

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

Current report according to Article 113 point A, paragraph (1) letter b) 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 of the Code of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

**Important events to be reported:**

## **Convening notice for the Extraordinary and Ordinary General Shareholders' Meetings of Fondul Proprietatea SA to be held on 31 October 2016**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea SA, hereby, publishes the Convening notice of Fondul Proprietatea's Extraordinary ("EGM") and Ordinary ("OGM") General Shareholders Meetings to be held on 31 October 2016, approved by the Board of Nominees on 21 September 2016, and enclosed in the Annex to this report.

Both meetings shall take place at "JW Marriott" Hotel, "Constanta" Room, 90 Calea 13 Septembrie Street, 5<sup>th</sup> District, Postal Code 050726, Bucharest, Romania, commencing 13:00 hours (Romanian time) in case for EGM and 14:00 hours (Romanian time) in case for OGM.

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

**Oana Valentina TRUȚA**  
Legal Representative

**Report date:**

21 September 2016

**Name of the issuing entity:**

Fondul Proprietatea S.A.

**Registered office:**

78-80 Buzesti St.,  
7<sup>th</sup> 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

## CONVENING NOTICE OF THE EXTRAORDINARY AND ORDINARY GENERAL MEETINGS OF SHAREHOLDERS OF FONDUL PROPRIETATEA S.A.

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 as the alternative investment fund manager and sole director of FONDUL PROPRIETATEA S.A., a joint-stock company incorporated under the laws of Romania, qualifying as an alternative investment fund, with its headquarters in Bucharest, 78-80 Buzesti Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, Romania, registered with the Trade Registry under no. J40/21901/2005, Sole Registration Code 18253260, with a subscribed registered share capital of RON 9,320,973,180.85, a paid-up share capital of RON 9,011,732,683.35 and with a total number of voting rights as at 31 August 2016 of 10,313,668,344 (**the Company/FP**),

Considering

- The provisions of Articles 12 - 13 of the Company's in force Constitutive Act;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (**Law no. 31/1990**);
- The provisions of Law no. 297/2004 on capital market, with its subsequent amendments and supplementations (**Law no. 297/2004**);
- 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 CNVM Regulation no. 1/2006 on issuers and operations with securities, with its subsequent amendments and supplementations (**Regulation no. 1/2006**);
- The provisions of CNVM Regulation no. 6/2009 on exercising certain rights of shareholders within general meetings of companies, with its subsequent amendments and supplementations (**Regulation no. 6/2009**);
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts (**Regulation no. 4/2013**);
- 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.

### CONVOKES:

The Extraordinary General Meeting of Shareholders of Fondul Proprietatea S.A. on **31 October 2016, 13:00 o'clock** (Romanian time), at "JW Marriott" Hotel, "Constanta" Room, 90 Calea 13 Septembrie Street, 5<sup>th</sup> District, Postal Code 050726, Bucharest, Romania (**EGM**), and

The Ordinary General Meeting of Shareholders of Fondul Proprietatea S.A. on **31 October 2016, 14:00 o'clock** (Romanian time), at "JW Marriott" Hotel, "Constanta" Room, 90 Calea 13 Septembrie Street, 5<sup>th</sup> District, Postal Code 050726, Bucharest, Romania (**OGM**).

Only the persons registered as shareholders of the Company on **13 October 2016** (the **Reference Date**) in the register of shareholders kept by Depozitarul Central S.A. have the right to participate and vote at the EGM and OGM.

## A. The agenda of the EGM is as follows.

1. The approval of the decrease of the subscribed share capital of Fondul Proprietatea S.A. from RON 8,562,968,634.10 to RON 5,742,226,025.22 through the reduction of the par value of the shares of Fondul Proprietatea S.A. from RON 0.85 to RON 0.57, and thus the approval of its mechanics which incorporates two operations (coverage of accounting losses and distributions to shareholders) described below as follows.

1.1. The approval of the coverage of the accumulated accounting losses as reflected in Fondul Proprietatea S.A. financial statements at 31 December 2015 in amount of RON 2,473,157,471.66, in accordance with article 207 paragraph (1) letter b) of Law no. 31/1990 using:

- RON 156,118,900.08 from *Other reserves*,
- RON 2,317,038,571.58 from registered capital,

through the decrease of the subscribed share capital of Fondul Proprietatea S.A. from RON 8,562,968,634.10 to RON 6,245,930,062.52 by reducing the par value of the shares of Fondul Proprietatea S.A. from RON 0.85 to RON 0.62.

