



**Decision no. 7/ 23 November 2011
of the General Ordinary Assembly of Shareholders of
S.C. FONDUL PROPRIETATEA S.A.**

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

Today, 23 November 2011, at 11:00, the shareholders of S.C. Fondul Proprietatea S.A. have met during the General Ordinary Assembly of Shareholders (“OGM”) of S.C. Fondul Proprietatea S.A. at its first convocation, at Hilton Hotel, 1-3 Episcopiei Street, Le Diplomate Meeting Room, district 1, Bucharest.

Upon the opening of the works [] shareholders are found to be present or represented, holding a number of [] shares, representing []% of the total shares and holding a number of [] voting rights.

The meeting chairman, Mr. Grzegorz Maciej Konieczny, the legal representative of the Sole director – Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, headquartered in Bucharest, 78-80 Buzesti St., 7th and 8th floors, district 1, Bucharest, registered with the Trade Register under no. J40/8587/2009, fiscal identification code 25851096, registered with the Public Register of the Romanian National Securities Commission (“CNVM”) under number PJM05SSAM/400001 observes that the OGM is statutory and legally established and it can adopt valid decisions regarding the items on the agenda.

Taking into consideration:

- The notice to attend to the OGM published in the Official Gazette Part IV number [] of 20 October 2011, in “Romania Libera” newspaper on 20 October 2011, as well as on the website of S.C. Fondul Proprietatea S.A. – www.fondulproprietatea.ro on 19 October 2011,
- The provisions of the Articles of incorporation of S.C. Fondul Proprietatea S.A. in force,
- The provisions of Law 31/1990 regarding commercial companies, republished as subsequently amended and completed,
- Art. 147-158 of Regulation 15/2004 regarding the authorization and functioning of investment management companies, collective placement bodies and depositories, issued by the National Securities Commission, as subsequently amended and completed,
- The provisions of Law 297/2004 regarding the capital market, as subsequently amended and completed,
- The provisions of CNVM Regulation no. 6/2009 on the exercise of certain rights of the shareholders in the general shareholders meetings of companies, as subsequently amended and completed,
- Art. 21 of CNVM Regulation no. 4/2010 regarding the registration with the National Securities Commission and the functioning of “Fondul Proprietatea” – S.A. , as well as the transaction of the shares issued by it

Following the debates on the agenda, the shareholders of S.C Fondul Proprietatea S.A. have decided as follows:

I. The election of Mr./ Mrs. [], shareholder of S.C Fondul Proprietatea S.A., as meeting secretary of the Assembly according to the provisions of art. 129 paragraph (2) in Law 31/1990.

This item was adopted by [] votes representing []% of the valid votes. There were registered [] votes against and [] abstentions of the valid votes. There were cancelled [] votes.

1



After the election of Mr./ Mrs. [], as meeting secretary, the Sole Administrator was appointed Mr./ Mrs. [] as technical secretary.

II. The approval of Addendum no. 1 to the Management Agreement signed on 25.02.2010 between SC Fondul Proprietatea SA and Franklin Templeton Investment Management Limited ('Management Agreement'). The Addendum to the Management Agreement will be signed in behalf of SC Fondul Proprietatea SA by the Chairman of the Board of Nominees or another member of Board of Nominees designated by the Chairman. The Addendum no. 1 to the Management Agreement shall have the following content:

"ADDENDUM NO. 1 OF MANAGEMENT AGREEMENT DATED 25.02.2010 SIGNED BETWEEN S.C. FONDUL PROPRIETATEA S.A. and FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

THIS ADDENDUM IS MADE ON [...]

BETWEEN:

- *FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED of the Adelphi, 1-11 John Adam Street, London WC2N 6HT, United Kingdom ("Fund Manager") ("S.A.I." in Romanian language); and*
- *S.C. FONDUL PROPRIETATEA S.A. of 78-80 Buzesti Street 17, 1st District, Bucharest, Romania (the "Customer").*

The Management Agreement signed on 25 February 2010 between SC Fondul Proprietatea SA and Franklin Templeton Investment Management Limited United Kingdom will be modified as follows:

I. The definition of Delegate is modified and will have the following content:

"Delegate means the entity which has been delegated or outsourced the investment management or other functions by the Fund Manager, with the prior endorsement of CNVM, where required by applicable legislation."

II. The definition of IFRS is modified and will have the following content:

"IFRS means International Financial Reporting Standards, meaning a set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements, as issued by the International Accounting Standards Board, as adopted by European Union."

III. The definition of NAV is modified and will have the following content:

"NAV means the net asset value of Fondul Proprietatea, which is determined according to CNVM regulations and applicable legislation."

