

**NOTE REGARDING THE ESTABLISHMENT OF THE LEVEL OF THE MAXIMUM
ADDITIONAL REMUNERATIONS FOR THE MEMBERS OF THE REPRESENTATIVES
COMMITTEE, SUBJECTED TO THE APPROVAL OF THE ANNUAL GENERAL
SHAREHOLDERS' MEETING OF NOVEMBER 29TH, 2010**

Upon the publication of the Resolution of Extraordinary General Shareholders' Meeting no. 1/2010 and no. 2/2010 in the Official Journal of Romania on September 29th, 2010, the term of the sole shareholder - Franklin Templeton Investment Management Limited United Kingdom, Bucharest branch (hereinafter referred to as SAI), set out by the Investments Management Agreement concluded on February 25th, 2010 was enforced. Moreover, as of this date, the Representatives Committee will carry out monitoring activities regarding the sole shareholder.

During the Annual General Shareholders' Meeting of September 6th, 2010 the shareholders elected the following members of the Representatives Committee: Bogdan-Alexandru Dragoi, Corin-loan Trandafir, Cristian Busu, Monica-Maurer George, Sorin-Mihail Mindrutescu.

Subsequently, the Representatives Committee met 3 (three) times at the office of the sole shareholder and debated the notices sent by SAI, monitoring its activity and approving a part of the regulations which must be complied with by Franklin Templeton Investment Management Limited United Kingdom, Bucharest branch.

Regarding Mr. Bogdan-Alexandru Dragoi and Mrs. Monica George-Maurer, we want to remind you about the notices posted ever since October 15th, 2010 on the site of the Ministry of Public Finance and the Ministry of Economy, Commerce and Business Environment, according to which Mr. Dragoi and Mrs. George-Maurer decided for all the incomes resulting from the activity carried out in the Representatives Committee of Fondul Proprietatea to be donated on a monthly basis in account 20.37.01.02 opened with the State Treasury, incomes for the state budget– *"donations for the diminishing of the effects of the economic crisis"*.

According to art. 140² par. (1) of Law no. 31/1990 on trading companies, as further amended and supplemented, *"The Management Board may set up consultative committees formed of at least 2 members of the board, charged with the performance of the investigations and the draw up of recommendations for the board, in fields such as audit, the remuneration of the directors, managers, censors and personnel or the nomination of candidates for various management positions. The committees shall forward to the board, on a regular basis, reports regarding their activity"*.

Par. (2) of the same article sets out that *"At least one member of each committee set up under par. (1) must be a non-executive independent administrator. The Audit Committee and the remuneration committees shall be formed only of non-executive administrators. At least one member of the Audit Committee shall have experience in the implementation of the accounting principles or in financial audit."*

Under the provisions of art. 153¹⁰ of Law no. 31/1990 on trading companies, as further amended and supplemented, according to which *"The surveillance board may set up consultative committees formed of at least 2 members of the board, charged with the performance of the investigations and the draw up of recommendations for the board, in fields such as audit, the remuneration of the directors, managers, censors and personnel or the nomination of candidates for various management positions. The committees shall forward to the board, on a regular basis, reports regarding their activity"*, under Decision no. 16/2010 of the Surveillance Board of SC "Fondul Proprietatea" SA, 2 consultative committees were set up: the remuneration committee and the Audit Committee.

Proposed powers for the future consultative committees of SC Fondul Proprietatea SA:

Under the provisions of Law no. 31/1990 on trading companies, republished, as further amended and supplemented, as well as under the provisions of the Corporate Governance Code of Bucharest Stock Exchange, we propose the set up of 2 consultative committees within SC Fondul Proprietatea SA:

- An Audit Committee and
- a Nomination and Remuneration Committee.

We propose that these committees operate according to the following rules in the future:

The Audit Committee will be a permanent committee and will carry out its activity in a permanent manner, will be independent from the sole director of SC Fondului Proprietatea SA and from the Representatives Committee, having a consultative function.

The powers of the Audit Committee shall be as follows:

- it will make available to the members of the sole director, periodically, information regarding the change of the incident regulations in the field of audit and trading based on privileged information or regarding the handling of the financial instruments market,
- it will draw up, on an annual basis, an activity report for the assessment of its activity by the sole director and by the Representatives Committee,
- it will assist the sole director in the fulfillment of its responsibilities in the field of financial reporting, internal control and risk management;
- it will regularly examine the efficiency of the financial reporting, internal control and risk management system;
- it will make sure that the performed audit analyses as well as the draw up audit reports, based on such audits, are compliant with the audit plan approved by the sole director or by the Audit Committee,
- it will support the sole director in the monitoring of the credibility and integrity of the financial information provided by the company, specially by reviewing the relevance and consistency of the accounting standards applied by it (including the consolidation criteria);
- it will be informed about the business schedule of the financial auditor and will receive a report from it which will describe all the relations existing between the latter, on the one hand, and the company and group which it belongs to, on the other;
- it will make recommendations regarding the selection, appointment, reappointment and replacement of the financial auditor, as well as the terms and conditions for its remuneration;
- it will monitor the independence and objectivity of the financial auditor, especially by monitoring the rotation of the partners dedicated to the Issuance, in the audit company.