1.2. The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 6,245,930,062.52 to RON 5,742,226,025.22 through the reduction of the par value of the shares of Fondul Proprietatea S.A. from RON 0.62 to RON 0.57. The decrease is motivated by the optimization of the share capital of Fondul Proprietatea S.A., involving the return to the shareholders of a part of their contributions, proportionally with their participation to the paid-up share capital of Fondul Proprietatea SA. The subscribed share capital decrease will take place on the basis of Article 207 paragraph (2) letter b) of Law no. 31/1990. As such, the shareholders approve the payment to the shareholders registered at the Registration Date of this EGM of RON 0.05/share, proportionally with their participation to the paid-up share capital of Fondul Proprietatea S.A.. The payment shall start on the Payment Date of this EGM provided that the Conditions (as defined below) are met.

After the share capital decrease mentioned above, the subscribed share capital of Fondul Proprietatea S.A. shall have a value of RON 5,742,226,025.22 being divided in 10,074,080,746 shares, each having a nominal value of RON 0.57 per share.

The approval of the amendment of 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 5,742,226,025.22, divided in 10,074,080,746 ordinary, nominative shares, having a nominal value of RON 0.57 each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by Depozitarul Central SA”.*

The approval of the amendment of Article 9 paragraph (2) of the Constitutive Act of Fondul Proprietatea S.A. as follows.

*“(2) The nominal value of a share is RON 0.57”.*

The subscribed share capital decrease herein from RON 8,562,968,634.10 to RON 5,742,226,025.22 will be effective after the following conditions (“**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) and Article 9 paragraph (2) 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 11 October 2016 is effective;
- (iv) the shareholders' resolution for approving this share capital decrease is registered with the Trade Registry.

2. The approval of the amendment of the Constitutive Act of Fondul Proprietatea S.A. as follows.

**2.1. Article 12 paragraph (3) letter (h) shall be amended and shall read as follows.**

*“(h) The execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables”.*

**2.2. Article 16 paragraph (2) shall be amended and shall read as follows.**

*“(2) The Chairperson of the Board of Nominees or, during his/her absence, a member of the Board of Nominees appointed through vote by the other members to chair the meeting, ensures the proper unfolding of the meetings. The meetings of the Board of Nominees shall be held at the headquarters of Fondul Proprietatea or at such other location as may be agreed among the members of the Board of Nominees or by means of electronic communications (e.g. telephone, videoconference)”.*

**2.3. Article 17 paragraph (16) shall be amended and shall read as follows.**

*“(16) Proposes to the general meeting of shareholders the prior approval or rejection of the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables”.*

**2.4. Article 21 paragraph (4) points (ix) and (x) shall be amended and shall read as follows.**

*“(ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables.*

*(x) execute contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value does not exceed, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables, without the approval of the ordinary or extraordinary general shareholders' meeting”.*

If the shareholders of Fondul Proprietatea S.A. vote in favour for the amendments of the Constitutive Act herein, these amendments will be effective subject to their prior endorsement by the FSA, where required by applicable law or regulation.

3. In view of the provisions of Article 12 paragraph (3) letter (h) of the Constitutive Act and Article 241 paragraph (1) of Law no. 297/2004, shareholders decide to authorize the sole administrator to execute any acts over any holdings in the portfolio companies of Fondul Proprietatea S.A., which either individually or cumulatively during 2017 financial year, exceed 20% of the total value of the non-current assets, less receivables, as follows.

The sole administrator is empowered to take all the necessary measures which will be required for the execution of such an act, including engaging brokers, advisors and legal consultants if needed. The value of the transaction contemplated herein or of the aggregated ones (if the case) performed within the term of this mandate, will not exceed in 2017 financial year 30% of the total value of the non-current assets, less receivables of Fondul Proprietatea S.A.. This herein authorization expires on 31 December 2017.

4. The ratification and the approval of all EGM resolutions and of 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 30 October 2016 and the approval and ratification of any implementation acts, facts and operations based on such, including the management of Fondul Proprietatea S.A. under an unitary system, as well as the approval of all the changes to the Constitutive Act approved by all the extraordinary general meetings of shareholders between 6 September 2010 and 30 October 2016, as endorsed by FSA.
5. In accordance with Article 129<sup>2</sup> of Regulation no. 1/2006, the approval of:
  - (i) **6 March 2017** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f<sup>1</sup>) of Regulation no. 1/2006;
  - (ii) **7 March 2017** as the **Registration Date**, computed in accordance with the provisions of Article 238 paragraph (1) of Capital Market Law no. 297/2004;
  - (iii) **27 March 2017** as the **Payment Date**, as it is defined by Article 2 letter g) of Regulation no. 6/2009.
6. The empowerment, with authority to be substituted, of 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.

