for the meeting all matters requested by the Board of Nominees.

(2) The ordinary general meeting of the shareholders meets at least once a year, within 4 months from the end of the financial year.

(3) The date of the meeting may not be less than 30 days from the publication of the convocation in the Official Gazette of Romania, Part IV.

(4) The general meeting of the shareholders, either ordinary or extraordinary, shall be called whenever required, according to the legal provisions in force and with the dispositions of the constitutive act, by publication of the calling notice in the Official Gazette of Romania, Part IV, and a national daily newspaper or in a local newspaper largely read in the locality where the HQ of the company resides at least 30 days prior to the proposed date of meeting.

(5) One or more shareholders, individually or jointly, representing at least 5% of the share capital of Fondul Proprietatea, may request the Fund Manager by a written address signed by the holder(s) to introduce in the agenda new matters, within 15 days of the publication of the calling notice.

(6) The calling notice, any other matter added to the agenda at the request of the shareholders or of the Board of Nominees, the annual financial statements, the annual report of the Fund Manager, the report of the Board of Nominees as well as the proposal to distribute dividends are made available to the shareholders, at the headquarters of Fondul Proprietatea at the date of convocation of the general meeting, and are also published on the internet page, for free access to information by the shareholders. Upon request, copies of these documents shall be issued to the shareholders.

(7) The calling notice includes the place, hour and date of the general meeting of the shareholders, as well as the agenda, expressly mentioning all matters that will be subject to debate. Upon calling the general meeting of the shareholders the provisions of art. 147-158 of Regulation No. 15/2004 regarding the authorisation and functioning of investment management firms, collective investment undertaking and depositories, approved by Order of the president of the National Securities Commission No. 67/2004, as further amended, shall apply.

(8) In case the agenda includes proposals to amend the constitutive act, the notice shall include the full text of the proposals. In case the agenda includes the appointment of the members of the Board of Nominees, the notice shall mention that the list including information regarding the name, the residence and professional training of the persons proposed for the position of member of the Board of Nominees is available to the shareholders, to be further reviewed and completed by shareholders.

(9) The notice for the first general meeting of the shareholders may provide also the day and hour of the second meeting, having the same agenda as the first, in order to cover the situation in which the first meeting cannot take place if the quorum is not being met.

(10) The general meeting of the shareholders shall meet at the headquarters of Fondul Proprietatea or in another place indicated in the notice.

(11) The Board of Nominees may request to the Fund Manager the calling of the general meeting, and if the Fund Manager does not observe the written request of the Board of Nominees within 5 working days from receiving it, the Board of Nominees may call upon the general meeting of the shareholders by following the same procedures as set out in this Article.

(12) The chairperson of Board of Nominees may request to the Fund Manager the calling of the general meeting according to article 16 paragraph (4) second sentence.

(13) The Fund Manager immediately call the general meeting of the shareholders, upon written request of the shareholders, individually or jointly, representing at least 5% of the share capital, in case the request includes dispositions that fall under the responsibility of the general meeting of shareholders.

(14) In the case provided by paragraph (13), the general meeting of the shareholders shall be called within at most 30 calendar days and shall meet within at most 60 calendar days as of the date when the Fund Manager received the request of the shareholders.

(15) In the situation provided by paragraphs (13) and (14), in case the Fund Manager does not call the general meeting of shareholders, the shareholders who requested the calling of the general meeting may request the same to the Board of Nominees. Should the Board of Nominees is also not responding to their request in 10 working days from the receipt of the request, the court of law from the headquarters of Fondul Proprietatea, by summoning the Fund Manager, may authorize the calling of the general meeting by the shareholders which formulated the request.

## **ARTICLE 14**

### Organization of the general meeting of the shareholders

#### I. Quorum and voting rights

(1) Upon the first calling, for the validity of the deliberations of the ordinary general meeting of the shareholders it is required that the shareholders representing at least a fourth of the total shares with right to vote to attend. The decisions of the ordinary general meeting of the shareholders are taken with the majority of votes.

(2) In case the ordinary general meeting of the shareholders cannot operate due to lack of quorum under paragraph (1), the meeting that will meet upon a second convocation may deliberate on the items included in the agenda of the first meeting, irrespective of the met quorum, taking decision by majority of the expressed votes.

