

**SUPPLEMENTED CONVENING NOTICE OF THE EXTRAORDINARY GENERAL  
MEETING AND OF THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS  
OF**

**S.C. FONDUL PROPRIETATEA S.A.**

Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, with its headquarters in Bucharest, 78-80 Buzzești St., 7<sup>th</sup> and 8<sup>th</sup> floors, 1<sup>st</sup> District, registered with the Bucharest Trade Register under no. J40/8587/2009, with Sole Registration Code 25851096, registered with the Public Register of the National Securities Commission (CNVM) under no. PJM05SSAM/400001 as a branch of an Investment Management Company from a Member State of European Union, as Sole Administrator of S.C. FONDUL PROPRIETATEA S.A., a joint-stock company, organized as a closed-end investment company, with its headquarters in Bucharest, 78-80 Buzzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, registered with the Trade Register under no. J40/21901/2005, with Sole Registration Code 18253260, with a subscribed registered share capital of RON 13,778,392,208 and a paid-up share capital of RON 13,413,137,586 (the **Company**),

Considering

- The provisions of Articles 12 - 13 of the Company's Constitutive Act in force, as it was approved by the Company's shareholders;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (**Law no. 31/1990**);
- The provisions of Law no. 297/2004 on capital market, with its subsequent amendments and supplementations (**Law no. 297/2004**);
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004 on capital market;
- The provisions of Articles 147-158 of CNVM Regulation no. 15/2004 on the authorization and operation of investment management companies, of collective investment undertakings and of trustees, with its subsequent amendments and supplementations;
- The provisions of CNVM Regulation no. 6/2009 on exercising certain rights of shareholders within general meetings of companies, with its subsequent amendments and supplementations (**Regulation no. 6/2009**);
- The provisions of Article 21 of CNVM Regulation no. 4/2010 on the registration with CNVM and the operation of the company "Fondul Proprietatea" S.A., as well as on trading the shares issued by this company;
- CNVM's Executive Order no. 26 of December 20, 2012;

- The request of shareholder Manchester Securities Corp. owning 2,186,327,698 shares representing 15.87% from the share capital of the Company, made in accordance with Article 117<sup>1</sup> (1) of Law 31/ 1990, regarding the introducing of additional points on the Extraordinary and Ordinary General Shareholders' Meeting agenda,

### **SUPPLEMENTS THE AGENDA FOR:**

- I. The Extraordinary General Meeting of Shareholders of S.C. Fondul Proprietatea S.A. on 22 November 2013, 10:00 AM (Romanian time), at "Radisson Blu" Hotel, 63-81 Calea Victoriei, Atlas Room, 1<sup>st</sup> District, Bucharest, (**EGM**) with points 11 and 12, and
- II. The Ordinary General Meeting of Shareholders of S.C. Fondul Proprietatea S.A. on 22 November 2013, 11:00 AM (Romanian time), at Radisson Blu" Hotel, 63-81 Calea Victoriei, Atlas Room, 1<sup>st</sup> District, Bucharest, (**OGM**) with point 9.

Only the persons registered as shareholders of the Company on 24 October 2013 (the **reference date**) in the register of shareholders kept by S.C. Depozitarul Central S.A. have the right to participate and vote at the EGM and OGM.

#### **A. The supplemented agenda of the EGM is as follows:**

- 1. The approval of the EGM agenda;**
- 2. The approval of the amendment of the Constitutive Act of SC Fondul Proprietatea SA, as imposed by Financial Supervision Authority ("FSA") through Decision no. 28/12.08.2013. Please note that SC Fondul Proprietatea SA appealed the Decision no. 28/12 August 2013 of FSA. Please find below the text imposed to be submitted for approval by FSA:**

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#### **2.1. Art. 12, paragraph (2), letter d) will be amended and read as follows:**

*"d) to appoint the Fund Manager on the basis of the outcome of the selection made subsequent to a tender for appointing the Fund Manager and to revoke its mandate ;"*

#### **2.2. Art. 14, paragraph (10) will be amended and read as follows:**

*"(10) The documents referring to the conveying, the attendance lists, as well as, as the case may be, the powers of attorney of the representatives of the shareholders shall be attached to each minutes."*

#### **2.3. Art. 14, paragraph (19) will be amended and read as follows:**

*"(19) The votes of the shareholders will be sent electronically or by letter with receipt acknowledgement to the headquarters of Fondul Proprietatea, in a clear and precise form, containing the mention "for", "against" or "abstained" in relation to each issue subject to approval, for which the shareholder intends to cast a vote."*

#### **2.4. Art. 17, paragraphs (4), (5) and (11) will be amended and read as follows:**

*"(4) Receives from the Fund Manager for analysis the annual report and the management and business policy of Fondul Proprietatea and presents an opinion to the Fund Manager and to the general meeting of the shareholders"*.