## B. The agenda of the OGM is as follows.

1. The Alternative Investment Fund Manager's presentation of the Performance Report for the period 1 July 2015 – 30 June 2016.
2. Board of Nominees' presentation of the Review Report in relation to the Performance Report prepared by the Alternative Investment Fund Manager for the period 1 July 2015 – 30 June 2016.
3. 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 decide on the continuation or not of the mandate of Franklin Templeton International Services S.à r.l. as Fondul Proprietatea's alternative investment fund manager and sole director as follows.
  - 3.1. The approval of 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.
  - 3.2. In case point 3.1. above is not approved by the shareholders, the approval of:
    - 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, 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 in accordance with the terms of the Management Agreement and (ii) 1 May 2017, and
    - b) the procedure to be observed for the selection of a new alternative investment fund manager and sole director of Fondul Proprietatea, as described in the supporting materials. (*secret vote*)

4. The approval of 2017 budget of Fondul Proprietatea SA, in accordance with the supporting materials.
5. The appointment of DELOITTE AUDIT S.R.L. with its headquarters in Bucharest, 4-8 Nicolae Titulescu Street, 3<sup>rd</sup> Floor, 1<sup>st</sup> District, registered with the Trade Registry under no. J40/6775/1995, Sole Registration Number RO7756924 as the financial auditor of Fondul Proprietatea SA, setting the duration of the financial audit agreement for the period starting with the date of approval of this decision and 31 August 2017; setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea SA for the year that will end on 31 December 2016, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and setting the level of remuneration for the financial auditor for the current financial year (the remuneration is included in the financial audit service agreement made available to the shareholders, at the headquarters of Fondul Proprietatea SA and on its internet webpage, together with the rest of the documentation). (*secret vote*)
6. The ratification and the approval of all OGM resolutions and of 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 of 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 30 October 2016.
7. In accordance with Article 129<sup>2</sup> of Regulation no. 1/2006, the approval of:
  - (i) **6 March 2017** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter f<sup>1</sup>) of Regulation no. 1/2006;
  - (ii) **7 March 2017** as the **Registration Date**, computed in accordance with the provisions of Article 238 paragraph (1) of Capital Market Law no. 297/2004;
  - (iii) **27 March 2017** as the **Payment Date**, as it is defined by Article 2 letter g) of Regulation no. 6/2009.
8. The empowerment, with authority to be substituted, of 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 Registry or with any other public institution.

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## GENERAL INFORMATION WITH RESPECT TO THE EGM & OGM

### ***The right to include new items on the agenda. The right to present drafts of resolutions for the items included on the agenda or for the items proposed for inclusion on the agenda.***

In accordance with the provisions of Article 117<sup>1</sup>, paragraph (1) of Law no. 31/1990, Article 7 paragraph (1) of Regulation no. 6/2009 and the provisions of Article 13, paragraph (5) of the Company's Constitutive Act, one or several shareholders representing individually or jointly at least 5% of the Company's share capital may request the Sole Administrator of the Company the introduction of additional items on the agenda of the EGM/OGM and/or the presentation of draft resolutions for the items included or proposed to be included on the agenda of the EGM/OGM.

These requests must comply, cumulatively, with the following requirements:

- a) **in the case of natural person shareholders**, they must be accompanied by copies of the shareholders' identity documents (the identity documents presented by the shareholders must allow their identification in Company's registry of shareholders kept by Depozitarul Central SA), and **in the case of legal person shareholders**, they must be accompanied by:

- the original or a true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date of the EGM/OGM convening notice publication, allowing for the identification thereof in the Company’s registry of shareholders kept by Depozitarul Central SA;
  - the capacity of shareholder’s legal representative shall be taken from the Shareholders’ Registry issued by Depozitarul Central SA; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders’ registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative of the shareholder;
  - the documents attesting the legal representative capacity drafted in a foreign language other than English shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder’s legal representative capacity be notarised or apostilled. The same identification requirements mentioned above shall also be applicable to the legal representative of the shareholders addressing questions regarding the items on the agenda of General Shareholders’ Meetings (**GSM**).
- b) they must be accompanied by a justification and/or a draft resolution proposed for passing, and
- c) they must be sent to and registered at the Company’s headquarters in Bucharest, 78-80 Buzzești Street, 7<sup>th</sup> floor, 1<sup>st</sup> district, postal code 011017, Romania by any type of courier service with proof of delivery or by e-mail with incorporated extended electronic signature in accordance with Law no. 455/2001 on the electronic signature at office@fondulproprietatea.ro by **10 October 2016, 6:00 PM** (Romanian time). Both means of transmission must contain the mention “TO THE EXTRAORDINARY AND ORDINARY GENERAL MEETINGS OF SHAREHOLDERS TO BE HELD ON 31 OCTOBER 2016” written clearly and in upper case; and they must bear the signature and seal of the shareholders or, as the case may be, their legal representatives.

In order to identify and prove the shareholder capacity of a person making proposals to supplement the agenda (or addressing questions according to Article 13 of Regulation no. 6/2009), the Company may request such person to provide a statement indicating the shareholder capacity and the number of shares held.

### ***Information materials and questions related to the agenda***

Each shareholder, irrespective of how many shares he/she/it owns from the Company’s share capital, has the right to ask questions regarding the issues on the agenda of the general meetings. The questions shall be sent to the Company’s headquarters in Bucharest, 78-80 Buzzești Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017 or to office@fondulproprietatea.ro, so that they are received by the Company by **27 October 2016, 13:00 o’clock** (Romanian time), mentioning “TO THE EXTRAORDINARY AND ORDINARY GENERAL MEETINGS OF SHAREHOLDERS TO BE HELD ON 31 OCTOBER 2016” written clearly and in upper case. The Company shall answer the questions asked by the shareholders during the meetings; the questions may be answered as well on the Q&A section of the website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

The identification requirements mentioned above in the section on supplementing the agenda are also applicable to a natural person shareholder and/or the legal representative of a legal person addressing questions regarding the items on the agenda of the GSM.

Commencing with **23 September 2016**, the general procedure for organizing general meetings (including the procedure for voting through a representative with a special/general power of attorney, the procedure which allows voting by correspondence, procedure to be observed when points requiring “secret vote” are on the agenda), shall be available on working days at the Company’s headquarters in Bucharest, 78-80 Buzzești St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, Romania, from 09:00 AM to 05:00 PM (Romanian time), as well as on the official website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

Commencing with **30 September 2016**, all the other information materials regarding the items included on the agenda of the EGM/OGM, including the draft resolutions proposed to be passed within the

meeting, shall be available on working days at the Company's headquarters in Bucharest, 78-80 Buzesti St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, from 09:00 AM to 05:00 PM (Romanian time), as well as on the official website of the Company: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro). The shareholders of the Company may receive, upon request, copies of the documents related to the issues on the agenda of the EGM/OGM.

## ***The attendance and voting to the General Meetings***

### *Global Depositary Receipts Holders*

In accordance with Regulation no. 4/2013, the persons holding Global Depositary Receipts (**GDRs**) (issued based on the shares issued by FP) at the Reference Date can vote within EGM/OGM through the means of the Issuer of the GDRs (i.e. The Bank of New York Mellon – **Issuer of the GDRs**) which will have the quality of shareholder within the meaning and for the application of the provisions of Regulation no. 6/2009.

The Issuer of the GDRs is fully responsible for the correct, complete and on time information of the GDR holders, with the observance of the provisions comprised in the GDR issuance documents, with respect to the documents and supporting materials correspondent to the EGM/OGM made available by FP.

The Issuer of the GDRs will vote in the EGM/OGM in accordance and within the limits of the instructions of the GDR holders (having this quality at the Reference Date), as well as with the observance of the provisions comprised in the GDR issuance documents.

For computing the quorum of EGM/OGM, it will be taken into account only those supporting shares for which the Issuer of the GDRs cast a vote (including "abstention" votes) in accordance with the instructions of the GDR holders above-mentioned. The Issuer of the GDRs will inform FP about the percentage of the voting rights corresponding to the supporting shares for which it will cast votes until 27 October 2016, 13:00 o'clock (Romanian time).

The GDR holder will send to the entity where he/she/it has opened with the GDR account his/her/its voting instructions with respect to the agenda points of EGM/OGM, so that this information may be send to the Issuer of the GDRs.

