



**NOTE**

*Regarding The Procedure To Be Followed In Case Of Revocation Of The Mandate  
Of The Members Of The Board Of Nominees*

The Board of Nominees of SC Fondul Proprietatea SA (“Board”/“BoN”) is established, organized, has the duties and operates pursuant to the provisions of the *Law no. 247/2005 on property and justice reform, as well as on several adjacent measures*, as subsequently amended and supplemented, of *Law no. 297/2004 on the capital market*, as subsequently amended and supplemented, of the regulations issued in its enforcement, as well as of the Constitutive Act of S.C. Fondul Proprietatea S.A., as approved by the General Meeting of Shareholders on 06 September 2010 and consented by the National Securities Commission, hereinafter called “NSC”.

The Board of Nominees consists of 5 members and has the duty of monitoring the activity performed by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, in its capacity as Sole Administrator and Fund Manager of SC Fondul Proprietatea SA (“The Fund”).

According to the provisions of Article 12 paragraph (2) letter c) of the Fund’s Constitutive Act, *“The Ordinary General Shareholders Meeting (...) appoints the members of the Board of Nominees and cancels their appointment.”*

Any shareholder will have the right to make proposals regarding the members of the Board of Nominees. The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders.

The mandate of the Board of Nominees is of 3 years, period to be extended by right, until the first sitting of the General Meeting of Shareholders, when a decision may be taken on their mandate, even if such item is not on the agenda of the meeting.

If one or more of the Fund’s shareholders, owning individually or together at least 5% of the registered share capital, request the recalling of the members of the Board of Nominees, Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (“FTIML Bucharest”), as the Fund’s Sole Administrator, has the obligation to call the general shareholders’ meeting no later than 30 days after receiving the request and to hold the GSM no later than 60 days of its receipt, pursuant to the provisions of Article 119 paragraph (1) and (2) of Law no. 31/1990 on trading companies, as republished, with subsequent amendments.

In case the agenda of the ordinary general shareholders meeting (OGM) includes the revocation of the mandate of the members of the Board of Nominees and subsequent appointment of new members on the vacant positions, according to Article 13 paragraph 8 of the Constitutive Act, *“the convening notice shall mention that the list including information regarding the name, the place of residence and professional qualification of the persons proposed for the position of member of the Board of Nominees is available to the shareholders, to be further reviewed and completed by shareholders.”*



Regarding the point on the OGM's agenda for appointing new members of the Board of Nominees, it should be mentioned that there must be included in the convening notice information regarding the deadline for submitting the shareholders' proposals, the documents that the candidates for the vacant positions of the Board of Nominees must submit, and any other relevant information.

In respect with the validity of the OGM resolutions, for the revocation of the members of the Board of Nominees, it should be noted that according to Fondul Proprietatea's Constitutive Act the fulfilment of some special quorum conditions is required, as follows:

- a) *upon the first calling*, for the validity of the decisions it is required that the shareholders representing at least a fourth of the total voting rights to attend, and the resolution regarding the revocation of the mandate of the BoN members is taken with a majority of at least two thirds of the number of votes attending or being represented;
- b) *upon the second calling*, the OGM may decide upon the points on the agenda irrespective of the met quorum.

After the OGM decision regarding the appointment of new members of the Board of Nominees is adopted:

- the new members will sign a mandate agreement with SC Fondul Proprietatea SA by which the rights and obligations incumbent upon the parties are established;
- FTIML Bucharest, in its capacity as the Fund's Sole Administrator, has the obligation to request the Trade Register, within 15 days of the date the OGM resolution was adopted, to register the appointment of the new members, and to publish this information in the Official Gazette of Romania, Part IV.

In this respect, for the registration with the Trade Register as member of the Board of Nominees of SC Fondul Proprietatea SA, the appointed person has the obligation to give a statement in lieu of oath in front of a public notary on the fulfilment of the conditions imposed by the Romanian legislation regarding the exercise of membership in the Board of Nominees, and the specimen signature.

For the reasons mentioned above, we submit for voting of the Ordinary General Shareholders Meeting of SC Fondul Proprietatea SA the revocation of the mandate of the Board of Nominee' members, as set out above, with the clarification that the revocation will be voted for each member of the Board, separately.

According to Article 14 para. (23) of the Constitutive Act the vote for the revocation of the members of the Board of Nominees is secret.

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

**Grzegorz Maciej Konieczny**

**Legal Representative**