

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

Current report according to Article 99 (s) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments and of Article 113 (A) para. (1) letter c) of the NSC Regulation no. 1/2006 on issuers and operations with securities, with its subsequent amendments and supplementations

Events to be reported:

The resolutions of the 11 October 2016 Extraordinary General Shareholders Meeting 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 11 October 2016 was held at JW Marriott Hotel, in Bucharest, the Fund's Extraordinary General Shareholders Meeting ("**EGM**") commencing at 13:00 hours (Romanian time).

The meeting was chaired by Mr. Grzegorz Maciej Konieczny, the Permanent Representative of Franklin Templeton International Services S.à r.l., the Sole Director of the Fund.

Following the said meeting, the shareholders of the Fund decided the following.

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 9,168,314,116.70 to RON 8,562,968,634.10 pursuant to the cancellation of 712,171,156 own shares acquired by Fondul Proprietatea S.A. during the sixth buy-back programme.

After the share capital decrease, the subscribed share capital of Fondul Proprietatea S.A. shall have a value of RON 8,562,968,634.10 being divided in 10,074,080,746 shares, each having a nominal value of RON 0.85 per share.

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

Report date:

11 October 2016

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 9,320,973,180.85

Paid-up share capital:

RON 9,011,732,683.35

**Number of shares in
issue:**

10,965,850,801

Number of paid shares:

10,602,038,451

**Regulated market on
which the issued
securities are traded:**

Shares on Bucharest Stock
Exchange

GDRs on London Stock
Exchange

as follows.

“(1) The subscribed share capital of Fondul Proprietatea is in amount of RON 8,562,968,634.10, divided in 10,074,080,746 ordinary, nominative shares, having a nominal value of RON 0.85 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 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 (“**FSA**”) endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea SA as approved by shareholders during this meeting, where required by applicable law or regulation;
 - (iii) the share capital decrease approved by the shareholders on 26 April 2016 is effective;
 - (iv) the shareholders’ resolution for approving this share capital decrease is registered with the Trade Registry.”
2. 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 10% of the issued share capital at the relevant time, starting with the date when the share capital decrease mentioned under point (1) herein is effective, for a maximum 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 SA 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 Administrator. This buy-back programme implementation will be subject to the availability of the necessary cash.

3. To ratify and to approve all EGM resolutions and all legal acts (including resolutions, decisions, notices for convening all EGM and contracts) concluded, adopted and issued in the name of Fondul Proprietatea S.A. through its sole administrator and/or its alternative investment fund manager between 6 September 2010 and 10 October 2016 and to approve and ratify any implementation acts, facts and operations based on such, including the management of Fondul Proprietatea S.A. under an unitary system, as well as to approve all the changes to the Constitutive Act approved by all the extraordinary general meetings of shareholders between 6 September 2010 and 10 October 2016, as endorsed by FSA.

4. In accordance with Article 129² of Regulation no. 1/2006, to approve **1 November 2016** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f¹) of Regulation no. 1/2006, and **2 November 2016** as the **Registration Date**, computed in accordance with the provisions of Article 238 paragraph (1) of Capital Market Law no. 297/2004. As no payments to the shareholders shall be triggered by the decisions herein, shareholders did not decide upon the Payment Date, as it is defined by Article 2 letter g) of Regulation no. 6/2009.

5. To empower, with authority to be substituted, Grzegorz Maciej Konieczny 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.

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

Oana Valentina Truța
Legal Representative