*"(5) Receives from the Fund Manager, for analysis, the yearly income and expenditure budget and the activity programme before it is submitted to the approval of the general meeting of the shareholders and presents an opinion to the Fund Manager and to the general meeting of the shareholders"*.

*"(11) Monitors the following, based on information and reports received from the Fund Manager:*

- the list of all portfolio investments and percentage breakdown by each investment type;
  - a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review;
  - the total profit of the portfolio and comparison of profit with the appropriate benchmark;
  - comparison of return on the portfolio with the portfolio objective;
  - the extent of compliance with the investment policy statement, any variations and actions taken to correct variations;
  - the performance evaluation report,
- all the above with the purpose of drafting and presenting, any time is requested by the shareholders, but in any case at least once a year, to the general meeting of the shareholders, a report regarding the monitoring activity performed”.

**2.5. Art. 19, paragraph (3) will be amended and read as follows:**

*“(3) The mandate of the Fund Manager is of 4 years. The Fund Manager will call the Ordinary General Meeting of the Shareholders with at least 6 months before the termination of the duration of the mandate of the Fund Manager with the agenda of approving the extension of the Fund Manager’s mandate or the appointment of a new Fund Manager. The Fund Manager will immediately call an Ordinary General Meeting of the Shareholders with the agenda of appointing the selected candidate as Fund Manager and authorizing negotiation and execution of the relevant investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment”.*

**2.6. Art. 21, paragraph (3), letter (vii) will be amended and read as follows:**

*“(vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and activity programme”.*

**3. The approval of the decrease of the subscribed share capital of SC Fondul Proprietatea SA as follows:**

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3.1 The approval of the decrease of the subscribed share capital of SC Fondul Proprietatea SA from RON 13,538,087,407 to RON 12,861,183,036.65 through the reduction of the par value of the shares of SC Fondul Proprietatea SA from RON 1.00 to RON 0.95. The decrease is motivated by the optimization of the share capital of Fondul Proprietatea, involving the return to the shareholders of a part of their contributions, proportionally with their participation to the paid share capital of SC Fondul Proprietatea SA. After the decrease, the subscribed share capital of SC Fondul Proprietatea SA shall have a value of RON 12,861,183,036.65 being divided in 13,538,087,407 shares, each having a par value of RON 0.95. The decrease of the share capital is performed based on Article 207 (2) (b) of Companies’ Law no. 31/1990 and shall be effective, in accordance with Article 208 (1) of Companies’ Law no. 31/1990, after the expiry of a two months term starting with the publication of the general meeting of shareholders resolution in the Official Gazette of Romania, part IV, provided that Financial Security Authority (“FSA”) shall have endorsed the amendment of Article 7 paragraph 1 of the Constitutive Act of SC Fondul Proprietatea SA as approved by shareholders during this meeting.

3.2 The approval of the amendment of the Article 7 paragraph 1 of the Constitutive Act of SC Fondul Proprietatea SA as follows:  
*“The subscribed share capital of Fondul Proprietatea is in amount of RON 12,861,183,036.65, divided in 13,538,087,407 ordinary, nominative shares, having a face 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.”*

- 3.3 The approval of the payment to the shareholders registered as such at the registration date of RON 0.05/share, proportionally with their participation to the paid share capital of SC Fondul Proprietatea SA. The payment shall start in 30 days after the decrease of the share capital mentioned at point 3.1 above is effective.
4. **The statement of Board of Nominees regarding the discount policy for SC Fondul Proprietatea SA (for information purposes, not subject of shareholders approval).**
  5. **The approval of the Investment Policy Statement** which will enter into force on the date of EGM approval and remains applicable for the extended/new mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (registered with the Trade Register under no. J40/8587/2009, Fiscal Registration Code RO 25851096), as provided at point 5.1. of the OGM Agenda.
  6. **The approval of the authorization of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch to buy-back shares of S.C. „Fondul Proprietatea” S.A., for a maximum number of (i) 252,858,056 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. 4/25 April 2012 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 1.5 / 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 Fund Manager. This buy-back programme implementation will be subject to the availability of the necessary cash.**
  7. **Update regarding the secondary listing project (for information purposes, not subject of shareholders approval).**
  8. **The ratification and the approval of all resolutions taken by the extraordinary general shareholders meetings and all of the legal acts (including decisions and contracts) concluded, adopted and issued in the name of SC Fondul Proprietatea SA through Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, between 6 September 2010 and 21 November 2013 and the approval and ratification of any implementation acts, facts and operations based on such, including the management of the SC Fondul Proprietatea SA under an unitary system.**
  9. **The approval of 10 December 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004.**
  10. **The empowerment, with authority to be substituted, of Grzegorz Maciej KONIECZNY to sign the shareholders’ resolutions and the amended and restated form of the Constitutive Act, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders’ resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution.**
  11. **The approval of the amendment of the Constitutive Act of S.C. Fondul Proprietatea S.A. as follows: Article 19, paragraph 3 is amended to read as follows: “The mandate of**

