

MEMO
REGARDING POINT 6 ON THE AGENDA OF THE EXTRAORDINARY GENERAL SHAREHOLDERS’
MEETING OF 28 APRIL 2014

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 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 proposes to the shareholders the approval of the authorization of the Sole Administrator to buy-back shares of Fondul Proprietatea S.A., for a maximum number of (i) 990,855,616 shares or (ii) 10% of the issued share capital at the relevant time, whichever is the lesser, starting with the date when the buy-back programme approved through the Extraordinary General Meeting of Shareholders Resolution no. 15/22 November 2013 is completed (or otherwise cancelled by the shareholders), for a maximum period of 18 months as of the date when the 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. The transaction can only have as object fully paid shares. The buy-back programme is aimed at the share capital decrease. The shareholders’ decision 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.

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