

NOTE
**FOR PRESENTING POINT 2 ON THE AGENDA OF THE ORDINARY GENERAL
SHAREHOLDERS MEETING ON 22 NOVEMBER 2013**

During April 2013 EGM organized by SC Fondul Proprietatea SA (FP) the shareholders approved some changes of the Investment Management Agreement (IMA) that need to be endorsed by the Financial Supervisory Board (FSA) for entering in force.

FP asked for the endorsement of these changes in May 2013 and after many exchanges of letters FSA issued the Decision 29/2013 saying the endorsed the changes of the IMA, under the condition of rewording of six sentences of the IMA. Also, FSA obliged FP to add on the agenda of the next OGM the re-worded sentences.

The FSA Decision 29 had no argumentation for the 6 new proposals for changing the IMA. FP asked FSA to present the argumentation, but the argumentation was not provided by now – the FSA response indicated the legal base, without mentioning the argumentation.

FP decided to challenge the decision for the following reasons:

- OGM Resolution was endorsed by FSA under the condition to be reworded, that means in fact that FSA refused to endorse the resolution;
- OGM Resolution is not in force because were not endorsed by FSA as were approved by shareholders;
- OGM Resolution is in line with the legislation in force;
- FSA has not provided any argumentation for this decision;
- FSA has interfered with the decision of the shareholders.

FSA has not issued a decision in relation to the appeal of FP until now.

FSA proposals were added on the agenda in the form mentioned in FSA Decision 29, as follows:

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.”

The Fund Manager recommends the shareholders to vote “against” these changes recommended by the FSA.

**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**