*the Fund Manager is of 2 years. The Fund Manager will call an Ordinary General Meeting of the Shareholders to be held at least 6 months before the termination of the duration of the mandate of the Fund Manager with the agenda of approving the renewal of the Fund Manager's mandate or starting the selection process of a new Fund Manager and the negotiation of the management agreement to be concluded with the selected candidate. After the selection of the candidate, the Fund Manager will immediately call an Ordinary General Meeting of the Shareholders with the agenda of appointing the selected candidate as Fund Manager and authorizing the execution of the relevant investment management agreement and fulfillment of all relevant formalities for the authorization and legal completion of such appointment."* **This point has been introduced on the agenda following the proposal of a shareholder owning more than 5% of the share capital.**

- 12. The approval of 10 December 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Capital Markets Law 297/2004, for all the points on the agenda, except for point 3 regarding the approval of the decrease of the subscribed share capital of S.C. Fondul Proprietatea S.A. for which the registration date is 31 January 2014. This point has been introduced on the agenda following the proposal of a shareholder owning more than 5% of the share capital.**

**B. The supplemented agenda of the OGM is as follows:**

- 1. The approval of the OGM agenda.**
- 2. The approval of the amendment of the Investment Management Agreement signed on 25 February 2010 by and between SC Fondul Proprietatea SA and Franklin Templeton Investment Management Limited United Kingdom, as imposed by Financial Supervision Authority ("FSA") through Decision no. 29/12.08.2013. Please note that SC Fondul Proprietatea SA appealed the Decision no. 29/12 August 2013 of FSA. Please find below the text imposed to be submitted for approval by FSA:**

**2.1. Point 6.1, letters (vi) and (vii) will be amended and read as follows:**

*"(vi) preparing an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;*

*(vii) proposing for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and activity programme of Fondul Proprietatea;"*

**2.2. Point 9 will be amended and read as follows:**

*"9. Fund Manager remuneration and expenses*

*The Fund Manager's remuneration for its services under this Management Agreement is established according to the requirements in the Regulation for Organizing the Tender, the Tender Book and the final offer formulated following the negotiations."*

**2.3. Point 9.2, letter (e) will be amended and read as follows:**

*"e) expenses related to the admission to trading of the financial instruments issued by Fondul Proprietatea, and any subsequent issues or offerings, expenses with intermediaries arranging the listing, expenses related to marketing and arranging presentations for the public offer to build investor interest, and expenses related to ongoing reporting and disclosure obligations applicable to an issuer admitted to trading on a regulated market;"*

**2.4. Point 9.2, letters (f), (g), (h), (r) and (s) will be eliminated.**

**2.5. Point 9.2, letter (t) will be amended and read as follows:**

*“o) other expenses approved by the BoN for the Customer in accordance with the Constitutive Act.”*

**2.6. Point 19.5 will be amended and read as follows:**

*“The Fund Manager shall promptly notify the Customer in writing with respect to the change of portfolio managers, main persons responsible for the Portfolio or senior staff responsible for setting the business and investment policy of the Fund Manager.*

*The Fund Manager will draft yearly, within 30 days from the beginning of the calendar year, a list of portfolio managers, containing at least those proposed in the initial offer submitted during the international tender for the appointment of the fund manager of S.C. “Fondul Proprietatea” S.A. and who work within the Fund Manager, the main persons responsible for the Portfolio, and senior staff responsible for setting the business and investment policy within the Fund Manager.*

*In case of a need to change a Portfolio manager or the main persons with responsibilities in respect of the Portfolio, the replacement shall have identical or similar qualifications and professional experience and similar time allocation for the Customer.”*

**3. The approval of 2014 budget of SC Fondul Proprietatea SA.**

**4. The appointment of DELOITTE AUDIT S.R.L. with headquarters in Bucharest, 4-8 Nicolae Titulescu Street, 3rd Floor, 1st District, registered with the Trade Register under no. J40/6775/1995, Sole Registration Number RO7756924 as the financial auditor of SC Fondul Proprietatea SA, setting the duration of the financial audit agreement for the period starting with the date of approval of the decision and 31 August 2014; setting the subject of the financial audit agreement: audit of the financial statements of Fondul Proprietatea SA for the year ended December 31, 2013, (the financial statements prepared in accordance with Romanian Accounting Standards, separate IFRS and consolidated IFRS) and setting the level of remuneration for the financial auditor for the current financial year (the remuneration is included in the financial audit service agreement made available to the shareholders, at the headquarters of SC Fondul Proprietatea SA and on its internet webpage, together with the rest of the documentation).**