IV. The article 6 is modified and will have the following content:

"6. OBLIGATIONS OF THE FUND MANAGER. MANAGEMENT SCOPE AND OBJECTIVE

The obligations and the competencies of the Fund Manager as Sole Director of the Customer are set forth by Romanian Company Law no. 31/1990, as republished and further amended and the applicable regulations, Law no. 297/2004 and the applicable regulations and the Constitutive Act, which may be subject to further amendment according to law. The Fund Manager shall be responsible for:

(i) establishing a reference date for shareholders entitled to vote within the general assembly, under the law, and draft the text of the announcement on the convocation of the general assembly, after obtaining

2



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 assembly of the shareholders, providing answers, after obtaining the prior approval of the Board of Nominees, in connection with the aspects concerning the business of Fondul Proprietatea;

(iii) ensuring that, if requested by any of the shareholders, a copy of the minutes of the general assembly shall be given to them and also, after the calling of the ordinary annual general assembly 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) preparing the annual financial statements, drafting the annual activity report, examining the financial auditors' report, presenting them to the Board of Nominees before submitting such documents to the general assembly of the shareholders for approval and making proposals on the distribution of the profit, after obtaining the prior approval of the Board of Nominees;

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

(vi) preparing 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) proposing for the prior approval of the Board of Nominees and further, of the general assembly of the shareholders, of the yearly income and expenditure budget and business plan;

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

(ix) approving the outsourcing of certain activities, within the limits of the approved budget, respectively delegating the performance of certain activities, subject to the prior endorsement by CNVM , where required by applicable legislation.

x) based on the proposal of the Board of Nominees submitting 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, selling, change or encumber the non-current asset of Fondul Proprietatea) whose value exceeds, either individually or cumulatively during a financial year, 20% of the non-current assets, less any receivables;

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

xii) subject to the provisions of the Constitutive Act, IPS and applicable legislation taking all decisions at its sole discretion in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea;

(xiii) proposing to the general assembly 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 approving the procedure of internal audit and the audit plan;

(xiv) deciding the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;

(xv) making available to the Board of Nominees the reports, as well as any other documents necessary for exercising the monitoring duties, in accordance with art. 17 para. (11) of Annex no. 7 to the Terms of

3



Reference as approved by Government Resolution 1514/2008 approving the regulation for the organisation of the international tender for the appointment of the management company of Fondul Proprietatea and of the Terms of Reference of the tender; to inform at once the Board of Nominees on any litigation or infringement of legislation regarding securities related to the Fund Manager, on any operation which might be an infringement to the investment policy and about the plans/correction measures for addressing these matters.

(xvi) asking for the calling of the extraordinary general assembly of shareholders in order for the latter to decide whenever an issue appears on which the Board of Nominees has a disagreement with the Fund Manager, which can not be resolved amiably by the two corporate bodies.

Also, the Fund Manager shall have at least the obligations established in the Terms of Reference and the IPS, all of them approved by Government Decision no. 1514/ 2008 and assumed by the offer submitted by the Fund Manager within the international tender for appointing the fund manager for Fondul Proprietatea S.A.

xvii) proposing 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

xviii) any other responsibilities set according to the Constitutive Act and applicable legislation.

6.2. The Fund Manager shall perform its duties under this Management Agreement in line with the Customer's best interest, consisting in responding to public offerings or other corporate actions in connection with the securities in the Portfolio"

V. The article 10 is modified and will have the following content:

"10. PROVISION OF INFORMATION TO THE CUSTOMER AND ITS REPRESENTATIVES

10.1 The Fund Manager will provide the Board of Nominees with such analysis of performance and periodical tabular presentations in connection to the Portfolio as reasonably requested by the Board of Nominees. At least twice in a calendar year the Fund Manager will make a presentation to the Board of Nominees in Bucharest in respect of the Portfolio for the previous six months and the Board of Nominees may request any documents in view to discussing market factors, the Portfolio and the operation of this Management Agreement.

10.2 The Fund Manager shall provide, quarterly and/or upon request, to the Customer written documents evidencing the transactions entered into between the Fund Manager, on behalf of the Customer, and third parties in connection with the Portfolio.

10.3 The Fund Manager shall keep accurate and detailed records of all investments, receipts, disbursements and other transactions relating to the Portfolio which it shall send to the Customer monthly.

10.4 The Fund Manager shall supply on demand to the Customer copies of all accounts entries in its books relating to the Portfolio. The Fund Manager will extend its normal working schedule as and when requested by the Customer and will provide, without unnecessary delay, all necessary facilities and assistance to the Customer's auditors and other authorised representatives, including representatives of its shareholders and/or of the BoN, to audit and verify records of the Fund Manager relating to the securities, papers and other assets in the Portfolio. The scope of the audit shall not be limited by the Fund Manager and may include the examination of the accounting system, procedures, records, internal controls, and other areas considered necessary to examine by the Customer or such auditor in order to facilitate formulation by the Customer of any opinion on the costs, both direct and indirect, or other amounts billed to the Customer and the performance of the Portfolio and the Fund Manager. The Fund Manager shall cooperate as necessary for the performance of any such audits, including securing for the aforementioned auditors and other authorised representatives assistance from the Fund Manager's compliance officer and internal audit.