(3) For the validity of the deliberations of the extraordinary general meeting of the shareholders the following are required:

a) upon the first convocation, the attendance of the shareholders representing at least a fourth of the shares having voting rights, and the decisions are taken with majority of votes held by the shareholders attending or being represented;

b) upon the second convocation, the general meeting of the shareholders may deliberate on the items included in the agenda of the first meeting in the presence of the shareholders representing at least one fifth of the total number of the shares having voting rights, taking decisions by majority of votes held by the shareholders attending or being represented.

(4) The attendance of shareholders representing at least 50% of the total number of the voting rights, both at the first and the second convocation, is required for the validity of deliberations of the extraordinary general meeting of the shareholders to adopt a decision regarding:

(i) a share capital increase,

(ii) the anticipated dissolution of Fondul Proprietatea, made under the conditions of the law.

(5) For the validity of the deliberation of the extraordinary general meeting of shareholders regarding a share capital decrease, the attendance of the shareholders representing:

(i) at least a fourth of the shares having voting rights upon the first convocation, and

(ii) at least one fifth of the total number of the shares having voting rights, upon the second convocation is required.

(6) The decision to amend the main business object of Fondul Proprietatea, to decrease or increase the share capital, to change the legal form, to merge, de-merge or dissolve, is taken with a majority of at least two thirds of the voting rights related to the shares having voting rights of the shareholders attending or being represented.

#### II. Procedure of the meetings

(7) On the day and hour established in the convocation, the general meeting of the shareholders shall be opened by the permanent representative of the Fund Manager or, in its absence, by the one holding its place. A legal representative of the Fund Manger or a person appointed by the legal representative of the Fund Manager shall be the chairman of the meeting. The members of the Board of Nominees shall participate at the meetings, as

well.

(8) The general meeting shall elect, from amongst the attending shareholders, 1 up to 3 secretaries, who will check the attendance list of the shareholders, indicating the share capital represented by each of them, the minutes drawn up by the technical secretary to determine the number of the submitted shares and the fulfillment of the formalities requested by law and by the constitutive act for holding the general meeting of the shareholders.

(9) A minute of the meeting, signed by the president and by Secretaries, shall determine the fulfillment of the calling formalities, the date and place of the general meeting of the shareholders, attending shareholders, the members of the Board of Nominees present, the number of shares, a summary of the debates, the decisions taken, and upon request of the shareholders, the statements made thereby in the meeting.

(10) The documents referring to the convocation and the shareholders' attending list shall be attached to each minute.

(11) The permanent representative of the Fund Manager may appoint, from amongst the employees of Fund Manager, one or more technical secretaries, to fulfill their duties according to the legal provisions.

(12) The decisions of the general meetings of the shareholders are drawn-up based on the minutes and is signed by the permanent representative of the Fund Manager or by a person appointed thereby. The minutes shall be recorded in the general meetings of the shareholders' register.

(13) Considering the extremely large number of shareholders of Fondul Proprietatea the shareholders may participate in person, by proxy with a special power of attorney or may express their voting right by correspondence or by electronic voting; the procedures and forms for the proxy, correspondence and electronic voting shall be set by the Fund Manager, in accordance with the applicable legislation and are made available to the shareholders at least by the date of publishing of convening notice for general meeting of shareholders.

(14) Considering the introduction of the voting right by correspondence, which right may be exercised and it is recommended to be exercised by any of the shareholders, the statutory quorum that needs to be met for the valid holding of any type of general meeting of the shareholders is calculated by including the votes deemed validly sent by correspondence.

(15) Also in the case of the vote by correspondence, each shareholder is entitled to pronounce himself in writing, with respect to the issues included in the agenda, casting a vote "for", "against" or "abstained". The expressed votes that are not cancelled are considered.

(16) All shareholders who, at the reference date, are registered in the shareholders' register, kept according to the law, have the right to participate to the general meetings of the shareholders.

(17) In order to ensure the effective and real possibility of all shareholders to be informed on the contents of the documents and the proposals of the ones requiring the organization of the general meeting of the shareholders, by care of the Fund Manager, such will be available, at the headquarters of Fondul Proprietatea, as well as on the internet page of Fondul Proprietatea, at least 30 days prior to the date provided for holding the meeting. In the case the calling of the general meeting is made by the Board of Nominees, the Fund Manager has the obligation to fulfill all the above-mentioned formalities at the request of the Board of Nominees. In case the communication with the shareholder is not realized in this way, for objective reasons, the Board of Nominees may announce in the calling notice a different address than the registered address of Fondul Proprietatea, where the above-mentioned documents will be made public on the website of Fondul Proprietatea, in accordance with the applicable legislation.

