

NOTE
Regarding the seventh buyback programme

According to Article 31 of Romanian National Securities Commission's Regulation no. 4/2010 "After the admission to trading on a regulated market, the shares may be repurchased with the observance of the legal provisions applicable to repurchase operations by a company admitted to trading on a regulated market". According to Article 103¹ of Companies' Law no. 31/1990, the buy-back of shares can take place under the following conditions:

- „a) the authorization of the purchase of its own shares is given by the extraordinary general assembly of the shareholders that establishes the conditions to acquire the shares, mostly the maximum number of shares which is going to be purchased, the period for which the authorization is granted and which can not exceed 18 months as from the date when the decision was published in the Official Gazette of Romania, Part IV, and in case of a purchase for a consideration, their minimum and maximum equivalent value;*
- b) the nominal value of the own shares purchased by the company, including those already existing in its portfolio, cannot exceed 10% of the subscribed registered capital;*
- c) the transaction can only have as object fully paid shares;*
- d) the payment of the shares thus purchased shall be done only out of the distributable profits or of the available reserves of the company, as registered in the last approved annual financial statement, except for the legal reserves”.*

According to Article 104 paragraph (1) letter a) of Companies' Law no. 31/1990, the restrictions mentioned at Article 103¹ shall not be applicable with respect to the buy-backs programs targeting the share capital decrease. Also, Article 119 (2) of Capital Market Law no. 297/2004 sets that "Closed-end investment companies may buy-back their own shares in accordance with the conditions laid down in Companies Law no. 31/1990 and in accordance with National Securities Commission regulations”.

Taking into consideration the legal provisions in force, the Fund Manager would like to propose to the shareholders 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) of the EGM's agenda 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 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.

In light of the above, we submit for the shareholders' approval the buy-back programme described above, point included on the agenda of the 29 October 2015 Extraordinary Shareholders' Meeting.

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

Oana Valentina Truța
Legal Representative