

**Resolution no. [...] / 28 April 2021
of the Shareholders' Ordinary General Meeting of
FONDUL PROPRIETATEA S.A.**

Headquarters: 78-80 Buzești Street, 7th floor, sector 1, Bucharest, Romania,
Registered with the Trade Registry under number J40/21901/2005, fiscal registration code
18253260

Today, 28 April 2021, 12:00 PM (Romanian time), the shareholders of Fondul Proprietatea S.A. (the “Fund” or “Fondul Proprietatea”) have met during the Shareholders’ Ordinary General Meeting (“OGM”) of the Fund, at its first summoning, at “ATHÉNÉE PALACE HILTON BUCHAREST” Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, Sector 1, Bucharest, 010292, Romania, the OGM being opened by its Chairman, namely Mr. [...], in his capacity of permanent representative of Franklin Templeton International Services S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016, in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. (“Sole Director”).

Whereas:

- The convening notice of the OGM was published on the Fund’s website (www.fondulproprietatea.ro) on 23 February 2021, in the Official Gazette of Romania, Part IV, number 778 of 24 February 2021 and in “Adevărul” newspaper number 8486 of 24 February 2021;
- The provisions of Companies’ Law no. 31/1990, republished, with its subsequent amendments and supplementations (Companies’ Law no. 31/1990);
- The provisions of Article 21 of CNVM Regulation no. 4/2010 on the registration with CNVM and the operation of the company “Fondul Proprietatea” S.A., as well as on trading the shares issued by this company;
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004;
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts;

- The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, with its subsequent amendments and supplementations (Issuers' Law);
- The provisions of Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations (Regulation no. 5/2018);
- The provisions of Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation (Law no. 243/2019);
- The provisions of Regulation of the Financial Supervisory Authority no. 7/2020 on the authorization and operation of alternative investment funds (Regulation no. 7/2020);
- The provisions of COMMISSION IMPLEMENTING REGULATION (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights (CE Regulation 1212/2018),

it is necessary to have a number of shareholders holding 25% of the total voting shares in order to meet the quorum conditions, in the present OGMS, manifesting their vote [...] of shareholders, which represents a number of [...] voting rights (i.e. [...])% of the total voting rights at the reference date 31 March 2021, i.e. [...]),

there are met the quorum for holding this meeting and the majority for shareholders to decide legally, under the legally required majority (according to art. 112 paragraph (1) of the Companies' Law no. 31/1990 and art. 14 I paragraph (1) of the Fund's Constitutive Act).

Following debates, the Fund's shareholders decide as follows.

- I. The approval of the distribution of a gross special dividend of RON 0.072 per share, in accordance with the supporting documentation and annexed to this resolution, subject to the approval of the coverage of the negative reserves, and coverage of the accounting loss mentioned above. The shareholders approve that the payment of the dividends to start on the Payment Date of this OGM (as defined at point 9 of this OGM) to the persons registered as shareholders of Fondul Proprietatea on the Registration Date (as defined at point 9 of this OGM). Unpaid shares and treasury shares do not constitute dividend entitlement.

This item is adopted with [...] votes, representing [...] % of the validly casted votes, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies' Law no. 31/1990. The casted votes were recorded as follows: [...] votes "for" and [...] votes "against". There were also registered: [...] abstains, [...] annulled votes and [...] votes „not given”.

II. The approval of:

- (a) **The date of 27 May 2021** as the *Ex – Date*, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 2 paragraph (2) letter (1) of Regulation no. 5/2018; and of

The date of 28 May 2021 as the **Registration Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 86 paragraph (1) of Issuers' Law.

The date of 22 June 2021 as the **Payment Date**, computed in accordance with the provisions of Article 178 paragraph (2) of Regulation no. 5/2018.

As they are not applicable to this OGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation.

- (b) The empowerment, with authority to be substituted, of Johan Meyer to sign the shareholders' resolutions, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders' resolutions, including formalities for publication and registration thereof with the Trade Registry or with any other public institution.

This item is adopted with [...] votes, representing [...] % of the validly casted votes, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies' Law no. 31/1990. The casted votes were recorded as follows: [...] votes "for" and [...] votes "against". There were also registered: [...] abstains, [...] annulled votes and [...] votes „not given”.

This OGM decision no. [...] is drafted on behalf of the shareholders today, 28 April 2021, in 3 original counterparts by:

[...]

