

**MEMO**  
**REGARDING POINT 3 ON THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS'**  
**MEETING OF 28 APRIL 2014**

On 22 November 2013, Fondul Proprietatea's shareholders approved through Resolution 16 of the Ordinary General Meeting ("OGM Resolution no. 16/2013"), in principle and subject to certain conditions described therein, the renewal of the mandate of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch ("Franklin Templeton/Fund Manager") as sole administrator and fund manager of Fondul Proprietatea S.A. ("the Fund") for a mandate of 2 years starting from 30 September 2014.

The Fund's shareholders approved through the same resolution the empowerment of the Board of Nominees to negotiate with the Fund Manager 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 the Fund and Franklin Templeton for the same period as the mandate granted under point above (i.e. 2 years).

Pursuant to the above, the Fund Manager finalized the negotiations with the Board of Nominees materialized in the new Investment Management Agreement and in accordance with the provisions of the OGM Resolution no. 16/2013 is seeking shareholders' approval for its execution ("*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*").

On 22 November 2013, through Resolution no. 17 of the Extraordinary General Meeting, the Fund's shareholders approved also the amendment of Article 19 para. (3) of the Constitutive Act, in the sense that the duration of the administrator's mandate is reduced from 4 to 2 years:

*"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 fulfilment of all relevant formalities for the authorization and legal completion of such appointment."*

The said amendment is still pending endorsement with the Financial Supervisory Authority ("FSA"). Until the said endorsement is received, the current Constitutive Act provides that the duration of the administrator's mandate is of 4 years<sup>1</sup>.

From this perspective and considering that the Fund Manager and the Board of Nominees completed the negotiations of the new Investment Management Agreement in March 2014, the Fund Manager proposes the shareholders to approve the renewal / extension of the current mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Sole Administrator and Fund Manager of Fondul Proprietatea SA for a duration of 2 years starting with 30 September 2014. If the shareholders of Fondul Proprietatea SA will vote in favour of the said renewal / extension and the endorsement of EGM Resolution no. 17/22

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<sup>1</sup> According to Article 19 para. 3 "*The mandate of the Fund Manager is of 4 years and is renewed automatically, if there is no adverse decision of the general meeting of the shareholders, entitled to decide on the termination of the mandate even before its regular lifespan. The Fund Manager will call the Ordinary General Meeting of Shareholders with at least 3 months before of the termination of Investment Management Agreement having on the agenda the extension of the mandate or the appointing of a new Fund Manager. The Fund Manager will organize the Ordinary General Meeting of Shareholders before the termination of Investment Management Agreement.*"

# FONDUL PROPRIETATEA

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November 2013 is received from FSA without comments by the date of this meeting, the renewal / extension is effective after it is endorsed by FSA, where required by applicable law or regulation.

**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**