**5. Approval regarding the management of SC Fondul Proprietatea SA beginning with 30 September 2014:**

**5.1.** The approval in principle of the extension of the mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch with its headquarters in Bucharest, 78-80 Buzestii St., 7th and 8th floors, 1st District, registered with the Trade Register under no. J40/8587/2009, with Fiscal Registration Code RO 25851096, registered with the Public Register of the National Securities Commission under no. PJM05SSAM/400001 as a branch of an Investment Management Company from a Member State of European Union as sole administrator and fund manager of SC Fondul Proprietatea SA for another period/mandate of 4 years starting with 30 September 2014, in accordance with art. 19 paragraph (3) of the Constitutive Act. The list containing data regarding Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (including name, headquarters, the professional qualification, the evidence that it is registered with Trade Register, the evidence that it is registered in Public Register of CNVM, the Investment Management Agreement endorsed by CNVM under legislation in force) is published on the internet webpage of the Company and is available at the registered office and it may be consulted and completed by shareholders in accordance with the law. The draft of the replacing Investment Management Agreement to be concluded between SC Fondul Proprietatea SA and Franklin Templeton Investment Management Limited United Kingdom

Bucharest Branch, proposed by the Fund Manager and subject to the endorsement of the Board of Nominees will be on the agenda of the next annual OGM.

- 5.2.** In case that point 5.1 of the agenda is approved by the shareholders and the replacing Investment Management Agreement will not be in force until 30 September 2014, the extension of the mandate/new mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as sole administrator and fund manager of SC Fondul Proprietatea SA will be effective and exercised under the terms and conditions of the current Investment Management Agreement until the execution of the replacement Investment Management Agreement in accordance with this resolution and the relevant legal provisions.
- 5.3.** In case that point 5.1 is not approved, the approval of starting a new selection for the appointment of a sole administrator and fund manager of SC Fondul Proprietatea SA for a mandate of 4 years, starting with 30 September 2014. The OGM empowers the Board of Nominees (i) to establish the regulations for performing international tender and selection procedure; (ii) to manage the international tender and the selection of the new sole administrator and fund manager; (iii) to hire legal, financial and any other consultants required in the international tender and selection procedure; (iv) to recommend to the shareholders the appointment of the winner of this selection process; (v) to negotiate the draft of the agreement to be concluded with the new sole administrator and fund manager and to inform accordingly the shareholders; and (vi) to perform any other related formalities for the authorization and legal completion of the international tender and selection procedure of the new sole administrator and fund manager of SC Fondul Proprietatea SA. The Board of Nominees shall inform the shareholders on a monthly basis on the status of the selection by publishing information notes on the webpage of Fondul Proprietatea. The Board of Nominees shall inform the Fund Manager immediately after the selection is completed so that the Fund Manager calls the OGM proposing to the shareholders to vote on the candidate having won the selection organized by the Board of Nominees and the approval of the execution of the investment management agreement. The costs of the new selection will be supported by SC Fondul Proprietatea SA and the Board of Nominees will present to shareholders a report regarding the budget in relation to the international tender and selection procedure, after the selection is completed.
- 6.** **The ratification and the approval of all OGM decisions and all of the legal acts (including decisions and contracts) concluded, adopted or issued on behalf of SC Fondul Proprietatea S.A. by Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as well as of any management/administration measures adopted and/or implemented by it, approved or concluded between 6 September 2010 and 21 November 2013. The ratification and the appointment of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Sole Administrator of SC Fondul Proprietatea SA and as Fund Manager pursuant to Law no. 297/2004 regarding the capital market and according to Investment Management Agreement signed on 25 February 2010 and the ratification and the approval of the Investment Management Agreement signed on 25 February 2010 including all amendments thereto. The appointment of the Sole Administrator produces effects in accordance with the provisions of the Law 31/1990, beginning with the acceptance of the mandate. The mandate expires on 29 September 2014, subject to renewal in accordance with the provisions of the Constitutive Act of SC Fondul Proprietatea SA. The list containing data regarding Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (including name, headquarters, the professional qualification, the evidence that it is registered with Trade Register, the evidence that it is registered in Public Register of CNVM, the Investment Management Agreement endorsed by CNVM under legislation in force) is**

**published on the internet webpage of the Company and it may be consulted and completed by shareholders in accordance with the law.**

**7. The approval of 10 December 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004.**

**8. The empowerment, with authority to be substituted, of Grzegorz Maciej KONIECZNY to sign the shareholders' resolutions, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders' resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution.**

**9. Approval regarding the management of S.C. Fondul Proprietatea S.A. beginning with 30 September 2014 - this point has been introduced on the agenda following the proposal of a shareholder owning more than 5% of the share capital:**

**9.1.** The approval in principle, subject to the conditions set forth under point 9.3 below, of the renewal of the mandate of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch with its headquarters in Bucharest, 78-80 Buzești St., 7th and 8th floors, 1st District, registered with the Trade Register under no. J40/8587/2009, with Fiscal Registration Code RO 25851096, registered with the Public Register of the National Securities Commission under no. PJM05SSAM/400001 as a branch of an Investment Management Company from a Member State of European Union ("Franklin Templeton") as sole administrator and fund manager of S.C. Fondul Proprietatea S.A. for a mandate of 2 years starting from 30 September 2014. The list containing data regarding Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (including name, headquarters, professional qualification, the evidence that it is registered with the Trade Register, the evidence that it is registered in the Public Register of the Financial Supervisory Authority ("FSA")) is published on the internet webpage of the Company and is available at the registered office and may be consulted by shareholders in accordance with the law.