(18) In the ads informing on the convocation of the general meeting of shareholders of Fondul Proprietatea it will be indicated, by the Fund Manager the reference date in relation to which the shareholders will be entitled to participate and vote. Also, the date by when the shareholders may send their votes, as well as the procedure for voting by

correspondence, regarding any of the issues subject to approval shall also be set. If the calling of the general meeting is made at the request of the Board of Nominees the above mentioned duties shall be fulfilled by the Board of Nominees. The deadline by when votes by correspondence may be registered at least 5 working days subsequent to the date of publication of the informative material and is prior to the convocation date of the general meeting of the shareholder by at least 48 hours.

(19) The votes of the shareholders will be sent electronically or by letter to the headquarters of Fondul Proprietatea, in a clear and precise form, noting "for", "against" or "abstained" in relation to each issue subject to approval for which the shareholder intends to cast a vote.

(20) The votes transmitted electronically shall be cancelled if they do not observe the procedure set by the Fund Manager drawn up according to the National Securities Commission regulations and such votes will not be taken into consideration in calculating the attending quorum.

### III. Exercising the voting right in the general meeting of the shareholders

(21) The shareholders may be represented in each general meeting by other shareholders or by third parties subject to evidence that voting authority has been delegated by the shareholder for that particular general meeting.

(22) The decisions of the general meetings of the shareholders are taken by open vote, except for the cases the law or this constitutive act does not provide differently.

(23) Only the shareholders registered in the company shareholders' register at the reference date established by the Fund Manager or the Board of Nominees, as the case may be, when calling the general meeting of the shareholders shall be entitled to participate to the meeting and vote after proving their identity.

(24) Secret vote is compulsory for electing and revoking the Fund Manager, the members of the Board of Nominees, the financial auditors and for taking some measures/decisions regarding the liability of the Fund Manager or of the members of the Board of Nominees and of the financial auditors of Fondul Proprietatea.

(25) The procedures referring to the secret vote, where applicable will be approved by the Fund Manager and will be made public on the website of Fondul Proprietatea at the date of convening notice at least by the date of publishing of convening notice for general meeting of shareholders.

(26) The decisions of the general meeting of the shareholders are binding for all shareholders, even for the absent shareholders or who voted against or abstained.

(27) The shareholders who do not have capacity to act, as well as the legal entities may be represented by their legal representatives who, in their turn, may grant power of attorney to other persons for that particular general meeting of the shareholders.

## **CHAPTER V**

### **The Board of Nominees**

#### **ARTICLE 15**

##### **Organisation**

(1) The ordinary general meeting of the shareholders shall appoint the Board of Nominees, formed of 5 members, and shall establish their remuneration.

(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the Fund Manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by

the investment policy as well as by the applicable laws and regulations. Also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Fund Manager needing the approval of the Board of Nominees are made to the advantage of the shareholders.

(3) The mandate of the members of the Board of Nominees is of 3 years, period to be extended by right, by the first meeting of the General Meeting of the Shareholders.

(4) The Board of Nominees elects from amongst its members a chairman of the Board.

## **ARTICLE 16**

### **Functioning**

(1) The meetings of the Board of Nominees are held at least once every quarter, however they may be called upon whenever needed. The call for the meeting of the Board of Nominees is made by the chairman, any of its members or upon the request of the Fund Manager. The Board of Nominees shall meet in at most 7 days as of the calling.

(2) The Chairperson of the Board of Nominees or, during his absence, a member of the Board of Nominees appointed through vote by the other members to chair the meeting, ensures the proper development of the meetings. The meetings of the Board of Nominees shall be held at the headquarters of Fondul Proprietatea or at such other location as may be agreed among the members of the Board of Nominees.

(3) The Board of Nominees takes valid decisions provided the absolute majority of its members. The members of the Board of Nominees may be represented to the meetings of the Board of Nominees only by other members of the Board of Nominees on the basis of a special written empowerment, presented in its original form at the beginning of the meeting. One member of the Board of Nominees may represent only one absent member. The decisions of the Board of Nominees shall be taken with the absolute majority of the votes of its members and are signed by all the members which participated to the meeting. If some of the members of the Board of Nominees have been represented, the empowerment will be annexed to the minute of the meeting.

(4) If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision, the chairperson of the Board of Nominees shall give notice for a second meeting of Board of Nominees, having the same agenda as the first, in order to discuss this agenda. If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision for three consecutive times, the chairperson of the Board of Nominees shall ask Fund Manager to convoke the general meeting of the shareholders in order to properly decide on the respective decisions; in case that Fund Manager does not convoke it, any of the members of the Board of nominees will be in his right to convoke the general meeting.

