

Sole Director's Proposal for Special dividend distribution

Overview

In accordance with the IPS, the Sole Director may propose cash distributions for shareholders' approvals. The level of such cash distributions is proposed by the Sole Director by applying the Fund's Annual Cash Distribution Policy (published on the Fund's website) and in correlation with the other on-going Discount Control Mechanism measures (e.g., buy-backs).

Based on the Annual Cash Distribution Policy, the Fund's Sole Director intention is to recommend to shareholders for their approval a cash distribution of at least RON 0.05 per share, on an annual basis, subject to applicable law and necessary approvals, to any restrictions under Romanian legal or tax regulations and subject to available financing resources.

The Annual Cash Distribution Policy does not limit additional cash distributions that can be recommended by the Sole Director separately, subject to available financing sources, regulatory and corporate approvals and depending on the discount level, in accordance with the IPS and the Discount Control Mechanism.

Special dividend distribution proposal

Taken into consideration:

- the current cash and cash equivalent position of Fondul Proprietatea generated by dividend income,
- the estimated cash inflows and outflows,
- the other on-going Discount Control Mechanism measures and the evolution of the share price discount/ premium,

the Fund's Sole Director proposal is to distribute a special dividend of RON 0.06 per share. The proposed special dividend will be distributed from the remaining balance of 2019 unallocated profit as follows:

Proposed gross special dividend per share (RON)	(1)	0.0600
Number of shares in issue		6,412,196,967
Less unpaid shares		(363,812,350)
Less treasury shares in balance as at 2 November 2021		(174,539,020)
Number of shares entitled to receive dividends¹	(2)	5,873,845,597
Total proposed special dividend (RON)	(3)=(1)*(2)	352,430,736

The total special dividend payable to shareholders (respectively the approved gross special dividend per share multiplied by the number of shares entitled to receive dividends), if the dividend proposal is approved by the general shareholders meeting, may be different compared to the amount stated above due to the fact that between 2 November 2021 and the record date of the distribution, additional treasury shares will be acquired by the Fund under the buy-back programmes. These treasury shares are not entitled to cash distribution and consequently will be deducted from the number of shares included in the distribution calculation above (i.e. the balance as at 2 November 2021). Any difference arising in the total distribution amount will remain available to the Fund under the retained earnings caption.

Franklin Templeton International Services S.à r.L, in its capacity of alternative investment fund manager of FONDUL PROPRIETATEA S.A.

Johan Meyer

Permanent Representative

¹ Computed as at 2 November 2021 as the number of the fully paid shares less treasury shares; unpaid shares along with treasury shares do not constitute dividend entitlement as per Article 67 (2) and Article 105 (1) of Law 31/1990.