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**9.2.** The empowerment of the Board of Nominees of the Company to negotiate with Franklin Templeton the terms and conditions of the amendment to the Investment Management Agreement or, as the case may be, the new Investment Management Agreement to be concluded between S.C. Fondul Proprietatea S.A. and Franklin Templeton for the same period as the mandate granted under point 9.1 above. Franklin Templeton shall have the obligation to submit the draft of the amended, or, as the case may be, the new Investment Management Agreement for the approval of the Company's shareholders at the next annual OGMS. The amendments to the Investment Management Agreement or the new Investment Management Agreement shall include the following provisions:

a) to the extent permissible under applicable laws and regulations, the total fee payable to Franklin Templeton shall include a base fee linked to the market capitalisation of the Company and an additional variable fee linked to the amount of exceptional distributions to shareholders in the relevant period (including, for example, by way of share buybacks, public tender buybacks, reductions of the share capital with the return to shareholders of a part of their contributions, but excluding regular dividend distributions). The amounts and specific details of the fees will be negotiated by the Board of Nominees.

b) the Investment Management Agreement shall be subject to early termination as per the following procedure:



i) the Investment Management Agreement shall include the following performance criteria:

(1) the discount between the closing share price for each trading day and the latest published NAV per share must be equal to or lower than 15% in at least two thirds of the trading days in the period 1 October 2014 – 30 June 2015;

(2) the adjusted NAV per share at 30 June 2015 must be higher than the NAV per share at 30 September 2013; for the purpose of applying this performance criterion, the adjusted NAV per share shall be computed as: the NAV computed as per the legal provisions in force PLUS any returns to shareholders following reductions of the share capital during the period 11 October 2013 – 30 June 2015 PLUS any variable fee paid to Franklin Templeton as per point a) above, all divided by the number of paid shares at 30 June 2015 less the number of shares bought back (and not cancelled) by the Company.

When drafting the relevant sections of the Investment Management Agreement, the Board of Nominees shall be entitled to amend the language of the two performance criteria for any clarificatory or technical reasons.

ii) in order to analyze the fulfillment of the performance criteria, Franklin Templeton shall publish the results of the performance criteria no later than 15 July 2015 and if any, or both, of the two performance criteria is not met, shall call a GMS to be held during the month of September 2015, having as a specific point on the agenda the decision on the early termination of the mandate.

iii) if the GMS decides the early termination of the mandate, the Board of Nominees will be empowered to immediately start the selection process for a new sole administrator and fund manager and the negotiation of the investment management agreement to be concluded with the selected candidate. Franklin Templeton's Investment Management Agreement and Franklin Templeton's mandate as sole administrator will be terminated on the date of the registration of the new sole administrator with the Trade Registry as per the applicable legal provisions, no compensation being due to Franklin Templeton aside from the pro-rated fee according to point a) above.

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**9.3.** If any of the following events occurs:

- a) the Board of Nominees and Franklin Templeton fail to finalize the negotiations of the amendments to the Investment Management Agreement or of the new Investment Management Agreement, as the case may be, before the date of calling the next annual OGMS; or
- b) the next annual OGMS rejects or fails to approve the amendments to the Investment Management Agreement or of the new Investment Management Agreement; or
- c) the amendments to the Investment Management Agreement or, as the case may be, the new Investment Management Agreement is not executed by 15 July 2014,

then the mandate of Franklin Templeton as per point 9.1 above shall be deemed rejected.

**9.4.** If Franklin Templeton's mandate is not renewed because of the occurrence of one of the matters set out under point 9.3 above or for any other reason, the following shall apply:

a) the Board of Nominees shall be hereby empowered to immediately start the selection process of a new sole administrator and fund manager of S.C. Fondul Proprietatea S.A. To this end, the Board of Nominees shall have the power:

(i) to establish the regulations for performing the international tender and selection procedure;

(ii) to manage the international tender and the selection of the new sole administrator and fund manager;

(iii) to instruct Franklin Templeton, as incumbent sole administrator, to hire legal, financial and any other consultants required in the international tender and selection procedure and/or for the negotiation of the investment management agreement, on behalf of S.C. Fondul Proprietatea S.A.;

(iv) to recommend to the shareholders the appointment as sole administrator and fund manager of the winner of this selection process;

(v) to negotiate the draft of the investment management agreement to be concluded with the new sole administrator and fund manager and to inform accordingly the shareholders; and