The Issuer of the GDRs is fully responsible for taking all necessary measures so that the entity keeping record of the GDR holders, intermediaries involved in custodian services for the GDR holders and/or any entities involved in the evidence of the GDR holders, to report the voting instructions of the GDR holders with respect to the points of the EGM/OGM.

### *Shareholders*

The shareholders registered in the register of shareholders on the Reference Date may attend the EGM/OGM and vote as follows.

- a) in person, within GSM – direct vote;
- b) through a representative with a special or general power of attorney; or
- c) by correspondence.

### ***Direct vote***

Shareholders may exercise the direct (personal) vote after proving their identity:

- a) in the case of **natural persons who are sole shareholders** - by presenting the identity card; identity cards submitted by shareholders must allow for their identification on the list of Company's shareholders as at the Reference Date issued by Depozitarul Central SA;
- b) in the case of **natural persons who are collective shareholders** – by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 23 September 2016 on the Company's website (*Special conditions regarding collective natural person shareholders*);



- c) in the case of **legal persons shareholders**, by presenting:
- an original or a true copy of the findings certificate issued by the Trade Registry (in Romanian “certificat constatator”) or any other document, in original or true copy, issued by the competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date when the general meeting convening notice was published, allowing for identification thereof on the list of Company’s shareholders on the Reference Date issued by Depozitarul Central SA;
  - the capacity of shareholder’s legal representative shall be taken from the Shareholders’ Registry issued by Depozitarul Central SA at the Reference Date; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders’ registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finance the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided;
  - the identity card or passport of the legal representative (identity document or identity card for Romanian citizens or passport for foreign citizens).

For all above-mentioned cases, documents presented in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for documents attesting the legal representative’s capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder’s legal representative capacity be notarised or apostilled.

### ***Power of attorney***

Shareholders may delegate other persons, except for the Alternative Investment Fund Manager, the Investment Manager or their employees, Board of Nominees members, to represent them and vote in EGM/OGM based on a special or a general power of attorney described below as follows. For more details, please refer to the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 23 September 2016 on the Company’s website.

### ***Vote by representative holding a special power of attorney***

A special power of attorney may be given for a single shareholders’ meeting, as this EGM/OGM and shall contain specific voting instructions for this particular meeting. The representation of shareholders in the EGM/OGM may be conducted by representatives by duly filling in and signing the form for the special power of attorney. The representation may be conducted both by other shareholders and by third parties. Shareholders lacking exercise capacity or with limited exercise capacity may provide other persons with a special power of attorney.

The special power of attorney shall be sent either (i) in original, to the Company’s headquarters in Bucharest, 78-80 Buzești Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, Romania, or (ii) by e-mail with extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at: [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro), so that it is received by the Company by **27 October 2016, 13:00 o’clock** (Romanian time).

*Documents accompanying the special power of attorney:*

- a) for **natural person shareholders** – copy of the shareholder’s identity card, allowing for identification thereof on the list of the Company’s shareholders on the Reference Date issued by Depozitarul Central SA and a copy of the identity card of the representative (identity document or identity card for Romanian citizens or passport for foreign citizens);
- b) in case of **collective natural person shareholders**, by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available

starting with 23 September 2016 on the Company's website (*Special conditions regarding collective natural person shareholders*);

c) for **legal person shareholders**:

- original or true copy of the findings certificate issued by the Trade Registry (in Romanian "certificat constatator") or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date when the general meeting convening notice was published and allowing identification thereof on the Company's shareholders list on the Reference Date issued by Depozitarul Central SA;
- the capacity of shareholder's legal representative shall be taken from the Shareholders' Registry issued by Depozitarul Central SA at the Reference Date; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders' registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finance the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided; and
- copy of the identity card of the representative (the person especially delegated) (identity document or identity card for Romanian citizens or passport for foreign citizens).

Documents drafted in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for the documents attesting the legal representative capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the shareholder's legal representative capacity be legalized or apostilled.

The special power of attorney form:

- a) shall be made available to the shareholders by the Company starting with **23 September 2016** at the same coordinates and under the same conditions as the information materials;
- b) shall be updated by the Company if new items are added to the EGM/OGM agenda and shall be published on the Company's website in its updated form;
- c) shall be filled in by the shareholder in three counterparts: one for the shareholder, one for the representative, and one for the Company.