(5) In case of vacancy of the seat of one or more members of the Board of Nominees, the general meeting of the shareholders shall immediately convoke for the appointment of new members. For the period in time by the decision of the general meeting, the other members of the Board of Nominees will nominate members ad interim to fulfil the vacant positions. The decision of the Board of Nominees on nominating members ad interim will be communicated to FM, the auditor and will be filed with the Trade Register.

## **ARTICLE 17**

### **Attributions of the Board of Nominees**

The Board of Nominees has the followings duties and functions:

(1) Following the information received from the Fund Manager with regard to the summoning of the ordinary and/or extraordinary general meeting of the shareholders requests, if it deems necessary, the insertion of supplementary matters in the text of the calling notice of the general meeting of shareholders;

(2) Receives from the Fund Manager the information in connection with the answers to the written requests submitted before the date of the general meeting of the shareholders, by



the shareholders on topics regarding Fondul Proprietatea' s activity;

(3) Receives from the Fund Manager the annual financial statements, the annual activity report presented by the Fund Manager and the financial auditors' report, before being made available to the shareholders and analyzes them, being able to formulate an opinion to be presented to both the Fund Manager and the general meeting;(4) Receives from the Fund Manager for analysis the annual report and the management policy of Fondul Proprietatea and presents an opinion to the Fund Manager and to the general meeting of the shareholders regarding such;

(5) Receives from the Fund Manager for analysis the yearly income and expenditure budget before it is submitted to the approval of the general meeting of shareholders and presents an opinion to the Fund Manager and to the general meeting of the shareholders regarding such;

(6) Receives from the Fund Manager for analysis the strategy in accordance with the Fondul Proprietatea' s investment policy before to be submitted to the approval of the general meeting of the shareholders and presents an opinion to the Fund Manager and to the general meeting of the shareholders;

(7) Receives from the Fund Manager for analysis and approves the framework for carrying out Fondul Proprietatea' s operations, as well as any other Fondul Proprietatea's regulations issued by Fund manager according to legal provisions in force, capital market rules and regulations;

(8) Receives from the Fund Manager for analysis the proposal to the ordinary general meeting of the shareholders for the conclusion of the financial audit agreement and presents an opinion to the Fund Manager and to the general meeting of the shareholders;

(9) Reviews on a regular basis the investment policy of Fondul Proprietatea and presents an opinion to the general meeting of the shareholders as any time it deems necessary, but in any case, at least once a year to the annual ordinary meeting;

(10) Receives the report of the internal auditor and presents an opinion to the Fund Manager and to the general meeting of the shareholders;

(11) Monitors the following, based on information and reports received from the Fund Manager:

- the list of all portfolio investments and percentage breakdown by each investment type;
- a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review;
- the total profit of the portfolio and comparison of profit with the appropriate market benchmark;
- comparison of the obtained profit with the initial objective;
- the extent of compliance with the investment policy, as well as any variations and actions taken to get the correct results;
- the performance evaluation report.

The Board of Nominee shall draft and present to the general meeting of the shareholders an annual report regarding the monitoring activity performed or a monitoring report for another period agreed by the general meeting of shareholders;

(12) Represents the general meeting of the shareholders in relation with the Fund Manager from the communication point of view between the two corporate bodies, except for the cases expressly regulated by this constitutive act as a direct communication between the general meeting and the Fund Manager;

(13) Verifies the report of the Fund Manager and the exercise of the permanent monitoring over the management of Fondul Proprietatea by the Fund Manager, and verifies if the operations carried on by the Fund Manager are in compliance with the applicable law, the constitutive act and/or with any relevant decision of the general meeting of the shareholders;

(14) Under the conditions of art. 13 paragraphs (11) and (14) calls upon the general meeting of the shareholders;

(15) Participates to the meetings of the general shareholders' meetings and presents in this meeting reports in all cases provided by this constitutive act or with regard to any issue it deems to be relevant for the shareholders;

(16) Proposes to the general meeting of the shareholders the prior approval or rejection of any contract/document which may create binding obligations to Fondul Proprietatea, including without limitation buying, selling, exchanging, pledging of non-current assets of Fondul Proprietatea whose value exceeds, either individually or cumulatively during a financial year, 20% of the total value of the non-current assets, less any receivables;

(17) Recommends to the General Meeting of the Shareholders the termination of the management contract for the case when the Board of Nominees is considered is to the benefit of the shareholders.