10.5 *The Fund Manager shall report to the Customer within two business days of its discovery of any non-compliance with the provisions of this Agreement (including the Schedules) and shall take all steps required to rectify such non-compliance as soon as possible.*

10.6. *The Fund Manager will liaise as necessary with the Depositary to enable the Depositary, on the Customer's behalf, to fulfil any obligations to disclose shareholdings in companies in which the Portfolio is invested in accordance with relevant legislation and will provide timely information to the Depositary for this purpose."*

VI. *The article 13 is modified and will have the following content:*

"13. AMENDMENT OF THE MANAGEMENT AGREEMENT AND ASSIGNMENT OF RIGHTS

13.1 *This Management Agreement may be amended at any time by an addendum signed by the legal representatives of the Fund Manager and of the Customer, with the prior approval of CNVM.*

13.2 *This Management Agreement is concluded in consideration of the person of the Fund Manager and the Fund Manager shall not be entitled to assign or to transfer any of its rights or obligations hereunder. The Fund Manager may delegate or outsource the investment management or other functions to any entity ("Delegate"), subject to prior endorsement of CNVM where required by applicable legislation. The Fund Manager may delegate the Portfolio management activity with observance of the legal provisions in force. The delegation of its functions to third parties shall not exonerate the Fund Manager of its liability.*

13.3. *The Fund Manager acknowledges and accepts that, if the legislation governing the Customer is amended so as to recognize the possibility for the Fondul Proprietatea to act as a self managed fund and outsource only the portfolio management activities, the Customer is free, at its own discretion, to decide on the change in the corporate governance structure of Fondul Proprietatea. If the corporate governance structure of Customer is changed, the Fund Manager accepts the consequences of such a change and, implicitly, agrees to amend the Management Agreement."*

VII. *The article 14 is modified and will have the following content:*

"14. DURATION OF THE AGREEMENT

14.1 *This Management Agreement shall be effective when all the actions below are completed:*

- (a) *both parties have signed this Management Agreement;*
- (b) *the resolution approved by the extraordinary GSA, has been published in the Official Gazette of Romania as well as its registration with the Bucharest Trade Registry upon the fulfillment of all necessary legal proceedings;*
- (c) *the Fund Manager has properly completed the registration of its Romanian branch;*
- (d) *the Fund Manager and the Customer conclude, in writing, a handover protocol of the Portfolio.*

Such handover protocol as mentioned at let. d) above will be concluded at the date when the money and/or investments were transferred and shall specify the money and/or investments transferred giving the value of all assets transferred.

14.2 *Notwithstanding 14.1 the Fund Manager shall co-operate, as from the signature of this Management Agreement, with the members of the Directorate, Supervisory Board and of the Board of Nominees, as the case may be, according to their duties as established in the Constitutive Act of S.C. "Fondul Proprietatea" - S.A.*

14.3 *In compliance with the Constitutive Act the duration of the Fund Manager mandate is four years as of the effective date and is renewed automatically, if there is no adverse decision of the general meeting of the shareholders, entitled to decide on the termination of the mandate even before its regular lifespan. The duration of this agreement shall be renewed automatically with a period of 4 years should the shareholders of Fondul Proprietatea not decide otherwise. The Fund Manager will call the Ordinary General Meeting of Shareholders with at least 3 months before of the termination of Investment Management Agreement having on the agenda the extension of the mandate or the appointing of a new Fund Manager. The Fund*

5



Manager will organize the Ordinary General Meeting of Shareholders before the termination of Investment Management Agreement.”

VIII. The article 15 is modified and will have the following content:

“15. COMMUNICATIONS, INSTRUCTIONS, NOTIFICATIONS

15.1. All notifications and other communications from the Customer shall be made by BoN to the Fund Manager.

15.2. For the purpose of any communication between the Customer and the Fund Manager in relation to this Agreement, the Customer shall be represented by Board of Nominees.

15.3 The Fund Manager shall be entitled to rely on any notification or communication given by the BoN above without further enquiry, provided the instruction, notification or communication is given in one of the ways permitted in this Management Agreement and provided that oral instructions may not be relied upon by the Fund Manager.

15.4. All notices or any other communication to be given under this Agreement must be in writing, in Romanian language, and must be: (i) personally delivered; (ii) delivered by fax; (iii) sent by courier with return receipt; or by e-mail.