Chairman

[...]

Meeting secretary



Technical secretary

Annex – The proposal for the dividend distribution, as presented in the supporting materials and in the Shareholders’ Ordinary General Meeting of Fondul Proprietatea S.A. of 28 April 2021

Sole Director’s Proposal for Dividend Distribution

Overview

Fondul Proprietatea S.A. (“Fondul Proprietatea” or the “Fund”) reported an audited accounting loss of RON 102,978,968 in the financial statements for the year ended 31 December 2020, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union („IFRS”) and applying the Financial Supervisory Authority’s (“FSA”) Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorised, regulated and supervised by the FSA – Financial Investments and Instruments Sector (“Norm 39/2015”).

Although due to this situation there are no distributable profits according to the Fund’s 2020 statutory annual financial statements, the Fund’s Sole Director remains committed to ensure an annual cash distribution to the Fund’s shareholders.

On the agenda of 28 April 2021 Ordinary General Shareholders’ Meeting, the Fund’s Sole Director proposes the coverage of the entire accounting loss of RON 102,978,968 from 2016 unallocated profit.

Considering the above and the provisions of the Romanian Companies’ Law no. 31/1990 (“Law 31/1990”) stipulating that the dividends may only be distributed from profits determined according to the legislation in force, the Fund’s Sole Director proposes, subject to shareholders’ approval, a special dividend from prior years’ unallocated profits.

Sole’s Director Proposal for Special Dividend Distribution

Based on the Fund’s Annual Cash Distribution Policy (published on the Fund’s website), 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.

If the Fund’s Sole Director proposals for 2020 accounting loss coverage included on the agenda of 28 April 2021 Ordinary General Shareholders’ Meeting is approved by the shareholders, the Fund’s unallocated retained earnings will amount to RON 7,064,680,119. More details are presented in the table below.

Retained earnings components	Audited balance as at 31 Dec 2020	Amounts proposed for allocation, subject for 28 April 2021 OGSM approval	Remaining unallocated balances
2016 unallocated profit	269,399,398	(102,978,968) ¹	166,420,430
2017 unallocated profit	318,162,571	-	318,162,571

Retained earnings resulted from transition to IFRS 9 starting with 1 January 2018	4,248,175,069 ²	-	4,248,175,069
2018 unallocated profit	12,536,187	-	12,536,187
2019 unallocated profit	2,319,385,862	-	2,319,385,862
Loss for the year ended 31 December 2020	(102,978,968)	102,978,968 ¹	-
Total retained earnings	7,064,680,119		7,064,680,119

¹ subject to Fund's shareholders approval under point 5 of the agenda of 28 April 2021 Ordinary General Shareholders' Meeting

² As result of the adoption of IFRS 9, as at 1 January 2018, the fair value reserve on available for sale financial assets net of the related deferred tax in total amount of RON 4,248,175,069 was transferred to retained earnings. For further details on this accounting policy change see the Fund's statutory financial statements for the year ended 31 December 2018.

Taken into consideration:

- the distributable amounts and the need to maintain additional reserves to cover the losses from the future buy-backs cancellation (as further described below),
- the other on-going Discount Control Mechanism measures (e.g. buy-backs),
- the estimated available cash,

the Fund's Sole Director proposal is a dividend distribution of RON 0.072 per share, in line also with the Annual Cash Distribution Policy. This is conditional to the approval of the proposal to cover the accounting loss on the agenda of 28 April 2021 Ordinary General Shareholders' Meeting.

The proposed dividend will be distributed from 2016 and 2017 unallocated profits as follows:

Proposed gross dividend per share (RON)	(1)	0.0720
Number of shares in issue		7,210,158,254
Less unpaid shares		(363,812,350)
Less treasury shares in balance as at 31 Dec 2020		(797,961,287)
Number of shares entitled to receive dividends¹	(2)	6,048,384,617
Total proposed dividend (RON), out of which:	(3)=(1)*(2)	435,483,692
- Distributed from 2016 unallocated profit		166,420,430
- Distributed from 2017 unallocated profit		269,063,262

The total dividend amount payable to shareholders (respectively the approved gross 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

¹ Computed as at 31 December 2020 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.

above due to the fact that between 31 December 2020 and the record date of the distribution, additional treasury shares will be acquired by the Fund under the current buy-back programme. 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 31 December 2020). Any difference arising in the total distribution amount will remain available to the Fund under the retained earnings caption.