

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 September 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 September 2017 were held at "Athénée Palace Hilton" Hotel, in Bucharest, 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 decrease of the subscribed share capital of Fondul Proprietatea S.A. as follows.

"The approval of the decrease of the subscribed share capital of Fondul Proprietatea S.A. from RON 4,854,034,784.56 to RON 4,771,610,196.08 pursuant to the cancellation of 158,508,824 own shares acquired by Fondul Proprietatea S.A. during the seventh and eighth buy-back programme.

After the share capital decrease, the subscribed share capital of Fondul Proprietatea S.A. shall have a value of RON 4,771,610,196.08 being divided in 9,176,173,454 shares, each having a nominal value of RON 0.52 per share.

Report date:

26 September 2017

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti St.,
7th floor, district 1,
Bucharest, postal code
011017

Phone/fax number:

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

Sole Registration Code with the Trade Register Office:

18253260

Order number in the Trade Register:

J40/21901/2005

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

The first paragraph of Article 7 of the Constitutive Act of Fondul Proprietatea S.A. after the share capital decrease will be changed as follows.

“(1) The subscribed share capital of Fondul Proprietatea is in amount of RON 4,771,610,196.08, divided in 9,176,173,454 ordinary, nominative shares, having a nominal value of RON 0.52 each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by Depozitarul Central SA”.

The subscribed share capital decrease will take place on the basis of Article 207 paragraph 1 letter (c) of Law no. 31/1990 and will be effective after all the following conditions are met:

- (i) this resolution is published in the Official Gazette of Romania, Part IV for at least two months;
 - (ii) Financial Supervisory Authority endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea S.A. as approved by shareholders during this meeting, where required by applicable law or regulation;
 - (iii) the share capital decrease approved by the shareholders on 3 May 2017 is effective;
 - (iv) the shareholders’ resolution for approving this share capital decrease is registered with the Trade Registry.”
2. In accordance with Article 129² of Regulation no. 1/2006, to approve:
- a) **30 October 2017** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f¹) of Regulation no. 1/2006, and
 - b) **31 October 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 19 paragraph (3) of the Constitutive Act of Fondul Proprietatea S.A., the shareholders decided the following:

- 1.1. To approve the renewal of the mandate 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 Act of 12 July 2013 concerning 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 and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, registered with the Romanian Financial Supervisory Authority (FSA) under number PJM07.1AFIASMDLUX0037/10 March 2016, as the alternative investment fund manager and sole director of Fondul Proprietatea S.A. for another two (2) years term starting with 1 April 2018 ("**New Mandate**").

The renewal of the mandate of Franklin Templeton International Services S.À R.L. above-mentioned is conditional upon:

- (a) shareholders approve the key commercial terms of the New Mandate as per point 1.2 below; and
- (b) Franklin Templeton International Services S.À R.L. and Fondul Proprietatea S.A. execute until 1 March 2018 a management agreement covering the New Mandate

(which is to include the key commercial terms mentioned at point 1.2 below).

- 1.2. To approve the key commercial terms of the New Mandate, as described in the OGM supporting documentation.

With regards point 1.3. on the OGM agenda, “The appointment of an alternative investment fund manager of Fondul Proprietatea S.A. for a mandate of two (2) years starting with 1 April 2018, in accordance with the legal provisions in force. The empowerment of the Board of Nominees to negotiate and execute the relevant investment management agreement with the selected candidate and fulfil all relevant formalities for the authorization and legal completion of such appointment. (*secret vote*)”, as no proposal for a candidate was made for this point 1.3, within the deadline set in the convening notice, i.e. 4 September 2017, this item was not subject of the shareholders’ vote.

2. In accordance with Article 129² of Regulation no. 1/2006, to approve:
 - a) **30 October 2017** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f¹) of Regulation no. 1/2006, and
 - b) **31 October 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.

3. 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