Generally speaking, a shareholder may mandate only one proxy to represent him/her/it at the GSM. However, the special power of attorney may nominate other person(s) as substitutes empowered to represent the shareholder in case the said main proxy would be in impossibility to attend. The special power of attorney must provide the order under which the said substitutes vote in case the proxy does not attend the GSM.

### ***Vote by representative holding a general power of attorney***

In opposition with the special one, the general power of attorney allows the proxy to vote on behalf of the shareholder in any aspect on the agenda of one or more companies identified in the power of attorney, including disposal acts. The duration of this general mandate cannot exceed 3 years.

**For the mandate's validity, the proxy must be either an intermediary (in accordance with Article 2 para. (1) point (14) of Law no. 297/2004) or an attorney at law for whom the shareholder is a client.** Also, the proxy should not be in a conflict of interest situation, such as:

- a) It is a majority shareholder of FP, or of another entity, controlled by that respective shareholder;

- b) It is a member of an administration, management or supervisory body of FP, of a majority shareholder or of another entity, controlled by that respective shareholder;
- c) Is an employee or auditor of FP or of a majority shareholder or of another entity, controlled by that respective shareholder;
- d) Is a spouse or relative (up to, and including, fourth degree filiation) of one of the individuals mentioned above.

The proxy cannot be replaced by another person. If the proxy is a legal entity, then the latter may carry out the general mandate through any of member of its administration/management body or of one of its employees.

In view of the GSM, and before their first use, the general power of attorneys are to be sent to the Company's headquarters in Bucharest, 78-80 Buzesti Street, 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017 so that it is received by the Company by **27 October 2016, 13:00 o'clock** (Romanian time), in copy, certified as being the same with the original by the proxy. The said copies are retained by FP, and a mention of this is inserted in the minutes of the general shareholders' meeting.

*Documents accompanying the general power of attorney:*

- a) proof that the proxy is an intermediary in accordance with Article 2 para. (1) point (14) of Law no. 297/2004 or an attorney at law, and that the shareholder is the proxy's client;
- b) for **natural person shareholders** – copy of the shareholder's identity card, allowing for identification thereof on the list of FP shareholders issued by Depozitarul Central SA and a copy of the identity card of the representative (identity document or identity card for Romanian citizens or passport for foreign citizens);
- c) in case of **collective natural person shareholders**, by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 23 September 2016 on the Company's website (*Special conditions regarding collective natural person shareholders*);
- d) for **legal person shareholders**:
  - original or true copy of the findings certificate issued by the Trade Registry (in Romanian "certificat constatator") or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date when the general meeting convening notice was published and allowing identification thereof on the FP shareholders list issued by Depozitarul Central SA;
  - the capacity of shareholder's legal representative shall be taken from the Shareholders' Registry issued by Depozitarul Central SA; however, if the shareholder did not inform timely Depozitarul Central SA of its legal representative (so that the shareholders' registry at the reference date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finances the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided; and
  - copy of the identity card of the representative (the proxy) (identity document or identity card for Romanian citizens or passport for foreign citizens).

Documents drafted in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for the documents attesting the legal representative capacity drafted in a foreign language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. FP shall not request that the documents attesting the shareholder's legal representative capacity be legalized or apostilled.

The documents with respect to the quality of the shareholder above-mentioned will not be necessary, if the general power of attorney is signed by that respective shareholder, and the proxy (intermediary/attorney at law) issues a declaration confirming that:

- a) the shareholder is a client of the proxy;
- b) the general power of attorney is signed by that respective shareholder (ink signed or through an extended electronic signature, as the case may be).

The said declaration must be submitted in original at FP (in the same time with the general power of attorney and at the same coordinates as indicated in this convening notice) signed and stamped (if the case) by the intermediary/attorney at law (without other criteria being necessary as pertaining with its form).

The general power of attorney form shall be made available to the shareholders by the Company starting from **23 September 2016** at the same coordinates and under the same conditions as the information materials.

### ***Vote by correspondence using the forms for voting by correspondence***

The vote of the shareholders at the EGM/OGM can also be expressed by correspondence, by duly filling in and signing the forms for the vote by correspondence.

The ballots by correspondence will be sent either (i) in original, personally, by representative or by any form of courier service with proof of delivery, to the Company's headquarters in Bucharest, 78-80 Buzesti St., 7<sup>th</sup> floor, 1<sup>st</sup> District, postal code 011017, Romania or (ii) by e-mail with the extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro), so that they are received by the Company by **27 October 2016, 13:00 o'clock** (Romanian time).