15.5. The Parties details for transmitting notifications or any other communications related to the present Management Agreement are the following:

If addressed to the Fund Manager:

Address Premium Point Building

78-80 Buzesti street

7th -8th floor, Bucharest District 1

Postal Code 011017

Fax (021) 200 96 31/32

To the attention of: Mr. GRZEGORZ MACIEJ KONIECZNY

If addressed to the Customer:

At the contact details provided by the representative of the Customer appointed in accordance with Section 15.1.”

IX. The Annex 1 is modified and will have the following content:

“Annex 1

The fee due to the Fund Manager in accordance with Art. 9.1. of this Agreement shall be calculated and paid in RON by the Customer in compliance with the following provisions:

1. The fee shall be calculated based on a fixed commission, mentioned below, applied to the notional amount according to the following formula:

The fee = the fixed commission multiplied by the notional amount, multiplied by the number of calendar days of payment divided by 365.

where

the fixed commission = the number of basis points per year;

1 basis point = 0.0001;

1 year = 365 days

The fixed commission per year is composed of:

- Fixed management fee of 37.9 (thirty seven point nine) basis points per year*
- Additional administration fee of 10 (ten) basis points per year.*

2. The notional amount is the following:

a) prior to the Customer listing, the notional amount is the average of the monthly values of the Customer’s net assets, calculated within the quarter for which the payment is made;

b) subsequent to the Customer listing by 31 December 2011, the notional amount is the market value of the Property Fund which is defined as the market capitalization of the Property Fund (the number of

6



issued shares multiplied by the medium market price of the Property Fund shares calculated for the last 90 days of trading session in a calendar year or the number of the trading sessions left before the end of the year, in case there are less than 90 days of trading session left from the listing until the end of the year),

c) Beginning with 1 January 2012 the notional amount subsequent to the Customer listing is the market value of the Property Fund which is defined as the market capitalization of the Property Fund (the number of issued shares multiplied by the average market price of the Property Fund shares calculated for the last quarter).

3. The fee shall be paid as follows:

a) prior to the Customer listing, quarterly, based on the invoices to be issued by the Fund Manager within twenty (20) business days following the end of the quarter for which payment is made;

b) subsequent to the Customer listing by 31 December 2011, annually, based on the invoices to be issued by the Fund Manager within twenty (20) business days following the end of the calendar year for which payment is made;

c) Beginning with 1 January 2012, the fee shall be paid subsequent to the Customer listing, quarterly, based on the invoices to be issued by the Fund Manager within twenty (20) business days following the end of the quarter for which payment is made.

The invoices shall be submitted to the Depository of the Customer's assets.

The Fund Manager shall provide to the Board of Nominees quarterly and on an annual basis and upon request of the Board of Nominees (where appropriate) a detailed report including regarding the fee collected under this Agreement, in the form required by the latter.

4. The payment shall be done by the Fund Manager only after the verification and certification by the Depository of the correctness of the notional amount, as well as the modalities for determining the fee. The payment shall be done within 30 business days since receipt of the invoice."

SIGNATORIES

This Addendum will be signed in Romanian language and executed in 3 number of counterparts, all of which taken together constitute the agreement.

AS WITNESS the hands of the duly authorised representatives of the parties on the date which appears first on page 1.

Signed by and for

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

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Signed by and for

S.C. FONDUL PROPRIETATEA S.A.

Bogdan Alexandru Dragoi,

Chairman of Board of Nominees "

The content of the Addendum to the Management Agreement:

- a) Was presented to the shareholders through the note, with 30 days before the meeting;
- b) Is part of this decision;
- c) Shall be signed by the parties before the registration on the Trade Register;
- d) Shall be register on the Trade Register after the receiving of the prior approval of CNVM.

This item was adopted by [] votes representing []% of the valid votes. There were registered [] votes against and [] abstentions of the valid votes. There were [] cancelled votes.

7



III. **The approval** of the power of attorney for the legal representative Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, for signing the OGM resolutions and any other of its documents, and for performing all the procedures and formalities stated by law for the purpose of enforcing the OGM resolutions, including the formalities for publishing and registering them with the Trade Register Office and with any other public institutions. The person empowered by OGM shall have the right to delegate this power of attorney to any person its sees fit.

This item was adopted by [] votes representing []% of the valid votes. There were registered [] votes against and [] abstentions. There were [] cancelled votes.

IV. **The approval** for setting the date of 15 December 2011 as registration date, in accordance with the provisions of Article 238, paragraph (1) of Law no. 297/2004 on the capital market, with its subsequent amendments and additions.

This item was adopted by [] votes representing []% of the valid votes. There were registered [] votes against and [] abstentions. There were [] cancelled votes.

Taking into consideration all the above mentioned, this decision was drafted and signed on behalf of the shareholders in 4 (four) originals by:

Grzegorz Maciej KONIECZNY

Legal representative of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, in his capacity of sole administrator of SC Fondul Proprietatea SA

[]
Meeting secretary

[]
Technical secretary