(18) Recommends to the general meeting of the shareholders on any other issues the Board of Nominees is considered relevant to the shareholders.

(19) Following of proposal of Fund Manager, recommends to the Extraordinary General Meeting of the Shareholders the appointment of the public offer intermediate, as well as on his remuneration , when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea.

(20) Approves the delegation by the Fund Manager of certain activities. The delegation will be in force after the approval of NSC, where required by legislation in force.

(21) Is responsible for monitoring the Fund Manager performance of the Investment Management Agreement.

## **ARTICLE 18**

### The obligations of the members of the Board of Nominees

(1) The members of the Board of Nominees have diligence and loyalty duties towards the shareholders of Fondul Proprietatea.

(2) The members of the Board of Nominees are held liable towards the general meeting of the shareholders of Fondul Proprietatea, in accordance with the mandate rules. The decisions of the members of the Board of Nominees will be taken after due enquiries into the relevant circumstances existing at the specific moment at which such decisions have been taken.

(3) The members of the Board of Nominees cannot disclose the confidential information and the commercial secrets of Fondul Proprietatea, to which those persons have access. Such obligation remains in force as well as after the termination of the mandate.

(4) If a member of the Board of Nominees has, directly or indirectly, adverse interest to the interest of Fondul Proprietatea, in a certain operation, that member must give notice of such situation to the other members and to the internal auditors and not take part in any deliberation regarding that operation.

(5) The same obligation must be observed by the member of the Board of Nominees, who acknowledges that in a certain operation, his/her wife or husband, relative or related persons by the 4<sup>th</sup> grade inclusive are interested.

(6) The prohibitions stipulated in paragraphs (4) and (5) regarding the participation, deliberation and voting of the members of the Board of Nominees, are not applicable if the vote refers to:

a) the offer of shares or obligations of Fondul Proprietatea for subscription, to a member of the Board of Nominees or to the persons mentioned in paragraph (5);

b) the granting by a member of the Board of Nominees or by the persons mentioned in paragraph (5) of a loan or establishing a guarantee in favour of Fondul Proprietatea.

(7) The member of the Board of Nominees not observing the provisions of paragraphs (4) and (5) is held liable for the damages caused to Fondul Proprietatea.

(8) It is forbidden the crediting by the Fondul Proprietatea of the members of the Board of Nominees, through operations such as:

a) granting loans;

- b) granting financial facilities for or after the conclusion by Fondul Proprietatea with the members of delivery operations of goods, providing of services or performance of works;
  - c) direct or indirect guarantee, in whole or in part, of any loans granted to the member of the Board of Nominees, concomitant or after granting the loan;
  - d) direct or indirect guarantee, in whole or in part, of performance by the members of any other personal obligation of those towards third parties;
  - e) direct or indirect guarantee, in whole or in part, of any receivables having as object a loan granted by a third party to the members of the Board of Nominees or other personal service of those members.
- (9) The provisions of paragraph (8) are applicable and the operations in which the husband or wife, relatives or related persons by the 4<sup>th</sup> grade inclusive of the members of the Board of Nominees are interested; also, if the operation concerning a civil or a commercial company at which one of the persons above mentioned is director or holds, solely or together with one of the persons above mentioned, a quota of at least 20% of the value of the subscribed share capital.
- (10) The provisions of paragraph (8) are not applicable for the case when the operation is concluded by Fondul Proprietatea during its current business, and the clauses of the operations are not more favourable to the persons specified in paragraphs (8) and (9) than the ones usually practiced by Fondul Proprietatea towards third parties
- (11) The Board of Nominees shall promptly decide on all requests for approval from the Fund manager within a reasonable time frame to allow the Fund Manager to comply with it's own obligations.

## CHAPTER VI

### Provisions regarding the company's management

#### ARTICLE 19

##### Organisation

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(1) Fondul Proprietatea is managed by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, with headquarters in Bucharest, 78-80 Buzesti street, floors 7-8, district 1, fiscal registration no. 25851096, registration number at Trade Registry J40/8587/2009, legally represented by Grzegorz Maciej Konieczny, [REDACTED]

and by Adrian Cighi,

and by Oana - Valentina Truța,

[REDACTED], which holds the position of sole director, as well as of asset management company referred to throughout this document as the Fund Manager.

(2) The Fund Manager is elected by the general meeting of the shareholders, with the observance of the legal provisions and of this constitutive act.

