

NOTE
FOR PRESENTING POINT 11 ON THE AGENDA OF THE EXTRAORDINARY
GENERAL SHAREHOLDERS MEETING ON 22 NOVEMBER 2013

On 16 October 2013 Elliott Associates proposed an amendment for the Constitutive Act of SC Fondul Proprietatea SA with the following content:

“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”.

The argumentation of the Elliott Associates is the following: *“In order to optimize the assessment of the portfolio management, to ensure the sole administrator's utmost diligence, and to allow for a better protection of the Company and of the shareholders' rights and interests, Manchester Securities Corp. considers that the duration of the mandate of the Company's sole administrator should be shortened from the current duration of 4 years”*

The Fund Manager remains on the view that the version approved by shareholders in April 2013 is more appropriate and recommends shareholders to vote “against” point 11 of the EGM agenda.

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

Oana Valentina Truța
Legal Representative