

NOTE

Regarding point 2 on the Agenda of the EGM to be held on 27 April 2015

The shareholders of Fondul Proprietatea SA approved through the Resolution no. 9 of 28 April 2014 of the Extraordinary Shareholders' General Meeting the initiation of a fourth buy-back programme ("EGM Resolution 9/28 April 2014").

The buy-back programme targeted the repurchase of a number of 990,855,616 shares at a price no lower than RON 0.2 / share or higher than RON 2 / share, all in view of a share capital reduction with the number of shares which were to be repurchased.

The buy-back programme was launched on 1 October 2014 and was performed with the observance of the said Shareholders' Resolution and the applicable legal framework:

According to Article 103¹ of Companies' Law 31/1990, republished, with subsequent amendments, the buy-back of shares can take place under the following conditions:

„a) the authorisation 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 authorisation is granted and which cannot 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 31/1990, republished, with subsequent amendments, the restrictions mentioned at Article 103¹ are not applied for the buy-back applied for a share capital decrease.

The Article 119 paragraph (2) of Capital Market Law 297/2004 sets that “*Closed-end investment companies may buy-back their own shares in accordance with the conditions laid down in Companies Law 31/1990 and in accordance with RNSC regulations*”.

The buy-back programme was implemented through daily acquisitions on the Bucharest Stock Exchange and through a public purchase tender offer.

On 4 February 2015, the Fund Manager announced the completion of the fourth buy-back programme whereby the full number of shares approved through EGM Resolution 9/28 April 2014 were acquired, namely 990,855,616 shares.

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 SA with the value of the bought-back shares mentioned above, as follows.

The decrease of the subscribed registered share capital of Fondul Proprietatea S.A. from RON 10,965,850,800.30 to RON 10,074,080,745.90, pursuant to the cancellation of 990,855,616 own shares

acquired by the Company. After the share capital decrease the subscribed share capital of the Company will be RON 10,074,080,745.90 being divided into 11,193,423,051 shares, with a nominal value of RON 0.90 / share. The subscribed share capital decrease will take place on the basis of Article 207 paragraph 1 letter c) of Law 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 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”.

The subscribed share capital decrease will be effective after the following three conditions are met: (i) the share capital decrease for the return of capital as approved by shareholders on 21 January 2015 is effective; (ii) this resolution is published in the Official Gazette, Part IV for at least two months; (iii) FSA endorses the changing of first paragraph of Article 7 of the Constitutive Act, as modified based on this decision, where required by applicable law or regulation.

In light of the above, we recommend shareholders to approval on the share capital decrease of Fondul Proprietatea SA.

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

Oana Valentina Truta
Legal representative