(3) The mandate of the Fund Manager is of 2 years. The Fund Manager will call an Ordinary General Meeting of the Shareholders to be held at least 6 months before the termination of the duration of the mandate of the Fund Manager with the agenda of approving the renewal of the Fund Manager's mandate or starting the selection process of a new Fund Manager and the negotiation of the management agreement to be concluded with the selected candidate. After the selection of the candidate, the Fund Manager will immediately call an Ordinary General Meeting of the Shareholders with the agenda of appointing the selected candidate as Fund Manager and authorizing the execution of the

relevant investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment.

(4) The legal entity appointed as Fund Manager of Fondul Proprietatea must expressly accept such position, by executing the management agreement and must have in place professional liability insurance.

(5) The Investment Management Agreement can be modified or replaced in accordance with article 12 and 14, with the approval of the shareholders. Any replacement document or addendum of the Investment Management Agreement will be signed on behalf of Fondul Proprietatea by the chairman of the Board of Nominees or by a member of the Board of Nominees empowered by the chairman.

## **ARTICLE 20**

### Functioning

The Fund Manager shall appoint a natural person as its permanent representative. The Fund Manager can make changes of its permanent representatives (that are the legal representatives and managers of the Fund Manager), with the prior authorisation of NSC. All changes will be registered at Trade Register.

## **ARTICLE 21**

### Attributions of the Fund Manager

(1) The management of Fondul Proprietatea is ensured by the Fund Manager, which fulfils the necessary and useful operations for the fulfilment of the company's business object, except of the operations reserved by the law for the general meeting of the shareholders and has all the obligations attributed to it by the applicable law.

(2) The Fund Manager exercises its attributions under the control of the general meeting of the shareholders and the monitoring of the Board of Nominees.

(3) In excess of the duties provided by the applicable law, the Fund Manager shall be liable to:

i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;

ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining the prior approval of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;

iii) ensure that, if requested by any of the shareholders, a copy of or extract of the minutes of the general meeting shall be given to them and also, after the announcement of the ordinary annual general meeting of the shareholders is published, make available to the shareholders the financial statements of the company and the reports of the Fund Manager and of the company's financial auditors,

iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;

v) manages the relationship with the Central Depository with regard to its shareholders register functions,

vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;

vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business

plan;

viii) propose for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the investment policy of Fondul Proprietatea; it is responsible for the implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio; it has to inform periodically the Board of Nominees on any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio

ix) approve the outsourcing of certain activities, within the limits of the approved budget; respectively delegating the execution of certain activities, with the prior endorsement of the NSC, where required by applicable legislation,

x) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of the shareholders any agreement / document which may create binding obligations to Fondul Proprietatea, including but not limited to the purchase, sale, conversion or encumbrance of the non-current assets of Fondul Proprietatea whose value exceeds, either individually or cumulatively during a financial year, 20% of the total value of the non-current assets, less any receivables;

xi) to enter into any agreement / document which may create binding obligations to Fondul Proprietatea, including the purchase, sale, conversion or encumbrance of the non-current assets of Fondul Proprietatea whose value does not exceed, either individually or cumulated, during a financial year, 20% of the total value of the non-current assets, less any receivables, without the approval of the ordinary or extraordinary general shareholders meeting;

xii) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;

xiii) decide the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;

xiv) make available to the Board of Nominees the reports, as well as other necessary documents for exercising the monitoring duties, in accordance with art. 17 paragraph (11);

xv) inform at once the Board of Nominees of any litigation or infringement of legislation regarding Fund Manager, any operation which might be an infringement to the investment policy and about the plans/ correction measures for approaching these matters.

xvi) ask for the calling of the general meeting which shall decide properly whenever an issue appears on which the Board of Nominees has a disagreement with the Fund Manager, which can not be resolved amiably.

xvii) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration , when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea.

## **ARTICLE 22**

### **The obligations of the Fund Manager**

(1) The Fund Manager has a diligence and loyalty duty towards Fondul Proprietatea. Such duty is exercised taking into consideration the interest of the shareholders generally, and not of some of them.

(2) The Fund Manager is held liable towards Fondul Proprietatea, according to the law. The decisions of the Fund Manager are taken after due enquiries regarding the relevant circumstances existing at the moment of which those decisions are taken.

(3) The Fund Manager cannot disclose confidential information or commercial secrets of Fondul Proprietatea, to which it has access. Such obligation remains also after the termination of the mandate.



(4) If the Fund Manager, respectively its permanent representative and its employees, have in a certain operation, directly or indirectly, adverse interest to the interest of Fondul Proprietatea, the Fund Manager must give notice to the internal auditors and Board of Nominees of this issue and not take part in any deliberation concerning the specific situation.

