

**CONVENING NOTICE OF THE EXTRAORDINARY 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 Buzești St., 7th and 8th floors, 1st 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 Buzești St., 7th floor, 1st District, registered with the Bucharest 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 20 December 2012.

CONVOKES:

The Extraordinary General Meeting of Shareholders of S.C. Fondul Proprietatea S.A. on 3 February 2014, 10:00 AM (Romanian time), at “Radisson Blu” Hotel, 63-81 Calea Victoriei, Atlas Room, 1st District, Bucharest, Romania (EGM).

Only the persons registered as shareholders of the Company on 9 January 2014 (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.

The 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 follows:**

Art. 14, paragraphs (4) and (5) will be amended and read as follows:

“(4) The attendance of shareholders representing at least 50% of the total number of the voting rights, both at the first and the second convocation, is required for the validity of deliberations of the extraordinary general meeting of the shareholders to adopt a decision regarding:

(i) a share capital increase,

(ii) the anticipated dissolution of Fondul Proprietatea, made under the conditions of the law.

(5) For the validity of the deliberation of the extraordinary general meeting of shareholders regarding a share capital decrease, the attendance of the shareholders representing:

(i) at least a fourth of the shares having voting rights upon the first convocation, and

(ii) at least one fifth of the total number of the shares having voting rights, upon the second convocation is required.”

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The amendment of the Constitutive Act enters in force after the endorsement of Financial Security Authority and after the publication in Official Gazette.

- 3. The approval of the decrease of the subscribed share capital of SC Fondul Proprietatea SA as follows (in accordance with Article 14, paragraph (4) of the Constitutive Act of the Company in force at the time of this Convening Notice, in order for this point to be able to be voted on, the attendance for the meeting must be of at least 50% of the voting rights - this includes correspondence votes and shareholders attending the meeting):**

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 para. (2) letter (b) of Law no. 31/1990 and shall be effective, in accordance with Article 208 para. (1) of 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 shall have endorsed the amendment of Article 7 para. (1) of the Constitutive Act of SC Fondul Proprietatea SA as approved by shareholders during this meeting.

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.”

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 above is effective.

- 4. The ratification and the approval of all resolutions taken by the 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 2 February 2014 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.**
- 5. The approval of 30 April 2014 as the registration date, in accordance with the provisions of Article 238 para. (1) of Capital Market Law no. 297/2004.**
- 6. The empowerment, with authority to be substituted, of Grzegorz Maciej KONIECZNY, as legal representative of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, 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.**

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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 117¹, 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 the presentation of draft resolutions for the items included or proposed to be included on the agenda of the EGM.

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, 7th floor, 1st 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 by 6 January 2014, 6:00 PM (Romanian time). Both means of transmission must contain the mention “TO THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 3 FEBRUARY 2014” 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 (if applicable).

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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 Buzesti St., 7th floor, 1st District, postal code 011017 or to office@fondulproprietatea.ro, so that they are received by the Company by 31 January 2014, 10:00 AM (Romanian time), mentioning “TO THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 3 FEBRUARY 2014” 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.

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 3 January 2014, all the information materials regarding the items included on the agenda of EGM, 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 Buzești St., 7th floor, 1st 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. The shareholders of the Company may receive, upon request, copies of the documents related to the issues on the agenda of the EGM.

The attendance to the General Meeting

The shareholders registered in the register of shareholders on the reference date may attend the EGM 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 vote

The access of shareholders entitled to attend EGM 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 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., 7th floor, 1st 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, so that it is received by the Company by 31 January 2014, 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.

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The special power of attorney and the statement of the custodian described above must be delivered to the Company in original so that they are received by the Company by 31 January 2014, 10:00 AM (Romanian time), signed, and as the case may be, stamped, without any other formalities being necessary in relation to the shape of these documents.

The special power of attorney form:

- a) shall be made available to the shareholders by the Company starting from 18 December 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 agenda and shall be published on the Company's website in its updated shape;
- c) 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 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., 7th floor, 1st 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, so that they are received by the Company by 31 January 2014, 10:00 AM (Romanian time).

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.

The form of the vote by correspondence ballot:

- a) shall be made available to the shareholders by the Company starting from 18 December 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 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 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.

SOLE ADMINISTRATOR:

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch

By: _____

Oana-Valentina Truța

Legal Representative