During the performance of its powers, the Committee shall adopt proposals and recommendations, which it shall subject to certification and/or approval of the sole director of SC Fondul Proprietatea SA and of the Representatives Committee.

The Committee shall be bound to present reports to the sole director of SC Fondul Proprietatea SA and to the Representatives Committee, periodically or on the terms established by the sole director.

The materials which are subjected to the analysis, debate and deliberation of the sole director of SC Fondul Proprietatea SA and of the Representatives Committee shall be forwarded to it by the departments of Franklin Templeton Investment Management Limited London, the Romanian Branch, upon the request of the members of the committee.

The Audit Committee shall be formed exclusively of non-executive directors. At least one member of the Audit Committee shall have experience in the implementation of the accounting principles or in financial audit.

The Audit Committee shall meet every time this is necessary, but at least twice a year, on the occasion of the draw up of the half yearly and annual results, when it will take care of the dissemination thereof to the shareholders and the public.

The Audit Committee shall assist the sole director of SC Fondul Proprietatea SA in the fulfillment of the powers it has.

The Nomination and Remuneration Committee will be a permanent committee which will carry out its activity in a permanent manner, it will be independent from the sole director of Fondul Proprietatea SA and of the Representatives Committee, having a consultative function.

The powers of the Nomination and Remuneration Committee shall be as follows:

- it will draw up, on an annual basis, an activity report for the assessment of its activity by the sole director and by the Representatives Committee,
- it will analyze the causes for which the change of the sole director is requested, if such may be the case, and will carry out the process for the appointment of the temporary sole director, if a cause requiring the change of the sole director occurs,
- it will draw up a remuneration policy for the directors and managers,
- it will present to the sole director and to the Representatives Committee and analysis regarding the performance of the investments management agreement, as well as proposals regarding the remuneration of the Representatives Committee, making sure that such proposals are compliant with the remuneration policy to be adopted by SC Fondul Proprietatea SA.

During the performance of its powers, the Committee shall adopt proposals and recommendations, which it shall subject to certification and/or approval of the sole director of SC Fondul Proprietatea SA and of the Representatives Committee

The Committee shall be bound to present reports to the sole director of SC Fondul Proprietatea SA and to the Representatives Committee, periodically or on the terms established by the sole director.

The materials which are subjected to the analysis, debate and deliberation of the sole director of SC Fondul Proprietatea SA and of the Representatives Committee shall be forwarded to it by the departments of Franklin Templeton Investment Management Limited London, the Romanian Branch, upon the request of the members of the committee.

Nomination and Remuneration Committee shall be formed exclusively of non-executive directors.

Nomination and Remuneration Committee shall assist the sole director in the fulfillment of the powers it has.

In the past, during the time that SC Fondul Proprietatea SA was managed in a dualist system, the Surveillance Board approved the set up of consultative committees, under the terms of Law no. 31/1990. So far the shareholders were not able to subsequently control the level of such remunerations, as they were approved directly by the Surveillance Board, under a decision. In order not to reach a situation of this type, we propose that any future additional remuneration be granted only after the approval thereof by the General Shareholders' Meeting.

Based on the provisions of art. 15 par. 1 of the Memorandum of Incorporation of SC Fondul Proprietatea SA, according to which the Annual General Shareholders' Meeting is responsible for the establishment of the remuneration of the members of the Representatives Committee,

Based on the fact that the remuneration of the members of the Representatives Committee was established by the shareholders at a gross value of RON 9,000/month (approximately the equivalent of EUR 1,500 EUR net/month),

Based on the powers of the Representatives Committee set out by art. 17 of the Memorandum of Incorporation of SC Fondul Proprietatea SA, as well as the fulfillment of its obligations with diligence and loyalty to the shareholders of SC Fondul Proprietatea SA, as well as the provisions of the Corporate Governance Code issued by Bucharest Stock Exchange,

We propose that the level of the monthly remuneration (for the month in which reports are issued by the two consultative committees) for each member of the consultative committees of SC Fondul Proprietatea SA to amount to 25% of the amount approved by the General Shareholders' Meeting of September 6th, 2010.

Grzegorz Maciej Konieczny
Legal representative
Franklin Templeton Investment Management Limited United Kingdom, Bucharest branch,
as sole director of S.C. FONDUL PROPRIETATEA S.A.