

**To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange**

Current report according to Article 113 point A, paragraph (1) letter c) of the Romanian National Securities Commission Regulation no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of Article 99 letter a) of the Code of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

Important events to be reported:

The resolutions of the 26 October 2017 Extraordinary and Ordinary General Shareholders Meetings of Fondul Proprietatea SA

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch ("**FTIML Bucharest**"), in its capacity as Investment Manager of Fondul Proprietatea SA ("**the Fund / the Company**") hereby announces that on 26 October 2017 were held at "Radisson Blu" Hotel, 63-81 Calea Victoriei Street, Atlas Room, 1st District, Bucharest, 010065, Romania, the Fund's Extraordinary General Shareholders Meeting commencing 13:00 hours (Romanian time) ("**EGM**") and the Fund's Ordinary General Shareholders Meeting commencing 14:00 hours (Romanian time) ("**OGM**").

The meetings were chaired by Mr. Johan Meyer, the Permanent Representative of Franklin Templeton International Services S.à r.l., the Sole Director of the Fund.

The shareholders of the Fund decided the following with respect to:

A. The EGM agenda:

1. To approve the authorization of the Sole Director to buy-back shares of Fondul Proprietatea S.A., global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A., via trading on the regular market on which the shares, the global depositary receipts or the depositary interests corresponding to the shares of Fondul Proprietatea S.A. are listed or public tender offers, in compliance with the applicable law, for a maximum number computed so that all the outstanding treasury shares (acquired during this programme and/or previous ones) will not exceed 20% of the issued share capital at the relevant time, starting with the publication of this resolution in the Official Gazette of Romania, Part IV, for a maximum

Report date:

26 October 2017

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017

Phone/fax number:

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

Email:

office@fondulproprietatea.ro

Internet:

www.fondulproprietatea.ro

Sole Registration Code

with the Trade Register

Office:

18253260

Order number in the Trade

Register:

J40/21901/2005

Register on Data

Protection Notification

Register under number:

18668

Subscribed share capital:

RON 5,238,521,987.92

Paid-up share capital:

RON 5,049,339,565.92

Number of shares in

issue:

10,074,080,746

Number of paid shares:

9,710,268,396

Regulated market on

which the issued

securities are traded:

Shares on Bucharest Stock
Exchange

GDRs on London Stock

Exchange

period of 18 months as of the date when this shareholders' resolution is published in the Official Gazette of Romania, Part IV. The buy-back shall be performed at a price that cannot be lower than RON 0.2 / share or higher than RON 2 / share. In case of acquisitions of global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A., the calculation of shares in relation to the aforementioned thresholds shall be based on the number of Fondul Proprietatea S.A. shares underlying such instruments and their minimum and maximum acquisition price in the currency equivalent (at the relevant official exchange rate published by the National Bank of Romania valid for the date on which the instruments are purchased) shall be within the price limits applicable to the share buy-backs above-mentioned, and shall be calculated based on the number of shares represented by each global depositary receipt or depositary interest. The transaction can only have as object fully paid shares, global depositary receipts or depositary interests corresponding to the shares. The buy-back programme is aimed at the share capital decrease. The shareholders' resolution regarding the share capital decrease and the change of the Constitutive Act will be approved by the shareholders, with the observance of the provisions of the Constitutive Act, being agreed that the shareholders may approve one or more share capital decreases as the shares are being bought back and the shareholders are convened by the Sole Director. This buy-back programme implementation will be subject to the availability of the necessary cash. The Resolution issued by the Extraordinary General Meeting of Shareholders no. 8/11 October 2016 terminates its effects when this resolution is published in the Official Gazette of Romania, Part IV.

2. To approve, in accordance with Article 129² of Regulation no. 1/2006:
 - (i) **22 November 2017** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f¹) of Regulation no. 1/2006, and
 - (ii) **23 November 2017** as the **Registration Date**, computed in accordance with the provisions of Article 86 paragraph (1) of Issuers' Law.

As they are not applicable to this EGM, the shareholders did not decide on the date of the guaranteed participation, as defined by Article 2 letter f¹) of Regulation no. 6/2009, and on the Payment Date, as defined by

Article 2 letter g) of Regulation no. 6/2009.

3. To empower, with authority to be substituted, Johan Meyer to sign the shareholders' resolutions and the amended and restated form of the Constitutive Act, 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.

B. The OGM agenda:

1. In accordance with Article 9.7 of the Management Agreement signed on 2 November 2015 between Fondul Proprietatea and Franklin Templeton International Services S.À R.L. ("**Management Agreement**"), the shareholders decided the following:
 - 1.1. To approve the continuation of the current mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea S.A.
 - 1.2. Not to approve:
 - a) the simultaneous termination of the mandate of Franklin Templeton International Services S.À R.L. as the alternative investment fund manager and sole director of Fondul Proprietatea S.A., and of the Management Agreement, beginning with the earliest of (i) the appointment of a new alternative investment fund manager and sole director of Fondul Proprietatea S.A. in accordance with the terms of the Management Agreement and (ii) 1 May 2018, and
 - b) the procedure to be observed for the selection of a new alternative investment fund manager and sole director of Fondul Proprietatea S.A., as described in the OGM supporting materials.
2. To approve the 2018 budget of Fondul Proprietatea S.A.
3. To appoint Deloitte Audit S.R.L. as the financial auditor of Fondul Proprietatea S.A., setting the duration of the financial audit agreement

for the period starting with the date of approval of this decision and 31 August 2020; setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea SA for 2017, 2018 and 2019 financial years, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and setting the level of its remuneration for the financial audit services described above at a maximum level (without VAT) of: (i) EUR 74,000 + GBP 9,500 for auditing the said 2017 financial statements; (ii) EUR 83,700 + GBP 9,500 for auditing the said 2018 financial statements; (iii) EUR 75,300 + GBP 9,500 for auditing the said 2019 financial statements.

4. To approve, in accordance with Article 129² of Regulation no. 1/2006:
 - (i) **22 November 2017** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f¹) of Regulation no. 1/2006, and
 - (ii) **23 November 2017** as the **Registration Date**, computed in accordance with the provisions of Article 86 paragraph (1) of Issuers' Law.

As they are not applicable to this OGM, the shareholders did not decide on the date of the guaranteed participation, as defined by Article 2 letter f¹) of Regulation no. 6/2009, and on the Payment Date, as defined by Article 2 letter g) of Regulation no. 6/2009.

5. To empower, with authority to be substituted, 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' resolution, including formalities for publication and registration thereof with the Trade Registry or with any other public institution.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch acting as Investment Manager of FONDUL PROPRIETATEA S.A.

Oana Valentina TRUȚA
Legal Representative