(5) The same obligation must be observed by the Fund Manager, respectively by its permanent representative and its employees if, in a certain operation, is being aware that an Affiliate of the Fund Manager or the wife or husband, relatives or related persons by the 4<sup>th</sup> grade inclusive of the representative and its employees, are interested.

### **ARTICLE 23**

#### Representation of Fondul Proprietatea

(1) In relations with third parties, Fondul Proprietatea is represented by the Fund Manager, respectively by its permanent representative.

(2) The Fund Manager may delegate the representative powers, in accordance with the applicable law and CNVM regulations.

### **CHAPTER VII**

#### The audit of Fondul Proprietatea

### **ARTICLE 24**

#### The internal auditors and the financial audit

(1) The financial statements of Fondul Proprietatea are subject to financial audit. Also, Fondul Proprietatea shall organise its internal audit in accordance with the legal provisions in force.

(2) An internal audit department shall be organised within Fondul Proprietatea, having attributions of objective examinations of the company's aggregate business, for the purpose of providing an independent evaluation of the risk management, control and leading development of the company. Fund Manager can decide that internal audit work can be outsourced, in which case it will run on a contractual basis, according to article 3 of Decision of Romanian Chamber of Auditors no. 88/2007, with subsequent amendments.

(3) The internal audit is independent of the management of Fondul Proprietatea, and the internal auditors shall objectively exercise this activity.

(4) The internal audit shall evaluate and shall propose the improvement of the risk management, the control and internal rules within Fondul Proprietatea.

(5) The internal auditors shall not be subject of any interference in determining the purpose of the internal audit and in exercising their activity.

(6) The internal auditors shall have an impartial, correct attitude and shall avoid the conflicts of interest.

(7) The internal audit shall transmit the plans of the internal audit activity and the necessary resources, inclusive the significant interim changes, to the Board of Nominees for information, as well as to Fund Manager for approval within the limits of its competencies.

(8) The internal audit shall establish the policies and procedures for exercising the internal audit activity within Fondul Proprietatea, comprising amongst others, the analysis of the decisions taken by the company's management and the control of their compliance with the statutory requirements and/or with other documents approved by the general meeting of the shareholders.

(9) The internal audit shall coordinate its activity with the financial auditor, in order to ensure the proper fulfilment of the audit objectives and to minimize any duplication of attributions.

(10) The internal audit shall give quarterly reports to the Board of Nominees of Fondul Proprietatea and Fund Manager regarding the purpose of the internal audit activity, authority, responsibility and performance according to its plan. The reports shall include also the significant risks and aspects of the control and management, as well as other necessary problems or as? requested by the Board of Nominees and the Fund Manager.

(11) The internal audit shall verify if the management of Fondul Proprietatea has taken appropriate measures concerning the reported significant risks or if the Fund Manager has accepted the risk of not taking any measure and shall inform the Board of Nominees and the general meeting of the shareholders if the Fund Manager has accepted the reported significant risks.

(12) The internal audit shall establish the procedures for monitoring the implementation of the measures taken by the management of Fondul Proprietatea.

(13) The internal auditors shall notify the Board of Nominees and the Fund Managers with respect to any flaws in the management or breaches of the legal provisions or of the constitutive act, where such are identified by the internal auditors; the significant cases shall be notified to the general meeting of the shareholders.

(14) The internal auditors shall take into consideration the complaints of the shareholders when drafting the reports addressed to the general meeting of the shareholders.

(15) The attributions, duties and the functioning way of the internal auditors, as well as their rights and obligations are completed with the legal provisions in this area.

## **CHAPTER VIII**

### **Business of Fondul Proprietatea**

#### **ARTICLE 25**

##### **Financing its own business**

For the fulfilment of the business object and in accordance with the attributions established, Fondul Proprietatea uses the financial sources established pursuant to the law, banking credits and other financial sources. Fondul Proprietatea is not allowed to conclude loan agreements for investment reasons.

#### **ARTICLE 26**

##### **Financial year**

The financial year begins on 1<sup>st</sup> of January and terminates on 31<sup>st</sup> December of each year.

#### **ARTICLE 27**

##### **Accounting evidence and annual financial statements**

(1) The accounting is kept in Romanian language and in national currency.

(2) Fondul Proprietatea must draft the annual financial statements according to legal provisions in force.