(vi) to perform any other related formalities for the authorization and legal completion of the international tender and selection procedure of the new sole administrator and fund manager of SC Fondul Proprietatea SA.

b) the Board of Nominees shall inform the shareholders on a monthly basis on the status of the selection by publishing information notes on the webpage of the Company. The Board of Nominees shall inform Franklin Templeton immediately after the selection is completed so that Franklin Templeton immediately calls the OGMS proposing to the shareholders to vote on the candidate having won the selection organized by the Board of Nominees and the approval of the investment management agreement. The costs of the selection process will be borne by S.C. Fondul Proprietatea S.A. and the Board of Nominees will present to shareholders a report regarding the budget in relation to the international tender and selection procedure, after the selection is completed.

c) starting with 30 September 2014 and until the new sole administrator is registered with the Trade Registry as per the applicable legal provisions, Franklin Templeton will run S.C. Fondul Proprietatea S.A. as temporary manager, based on the provisions of the current Investment Management Agreement which will apply accordingly.

If the legal conditions for holding the EGM and/or the OGM are not met on the date of the first convocation, a new EGM or OGM shall be convoked for 25 November 2013, at 10:00 AM (Romanian time) for EGM and at 11:00 AM (Romanian time) for OGM, having the same agenda. If there is a new convocation, the reference date set for identifying the shareholders entitled to participate and vote within the EGM and OGM is the same. The OGM and EGM sessions shall take place at the headquarters of the Company in the event of a second convocation.

The right to include new items on the agenda. The right to present drafts of resolutions for the items included on the agenda or for the items proposed for inclusion on the agenda of the meeting.

In accordance with the provisions of Article 117<sup>1</sup>, paragraph 1, of Law no. 31/1990, Article 7 paragraph 1 of Regulation no. 6/2009 and the provisions of Article 13, paragraph 5, of the Company's Constitutive Act, one or several shareholders representing individually or jointly at least 5% of the Company's share capital may demand through a request submitted to the Sole Administrator of the Company the introduction of additional items on the agenda of the EGM and/or OGM and/or the presentation of draft resolutions for the items included or proposed to be included on the agenda of the EGM and/or OGM.

These suggestions must comply, cumulatively, with the following requirements:

- a) for **natural person shareholders**, they must be accompanied by copies of the identity documents of the shareholders (the identity documents presented by the shareholders must allow for their identification in the Company's registry of shareholders kept by SC Depozitarul Central SA), and for **legal person shareholders**, they must be accompanied by the copy of the identity document of the legal representative (identification document or identification card for Romanian citizens or passport for foreign citizens, clearly indicating the social security number (*CNP*) - if such exists in the country of origin), accompanied by the original or a true copy of the findings certificate issued by the Trade Registry (in Romanian "certificat constatator") or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, proving the existence of the legal person and the name/capacity of legal representative, being no older than 3 months as from the date publication of this Convening Notice and allowing identification thereof in the Company's registry of shareholders kept by SC Depozitarul Central SA; documents attesting the legal representative capacity drafted in a foreign language other than English shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder's legal representative capacity be legalized or apostilled;
- b) they must be accompanied by a justification and/or by a draft of resolution submitted for passing;
- c) they must be sent to and registered at the Company's headquarters in Bucharest, 78-80 Buzesti Street, 7<sup>th</sup> floor, 1<sup>st</sup> district, postal code 011017, by any type of courier service with proof of delivery or by e-mail with incorporated extended electronic signature in accordance with Law no. 455/2001 on the electronic signature at [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro) by 16 October 2013, 6:00 PM (Romanian time). Both means of transmission must contain the mention "TO THE ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 22 NOVEMBER 2013" written clearly and in upper case; and they must bear the signature and seal of the shareholders or, as the case may be, their legal representatives.

In order to identify and prove the shareholder capacity of a person making proposals to supplement the agenda (or addressing questions according to art. 13 of Regulation 6/2009), the Company may request such person to provide a statement indicating the shareholder capacity and the number of shares held, issued by the Central Depository or, as the case may be, by the participants defined under art. 168 par. (1) letter (b) of Law no. 297/2004 providing custodian services.

### Information materials and questions related to the agenda

Each shareholder, irrespective of how many shares it owns in the Company's share capital, has the right to ask questions regarding the issues on the agenda of general meetings. The questions shall be sent to the Company's headquarters in Bucharest, 78-80 Buzzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017 or to [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro), so that they are received by the Company by 21 November 2013, 10:00 AM (Romanian time), mentioning "TO THE ORDINARY/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 22 NOVEMBER 2013" written clearly and in upper case. The Company shall answer the questions asked by the shareholders during the meetings; the questions may be answered as well on the Q&A section of the website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

The identification requirements mentioned above in the section on supplementing the agenda are also applicable to a natural person shareholder and/or the legal representative of a legal person addressing questions regarding the items on the agenda of the GMS.

