

MEMO
REGARDING THE SHARE CAPITAL DECREASE PROPOSED TO BE APPROVED BY
SHAREHOLDERS

The shareholders of Fondul Proprietatea SA approved through the Resolution no. 15 of 22 November 2013 of the Extraordinary Shareholders' General Meeting the initiation of a third buy-back programme ("EGM Resolution 15/22 Nov 2013").

The buy-back programme targeted the repurchase of a number of 252,858,056 shares at a price no lower than RON 0.2 / share or higher than RON 1.5 / 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 in March 2014 and was performed with the observance of the said Shareholders' Resolution and the applicable legal framework.

The buy-back programme was implemented through daily acquisitions from the Bucharest Stock Exchange, in accordance with legislation in force.

In July 2014, the Fund Manager announced the completion of the third buy-back programme whereby the full number of shares approved through EGM Resolution 15/22 Nov 2013 were acquired, namely 252,858,056 shares.

Having in mind the scope for which the buy-back programme was approved, namely a share capital decrease, the Fund Manager proposes the shareholders the approval of the decrease of the subscribed share capital of Fondul Proprietatea SA as follows:

The decrease of the subscribed registered share capital of Fondul Proprietatea SA from RON 11,815,279,886.85 to RON 11,575,064,733.65, pursuant to the cancellation of 252,858,056 own shares acquired by the Company. After the share capital decrease the subscribed share capital of the Company will be RON 11,575,064,733.65 being divided into 12,184,278,667 shares, with a nominal value of RON 0.95 / 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 the Article 7 of the Constitutive Act after the share capital decrease will be changed as follows.

"Article 7 – (1) The subscribed share capital of Fondul Proprietatea is in amount of RON 11,575,064,733.65, divided in 12,184,278,667 ordinary, nominative shares, having a nominal value of RON 0.95 / each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by the Central Depository."

The subscribed share capital decrease will be effective after the following two conditions are met: (i) this resolution is published in the Official Gazette, Part IV for at least two months, and (ii) 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.

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