

NOTE

***Regarding point 9 on the Agenda of the Ordinary General Shareholders' Meeting
of 22 November 2013 – new point proposed by a shareholder owning more than 5% of the share capital***

Re: The management of SC Fondul Proprietatea SA beginning with 30 September 2014

Description:

The mandate of Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch as Sole Director and Fund Manager of Fondul Proprietatea expires on 30 September 2014.

On 16 October 2013 Elliott Associates proposed a new text on OGM agenda, regarding the extension of the mandate for the new Sole Director and Fund Manager, as following:

9.1. The approval in principle, subject to the conditions set forth under point 9.3 below, of the renewal of the mandate of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch with its headquarters in Bucharest, 78-80 Buzesti St., 7th and 8th floors, 1st District, registered with the Trade Register under no. J40/8587/2009, with Fiscal Registration Code RO 25851096, registered with the Public Register of the National Securities Commission under no. PJM05SSAM/400001 as a branch of an Investment Management Company from a Member State of European Union ("Franklin Templeton") as sole administrator and fund manager of S.C. Fondul Proprietatea S.A. for a mandate of 2 years starting from 30 September 2014. The list containing data regarding Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (including name, headquarters, professional qualification, the evidence that it is registered with the Trade Register, the evidence that it is registered in the Public Register of the Financial Supervisory Authority ("FSA")) is published on the internet webpage of the Company and is available at the registered office and may be consulted by shareholders in accordance with the law.

9.2. The empowerment of the Board of Nominees of the Company to negotiate with Franklin Templeton 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 S.C. Fondul Proprietatea S.A. and Franklin Templeton for the same period as the mandate granted under point 9.1 above. 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. The amendments to the Investment Management Agreement or the new Investment Management Agreement shall include the following provisions:

a) to the extent permissible under applicable laws and regulations, the total fee payable to Franklin Templeton shall include a base fee linked to the market capitalisation of the Company and an additional variable fee linked to the amount of exceptional distributions to shareholders in the relevant period (including, for example, by way of share buybacks, public tender buybacks, reductions of the share capital with the return to shareholders of a part of their contributions, but excluding regular dividend distributions). The amounts and specific details of the fees will be negotiated by the Board of Nominees.

b) the Investment Management Agreement shall be subject to early termination as per the following procedure:

i) the Investment Management Agreement shall include the following performance criteria:

(1) the discount between the closing share price for each trading day and the latest published NAV per share must be equal to or lower than 15% in at least two thirds of the trading days in the period 1 October 2014 – 30 June 2015;

(2) the adjusted NAV per share at 30 June 2015 must be higher than the NAV per share at 30 September 2013; for the purpose of applying this performance criterion, the adjusted NAV per share shall be computed as: the NAV computed as per the legal provisions in force PLUS any returns to shareholders following reductions of the share capital during the period 11 October 2013 – 30 June 2015 PLUS any variable fee paid to Franklin Templeton as per point a) above, all divided by the number of paid shares at 30 June 2015 less the number of shares bought back (and not cancelled) by the Company.

When drafting the relevant sections of the Investment Management Agreement, the Board of Nominees shall be entitled to amend the language of the two performance criteria for any clarificatory or technical reasons.

ii) in order to analyze the fulfillment of the performance criteria, Franklin Templeton shall publish the results of the performance criteria no later than 15 July 2015 and if any, or both, of the two performance criteria is not met, shall call a GMS to be held during the month of September 2015, having as a specific point on the agenda the decision on the early termination of the mandate.

iii) if the GMS decides the early termination of the mandate, the Board of Nominees will be empowered to immediately start the selection process for a new sole administrator and fund manager and the negotiation of the investment management agreement to be concluded with the selected candidate. Franklin Templeton's Investment Management Agreement and Franklin Templeton's mandate as sole administrator will be terminated on the date of the registration of the new sole administrator with the Trade Registry as per the applicable legal provisions, no compensation being due to Franklin Templeton aside from the pro-rated fee according to point a) above.

9.3. If any of the following events occurs:

a) the Board of Nominees and Franklin Templeton fail to finalize the negotiations of the amendments to the Investment Management Agreement or of the new Investment Management Agreement, as the case may be, before the date of calling the next annual OGMS; or

b) the next annual OGMS rejects or fails to approve the amendments to the Investment Management Agreement or of the new Investment Management Agreement; or

a) the amendments to the Investment Management Agreement or, as the case may be, the new Investment Management Agreement is not executed by 15 July 2014,

then the mandate of Franklin Templeton as per point 9.1 above shall be deemed rejected.

9.4. If Franklin Templeton's mandate is not renewed because of the occurrence of one of the matters set out under point 9.3 above or for any other reason, the following shall apply:

a) *the Board of Nominees shall be hereby empowered to immediately start the selection process of a new sole administrator and fund manager of S.C. Fondul Proprietatea S.A. To this end, the Board of Nominees shall have the power:*

(i) to establish the regulations for performing the international tender and selection procedure;

(ii) to manage the international tender and the selection of the new sole administrator and fund manager;

(iii) to instruct Franklin Templeton, as incumbent sole administrator, to hire legal, financial and any other consultants required in the international tender and selection procedure and/or for the negotiation of the investment management agreement, on behalf of S.C. Fondul Proprietatea S.A.;

(iv) to recommend to the shareholders the appointment as sole administrator and fund manager of the winner of this selection process;

(v) to negotiate the draft of the investment management agreement to be concluded with the new sole administrator and fund manager and to inform accordingly the shareholders; and

(vi) to perform any other related formalities for the authorization and legal completion of the international tender and selection procedure of the new sole administrator and fund manager of SC Fondul Proprietatea SA.

b) *the Board of Nominees shall inform the shareholders on a monthly basis on the status of the selection by publishing information notes on the webpage of the Company. The Board of Nominees shall inform Franklin Templeton immediately after the selection is completed so that Franklin Templeton immediately calls the OGMS proposing to the shareholders to vote on the candidate having won the selection organized by the Board of Nominees and the approval of the investment management agreement. The costs of the selection process will be borne by S.C. Fondul Proprietatea S.A. and the Board of Nominees will present to shareholders a report regarding the budget in relation to the international tender and selection procedure, after the selection is completed.*

c) *starting with 30 September 2014 and until the new sole administrator is registered with the Trade Registry as per the applicable legal provisions, Franklin Templeton will run S.C. Fondul Proprietatea S.A. as temporary manager, based on the provisions of the current Investment Management Agreement which will apply accordingly.*

The Fund Manager's proposal in relation to this point on the agenda:

The Fund Manager remains on the view that proposal from point 5.1 of the agenda is more appropriate and recommends shareholders to vote against point 9 of the OGM agenda.

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