

NOTE
FOR PRESENTING POINT 4 ON THE AGENDA OF THE EXTRAORDINARY GENERAL
SHAREHOLDERS MEETING ON 25 APRIL 2013

Purpose

The purpose of this paper is to request the shareholders to approve the proposal of a new deadline for the secondary listing of Fondul Proprietatea S.A. (the “**Fund**”) on the Warsaw Stock Exchange (“**WSE**”). Such request is made due to the delay of the Romanian National Securities Commission (“**CNVM**”) in approving the necessary amendments to its regulations so as to allow the establishment of a link between the two central securities depositories in Warsaw and Bucharest.

Summary

Following the shareholders’ approval on 27 June 2012 to list the Fund on the WSE and on 23 November 2012 to extend the deadline for the secondary listing until 30 June 2013, the Fund Manager has been working with the consortium of investment banks selected to assist the Fund during the listing process (the “**Consortium**”) to complete the listing within the June-2013 timeframe approved by the Fund’s shareholders. Together with the Consortium, the Fund Manager organized a non-deal road-show to Warsaw to meet with the Polish pension and mutual funds with the purpose to introduce them to the Fund, and the feedback received from these meetings was supportive towards the upcoming listing on the WSE. Moreover, the Fund Manager has organized road-shows to the United States of America and the United Kingdom and met with a number of large institutional investors who are active in Poland and expressed interest in the Fund’s listing on the WSE. However, the secondary listing is, at this point, only dependent on the establishment of a link between the Romanian Central Depository and the Polish National Depository for Securities, which is outside of the Fund’s and the Fund Manager’s control.

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For this to be possible, CNVM considers it is necessary to amend its regulations to allow for the creation of a link between the two depositories. Discussions with CNVM regarding the Fund’s secondary listing have started in August 2011 and the lack of a link between the two depositories, as well as the necessary change in regulations was identified as an issue by the CNVM commissioners in September 2011. In the meantime, the Fund Manager has sent 14 letters and has had 16 meetings with members of the CNVM in order to discuss the secondary listing, to inform them about the approval of the shareholders to list the Fund on the WSE, and to request information on the status of the amended regulations. In mid-December 2012, CNVM published for public consultation the amended regulations necessary for the link between depositories to be established, and later extended the period for public consultation from mid- to end-January 2013. Despite the Fund Manager’s inquiries, there is still no commitment from CNVM as to when the updated regulations will be approved, especially now, in light of the creation of the Financial Supervisory Authority, which should become effective starting 30 April 2013. Furthermore, once approved, time will be needed for the Romanian Central Depository to implement the direct link with the Polish National Depository for Securities.

Deadline for the Secondary Listing on the WSE

Due to these delays, the Fund Manager proposes to shareholders for approval an extension of our authorization for the secondary listing of the Fund on the WSE, including all the powers relating thereto in the original resolution of 27 June 2012, until 31 December 2013. In the meantime, the Fund Manager will continue the dialogue with CNVM in order to push for the timely approval of the regulations allowing a link between the central securities depositories in Warsaw and Bucharest.

**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**