Commencing with 22 October 2013, all the information materials regarding the items included on the agenda of EGM and OGM, the resolution drafts proposed for passing within the general meetings and the general procedure for organizing general meetings (including the procedure for voting through a representative with a special power of attorney and the procedure which allows voting by correspondence), shall be available on working days at the Company's headquarters in Bucharest, 78-80 Buzzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, from 09:00 AM to 05:00 PM (Romanian time), as well as on the official website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro). The shareholders of the Company may receive, upon request, copies of the documents related to the issues on the agenda of EGM and OGM.

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### The attendance to the General Meeting

The shareholders registered in the register of shareholders on the reference date may attend the EGM and OGM and vote as follows:

- a) in person, within GMS – direct vote;
- b) through a representative with a special power of attorney; or
- c) by correspondence.

Direct voting and voting through a representative with a special power of attorney in GMS are exercised by inserting cards into card readers – direct voting by using card readers (or any other electronic means).

### Direct vote

The access of shareholders entitled to attend EGM and OGM is allowed based on a simple proof of their identity, as follows:

- a) in the case of natural persons who are sole shareholders - by presenting the identity card (the identity document submitted by shareholders must allow for their identification on the Company's register of shareholders kept by SC Depozitarul Central SA);
- b) in the case of natural persons who are collective shareholders – based on the identity documents of each shareholder, the presence of all shareholders being mandatory (the identity documents submitted by shareholders must allow for their identification on the Company's list of shareholders as at the reference date issued by SC Depozitarul Central SA); if only some instead of all the identity documents of the collective shareholders are presented, or if only some instead of all shareholders are present, the collective shareholders may not exercise their voting right;
- c) in the case of legal person shareholders – based on a copy of the identity document of the legal representative (identity document or identity card for Romanian citizens or passport for foreign citizens, clearly indicating the social security number (*CNP*) - if such exists in the country of origin), along with an original or a true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by the competent authority of the state where the shareholder is duly incorporated, proving the existence of the legal person and the name/capacity of legal representative, being no older than 3 months as from the date of publication of this Convening Notice, allowing for identification thereof on the Company's register of shareholders kept by SC Depozitarul Central SA or a copy of the appointment decree issued by the President of Romania, in order to prove its capacity as legal representative of the Ministry of Public Finances.
- d) for all the above-mentioned cases, documents presented in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for documents attesting the legal representative capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder's legal representative capacity be notarised or apostilled.

*Vote by representative holding a special power of attorney*

The representation of shareholders in EGM and/or OGM may be conducted by representatives only by duly filling in and signing the form for the special power of attorney. The representation may be conducted both by other shareholders and by third parties. Shareholders lacking exercise capacity or with limited exercise capacity may provide other persons with a special power of attorney.

The special power of attorney shall be sent either (i) in original, to the Company's headquarters in Bucharest, 78-80 Buzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017 or (ii) by e-mail with extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at: [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro), so that it is received by the Company by 20 November 2013, 10:00 AM (Romanian time).

Documents accompanying the special power of attorney:

- a) for natural person shareholders – copy of the shareholder’s identity document, allowing for identification thereof on the list of Company shareholders as at the reference date issued by SC Depozitarul Central SA and a copy of the identity document of the representative (identity document or identity card for Romanian citizens or passport for foreign citizens, with legible social security number (*CNP*) - if such exists in the country of origin); in case of collective natural person shareholders, by presenting the identity documents of all shareholders, allowing for their identification on the Company’s list of shareholders as at the reference date issued by SC Depozitarul Central SA and a copy of the representative’s identity document (identity document or identity card for Romanian citizens or passport for foreign citizens, with legible social security number (*CNP*) - if such exists in the country of origin);
- b) for legal person shareholders – copy of the representative’s (agent’s) identity document (identity document or identity card for Romanian citizens or passport for foreign citizens, with legible social security number (*CNP*) - if such exists in the country of origin), along with the original or true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, in order to prove the existence of the legal person and the name/capacity of legal representative, being no older than 3 months as from the date of publication of this Convening Notice and allowing for identification thereof on the Company’s list of shareholders as at the reference date issued by SC Depozitarul Central SA; for the Ministry of Public Finances the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided;
- c) documents drafted in a foreign language (except for identity documents valid on the territory of Romania, in Latin characters) shall be accompanied by their translation into Romanian or English, save for the documents attesting the legal representative capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder’s legal representative capacity be legalized or apostilled.

The special power of attorney for the participation and voting in the general meeting, granted by a shareholder to a credit institution providing custodian services shall be valid without it being necessary to present any other additional documents regarding that respective shareholder if the power of attorney is drafted in accordance with Regulation 6/2009, signed by that respective shareholder and accompanied by a sworn statement issued by the credit institution which has received the special power of attorney for representation and stating that:

- the credit institution provides custodian services for that respective shareholder;
- the instructions of the special power of attorney are identical to those comprised by the SWIFT message received by the credit institution with a view to voting on behalf of the respective shareholder;
- the special power of attorney is signed by the shareholder.