#### **ARTICLE 28**

##### **Calculation and distribution of the profit**

(1) The result of the financial year is determined at the end of the year and represents the final balance of the profit and loss account.

(2) The profit of Fondul Proprietatea after the payment of the profit tax shall be distributed according to the decision of the general meeting of the shareholders and to the legal provisions in force.

(3) Fondul Proprietatea creates legal reserves and other reserves, pursuant to the law.

(4) The payment of dividends owed to the shareholders is made by Fondul Proprietatea,

according to the law.

(5) The dividends are distributed between the shareholders proportional with the number of held shares.

(6) In case of loss of the net asset, the general meeting of the shareholders shall analyse the causes and decide properly, according to the law.

#### **ARTICLE 29**

##### Registries

Fondul Proprietatea shall maintain, by care of the Fund Manager and internal auditors, all registries provided by the law. The shareholders registry is kept by the Central Depository.

### **CHAPTER IX**

#### Association, change of the legal form, dissolution and liquidation, litigation

#### **ARTICLE 30**

##### Association

(1) Fondul Proprietatea may set-up, solely or together with other Romanian or foreign natural persons or legal entities, other companies or legal entities, according to the law and to this constitutive act.

(2) The conditions for the participation of Fondul Proprietatea at the setting-up of new legal entities shall be regulated by the constitutive acts, which to be approved by the general meeting of the shareholders.

#### **ARTICLE 31**

##### Dissolution

(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 paragraphs (4) and (5);
- 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;
- g) other causes provided by the law or by this constitutive act.

(2) The dissolution of Fondul Proprietatea cannot take place before the finalisation of the procedures for granting indemnities to the rightful persons.

(3) The dissolution decision of Fondul Proprietatea must be registered with the commercial registry and published in the Official Gazette of Romania, Part IV.

#### **ARTICLE 32**

##### Liquidation

(1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure.

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

### **ARTICLE 33**

#### Calculation method of the net asset

The calculation method of the net asset is made according to the legal provisions in force.

### **ARTICLE 34**

#### Prudential rules concerning the investment policy

(1) The investment policy is established by the Fund Manager, with the observance of the investment limitation provided by the legal provisions in force and of this Constitutive Act.

(2) Fondul Proprietatea shall be subject to the investment restrictions provided under Law No. 247/2005 on property and justice reform, and additional measures, as further amended and completed, of Law No. 297/2004 on the capital market, as further amended and completed as well as any other applicable law or regulation.

(3) Subject to the terms of this Constitutive Act, of the IMA 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 Fund Manager.

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

(5) Fondul Proprietatea will not engage in any "raising of capital" activities, within the sense of Article 4 (1) (a) (i) of EU Directive 2011/61 as detailed by European Securities and Markets Authority's related guidelines and interpretations, save for the situation where such would be imposed under Article 10 para. (2) of Law no. 247/2005, with further amendments and supplements.

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### **ARTICLE 35**

#### Conditions for the replacement of the depository

(1) Fondul Proprietatea shall conclude a deposit agreement with a depository legal entity authorised and supervised by the National Securities Commission, which performs the deposit operations of securities, as well as any operations in connection with those. The activities to be developed by the depository and the conditions for its replacement shall be provided in the deposit agreement.

(2) The deposit agreement shall include mandatorily clauses related to the replacement of the depository and rules for ensuring shareholders' protection in such situations.

### **ARTICLE 36**

#### Identity, requirements regarding the qualification, professional experience and integrity of the management members

(1) The Fund Manager, respectively its permanent representative shall cumulatively fulfil with the minimum requirements regarding the integrity, qualification and professional experience provided in the legislation and in other specific provisions; the identity of the Fund Manager is the one registered with the National Office of Trade Registry, based on the decision of the general meeting of the shareholders regarding its election.

(2) Fund Manager means the investment management company, legal person established as a limited company which operates or will be established and operated on the authorization issued by the NSC, including investment management company, foreign entity, authorized by the competent authority of State of origin and which will establish a branch in Romania, the permit issued by the NSC, and NSC entered in the register this branch.

**ARTICLE 37**  
Litigations

The litigations of any type shall be amiably resolved and if this is not possible, they shall be solved by the competent arbitral or judicial courts.

**CHAPTER X**  
Final provisions

**ARTICLE 38**  
Final provisions

The provisions of this constitutive act are completed by the provisions of Company Law No. 31/1990, republished, as further amended and completed, and other applicable legal provisions in force as well as by the provisions of the capital market legislation governing the issuers whose shares are admitted on trading.