

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

Through the Resolution no. 9/29 October 2015 the shareholders approved the seventh buy-back programme whereby the Fund Manager was authorized to buy-back shares of Fondul Proprietatea S.A., global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A., via trading on the regular market on which the shares, the global depositary receipts or the depositary interests corresponding to the shares of Fondul Proprietatea S.A. are listed or public tender offers, in compliance with the applicable law, for a maximum number 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.

The seventh buy-back programme was launched on 29 September 2016. Having in mind the scope for which the buy-back programme was approved, namely a share capital decrease, the Fund Manager would like to propose to the shareholders the approval of the decrease of the subscribed share capital of Fondul Proprietatea as follows.

The approval of the decrease of the subscribed share capital of Fondul Proprietatea S.A. from RON 5,238,521,987.92 to RON 4,854,034,784.56 pursuant to the cancellation of 739,398,468 own shares (having a par value of RON 0.52) acquired by Fondul Proprietatea S.A. during the seventh buy-back programme through daily acquisitions and a buy-back tender.

After the share capital decrease, the subscribed share capital of Fondul Proprietatea S.A. shall have a value of RON 4,854,034,784.56 being divided in 9,334,682,278 shares, each having a nominal value of RON 0.52 per share.

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

*“(1) The subscribed share capital of Fondul Proprietatea is in amount of RON 4,854,034,784.56, divided in 9,334,682,278 ordinary, nominative shares, having a nominal value of RON 0.52 each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by Depozitarul Central SA”.*

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

- (i) this resolution is published in the Official Gazette of Romania, Part IV for at least two months;
- (ii) Financial Supervisory Authority endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea S.A. as approved by shareholders during this meeting, where required by applicable law or regulation;
- (iii) the share capital decrease approved by the shareholders on 28 February 2017 is effective;
- (iv) the shareholders' resolution for approving this share capital decrease is registered with the Trade Registry.

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

**Oana Valentina Truta**  
**Permanent representative**