The special power of attorney and the statement of the custodian described above must be delivered to the Company in original 48 hours before the GMS, signed, and as the case may be, stamped, without any other formalities being necessary in relation to the shape of these documents.

Special powers of attorney are valid both for the first EGM and OGM and for the second EGM and OGM if the legal requirements for holding the first EGM/OGM were not fulfilled.

The special power of attorney form:

- a) shall be made available to the shareholders by the Company starting from 30 September 2013 at the same coordinates and under the same conditions as the information materials;
- b) shall be updated by the Company if new items are added to the EGM and/or OGM agenda and shall be published on the Company's website in its updated shape;

Shall be filled in by the shareholder in three counterparts: one for the shareholder, one for the representative, and one for the Company.

*Vote by correspondence using the forms for voting by correspondence*

The vote of the shareholders at the EGM and/or OGM can also be expressed by correspondence, by duly filling in and signing the forms for the vote by correspondence.

The ballots by correspondence will be sent either (i) in original, personally, by representative or by any form of courier service with proof of delivery, to the Company's headquarters in Bucharest, 78-80 Buzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, or (ii) by e-mail with the extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro), so that they are received by the Company by 20 November 2013, 10:00 AM (Romanian time).

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Ballots by correspondence thus received are valid both for the first EGM and OGM and for the second EGM and OGM if the legal requirements for holding the first EGM/OGM were not fulfilled.

Documents accompanying ballot papers:

- a) for natural person shareholders – copy of identity document, with legible social security number (CNP) – if such exists in the country of origin, allowing for identification thereof on the Company's list of shareholders as at the reference date issued by SC Depozitarul Central SA) and, if such be the case, a copy of the identity document of the legal representative (in the case of natural persons lacking exercise capacity or with limited exercise capacity) (identity document or identity card for Romanian citizens or passport for foreign citizens, with legible social security number (CNP) – if such exists in the country of origin) along with the proof of legal representative capacity; in case of collective natural person shareholders, with legible social security number (CNP) – if such exists in the country of origin, allowing for identification thereof on the Company's list of shareholders as at the reference date issued by SC Depozitarul Central SA) and, if such be the case, a copy of the identity document of the legal representative (in the case of natural persons lacking exercise capacity or with limited exercise capacity) (identity document or identity card for Romanian citizens or passport for

foreign citizens, with legible social security number (CNP) – if such exists in the country of origin) along with the proof of legal representative capacity;

- b) for legal person shareholders – copy of the representative's (agent's) identity document (identity document or identity card for Romanian citizens or passport for foreign citizens with legible CNP (social security number) – if such exists in the country of origin), along with the original or true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated in order to prove the legal person's existence and the name/capacity of legal representative, being no older than 3 months as from the date of publication of this Convening Notice, allowing for the identification thereof on the Company's list of shareholders as at the reference date issued by SC Depozitarul Central SA; for the Ministry of Public Finances the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which it was published or an excerpt of the law programme shall be provided;
- c) documents presented in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for the documents attesting the legal representative capacity drafted in a foreign language other than English, which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder's legal representative capacity be notarised or apostilled.

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The form of the vote by correspondence ballot:

- a) shall be made available to the shareholders by the Company starting from 30 September 2013 at the same coordinates and under the same conditions as the information materials and the forms for the special powers of attorney;
- b) shall be updated by the Company if new items are added to the EGM and/or OGM agenda and shall be published on the Company's website in its updated shape.

The general procedure for the organisation of general meetings (which shall be available at the same coordinates and in the same conditions as the information materials) details the procedure allowing both the vote by representative with special power of attorney and the vote by correspondence, and the shareholders must comply with the said procedure.

Special powers of attorney and ballots for voting by correspondence must be signed by all the natural person collective shareholders or their legal representatives (in the case of natural persons lacking exercise capacity or with limited exercise capacity), who shall assume both their capacity (proven by means of evidentiary documents attached to the special power of attorney/ballot) and the signature authenticity.

The checking and validation of the special powers of attorney submitted, as well as the centralization, checking, validation, and records of the votes by correspondence shall be performed by a commission established within the Company, whose members shall safely keep these



documents, as well as the confidentiality of the votes thus expressed. Powers of attorney shall also be checked by the OGM/EGM secretary. In the event that the agenda is supplemented and the shareholders fail to send the updated special powers of attorney and/or ballots for voting by correspondence, the special powers of attorney and ballots sent prior to the supplementation of the agenda shall be considered only with reference to the items therein which are also found on the supplemented agenda. Additional information may be obtained from the Department for Shareholder Relations at the telephone number 021-200 96 28 and on the Company's website: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

SOLE ADMINISTRATOR:

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch

By: \_\_\_\_\_

Adrian Cighi

Legal Representative