

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 Extraordinary and Ordinary General Shareholders Meetings of 26 April 2016

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 April 2016 were held at Radisson Blu Hotel, in Bucharest, the Fund's Extraordinary General Shareholders Meeting ("EGM") commencing at 15:00 hours (Romanian time) and the Fund's Ordinary General Shareholders Meeting ("OGM") commencing at 16:00 hours (Romanian time).

The meetings were chaired by Mr. Grzegorz Maciej Konieczny, 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 amendment of the Constitutive Act of Fondul Proprietatea S.A., in accordance with the requirements set forth by the Endorsement no. 25/28 January 2016 issued by the Financial Supervisory Authority ("FSA"), as follows.

(a) Article 17 paragraph (20) shall be amended and shall read as follows.

"(20) Approves the delegation by the AIFM of certain activities. The delegation shall be effective in accordance with the legal provisions in force".

(b) Article 20 shall be amended and shall read as follows.

"The AIFM shall appoint a natural person as its permanent representative. The AIFM can change the permanent representatives in accordance with the applicable law. All changes

Report date:

26 April 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 Registry Office:

18253260

Order number in the Trade Registry:

J40/21901/2005

Subscribed share capital:

RON 9,869,265,720.90

Paid-up share capital:

RON 9,541,834,605.90

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

will be registered with the Trade Registry”.

(c) Article 21 paragraph (4) letter (viii) shall be amended and shall read as follows.

“(viii) approve the outsourcing of certain activities, within the limits of the approved budget, respectively the delegation of the performance of certain activities, subject to the observance of the applicable legislation;”

(d) Article 36 paragraph (2) shall be deleted.

(e) The term of “*Fund Manager*” to be replaced throughout the Constitutive Act with the term of “*AIFM*” (abbreviation of Alternative Investment Fund Manager), as well as the term of “*National Securities Commission*” or any of its abbreviation therein to be replaced with the term of “*Financial Supervisory Authority*” or “*FSA*”.

2. To approve the decrease of the subscribed share capital of Fondul Proprietatea S.A. as follows.

The decrease of the subscribed registered share capital of Fondul Proprietatea S.A. from RON 9,320,973,180.85 to RON 9,168,314,116.70, by cancelling a number of 179,598,899 own shares.

After the share capital decrease the subscribed share capital of the Company will be RON 9,168,314,116.70 being divided into 10,786,251,902 shares, with a nominal value of RON 0.85 / share.

To approve the amendment of the Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea S.A. as follows.

“(1) The subscribed share capital of Fondul Proprietatea is in amount of RON 9,168,314,116.70, divided in 10,786,251,902 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 S.A.”.

The subscribed share capital decrease will take place on the basis of Article 207 paragraph 1 letter c) of Law 31/1990 and Shareholders’ Resolution no. 5/27 April 2015 allowing, among

others, for partial cancellations within the sixth buy-back programme, and will be effective after the following four conditions are met:

- (i) this resolution is published in the Official Gazette of Romania, Part IV for at least two months;
- (ii) 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 27 January 2016 is effective;
- (iv) the shareholders' resolution for approving this share capital decrease is registered with the Trade Registry.

As an effect of the share capital decrease, the maximum number computed so that all the outstanding treasury shares (acquired during the programme approved by EGM Resolution 9/29 October 2015 and/or previous ones) will not exceed 10% of the issued share capital at the date when the acquisition is done.

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 25 April 2016 and to approve and ratify any implementation acts, facts and operations based on such, including the management of the Company 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 25 April 2016, as endorsed by FSA.
4. In accordance with Article 129² of Regulation no. 1/2006, to approve **23 May 2016** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f¹) of Regulation no. 1/2006, and **24 May 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.
6. To approve the amendment of the Constitutive Act of Fondul Proprietatea S.A.:

Article 19 paragraph (3) shall be amended and shall read as follows:

“(3) The mandate of the AIFM is of 2 years. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of the mandate of the AIFM and will ensure that the agenda for such meeting will include points granting the options to (i) approve the renewal of the AIFM's mandate and (ii) appoint a new AIFM in accordance with the legal provisions in force, with the shareholders being granted the opportunity to propose candidates for such position; the agenda will also include provisions for the authorization of the negotiation and execution of the relevant investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment”.

This point has been introduced on the agenda following the proposal of a shareholder owning more than 5% of the share capital.

B. The OGM agenda:

1. To ratify the Addendum no. 6 of 2 March 2016 (“Addendum no. 6”) to the Investment Management Agreement executed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea S.A. on 29 April 2014 (“Investment Management Agreement”). The ratification herein of the Addendum no. 6 (which reflects the recommendation made by the FSA through Endorsement no. 1/7 January 2016, and

as described in the OGM supporting materials) gives full force and effect for the payment by Fondul Proprietatea S.A. to Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch of the Distribution Fee owed to the latter under the Investment Management Agreement for the period between 7 January 2016 – 31 March 2016, payment which will be made in accordance with the provisions of the Addendum no. 6.

2. To appoint two members in the Board of Nominees of Fondul Proprietatea S.A. following the expiration of two mandates on 30 September 2016, as follows.
 - 2.1. To appoint Mr. SORIN MIHAI MÎNDRUȚESCU as member of the Board of Nominees. The mandate is valid for a period of three (3) years and shall produce its effects starting with 30 September 2016, subject to the acceptance of the mandate by the newly appointed member.
 - 2.2. To appoint Mr. MARK HENRY GITENSTEIN as member of the Board of Nominees. The mandate is valid for a period of three (3) years and shall produce its effects starting with 30 September 2016, subject to the acceptance of the mandate by the newly appointed member.
3. To approve the Annual Activity Report of the Sole Administrator of Fondul Proprietatea S.A. for the financial year 2015, including the financial statements for the year ended on 31 December 2015 prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, to approve the auditor's report and the discharge of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch for any liability for its administration during 2015 financial year. As the mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch expired on 31 March 2016, the shareholders also decided to discharge the latter of any liability for its administration of Fondul Proprietatea S.A. during the period 1 January 2016 – 31 March 2016.
4. To approve the covering of the accounting loss, in accordance with the OGM supporting materials.
5. To approve the additional act no. 1 to the audit contract executed with the financial auditor, DELOITTE AUDIT S.R.L., as described in

the OGM supporting documentation.

6. To ratify and to approve all OGM resolutions and all legal acts (including decisions, notices for convening all OGM and contracts) concluded, adopted or issued on behalf of Fondul Proprietatea S.A. through its sole administrator and/or its alternative investment fund manager, as well as any management/administration measures adopted and/or implemented by its sole administrator and/or its alternative investment fund manager, or otherwise approved or concluded between 6 September 2010 and 25 April 2016.
7. In accordance with Article 129² of Regulation no. 1/2006, to approve **23 May 2016** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f¹) of Regulation no. 1/2006, and **24 May 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.

8. To empower, with authority to be substituted, Grzegorz Maciej KONIECZNY 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 Register 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