Documents accompanying ballot papers:

- a) for **natural person shareholders** – copy of identity card, allowing for identification thereof in the list of Company's shareholders on the Reference Date issued by Depozitarul Central SA and, if such be the case, a copy of the identity card of the legal representative (in the case of natural persons lacking exercise capacity or with limited exercise capacity) (identity document or identity card for Romanian citizens or passport for foreign citizens) along with the proof of legal representative capacity;
- b) in case of **collective natural person shareholders** by observing the provisions described by the *Procedure regarding the organization and holding of General Meetings of Shareholders*, available starting with 23 September 2016 on the Company's website (*Special conditions regarding collective natural person shareholders*);
- c) for **legal person shareholders**:
  - original or true copy of the findings certificate issued by the Trade Registry (in Romanian "certificat constatator") or any other document, in original or true copy, issued by a competent authority of the state where the shareholder is duly incorporated, all being no older than 12 months as from the date of the general meeting convening notice, allowing for the identification thereof in the Company's list of shareholders on the Reference Date issued by Depozitarul Central SA;
  - the capacity of shareholder's legal representative shall be taken from the Shareholders' Registry issued by Depozitarul Central SA at the Reference Date; however, if the shareholder did not inform in a timely manner Depozitarul Central SA of its legal representative (so that the shareholders' registry at the Reference Date reflect that), then the findings certificate/similar documents mentioned above must comprise the capacity of legal representative; for the Ministry of Public Finance the capacity of legal representative shall be proven by the appointment decree issued by the President of Romania – to this purpose, a copy of the Official Gazette in which the appointment decree was published or an excerpt of the law programme shall be provided.

Documents in a foreign language (except for identity cards valid on the territory of Romania, in Latin characters) will be accompanied by their translation into Romanian or English, save for the documents

attesting the legal representative drafted in a language other than English which shall be accompanied by their translation into Romanian or English performed by a certified translator. The Company shall not request that the documents attesting the legal representative capacity be notarised or apostilled.

The form of the vote by correspondence ballot:

- a) shall be made available to the shareholders by the Company starting with **23 September 2016** at the same coordinates and under the same conditions as the information materials and the forms for the special powers of attorney;
- b) shall be updated by the Company if new items are added to the EGM/OGM agenda and shall be published on the Company's website in its updated form.

If a shareholder voted by sending a ballot paper by correspondence, but then attends the EGM/OGM either personally or through a proxy (provided a special/general power of attorney has been submitted under the conditions above-mentioned), the correspondence vote shall be annulled and only the direct or the vote expressed through the proxy shall be taken into consideration. If the person representing the shareholder at the general shareholders' meeting is other than the person who expressed the correspondence vote, then for its validity, the proxy must present at the general meeting a written revocation of the correspondence vote, signed by the shareholder or by the representative who expressed the correspondence vote. This will not be applicable if the shareholder or its legal representative is present at the general meeting.

The general procedure for the organisation of general meetings (which shall be available at the same coordinates and in the same conditions as the information materials) details the procedure allowing both the vote by representative with special/general power of attorney and the vote by correspondence, and the shareholders must comply with the said procedure.

Special/General powers of attorney and ballots for voting by correspondence must be signed by all the natural person collective shareholders or their legal representatives (in the case of natural persons lacking exercise capacity or with limited exercise capacity), who shall assume both their capacity (proven by means of evidentiary documents attached to the special/general power of attorney/ballot) and the signature authenticity.

The checking and validation of the special/general powers of attorney submitted, as well as the centralization, checking, validation, and records of the votes by correspondence shall be performed by a commission established within the Company, whose members shall safely keep these documents, as well as the confidentiality of the votes thus expressed. Powers of attorney shall also be checked by the EGM/OGM secretary. In the event that the agenda is supplemented and the shareholders fail to send the updated special powers of attorney and/or ballots for voting by correspondence, the special powers of attorney and ballots sent prior to the supplementation of the agenda shall be considered only with reference to the items therein which are also found on the supplemented agenda. Additional information may be obtained from the Department for Shareholder Relations at the telephone number 021-200 96 28 and on the Company's website: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

SOLE DIRECTOR

Franklin Templeton International Services S.à r.l.

By: \_\_\_\_\_  
Oana-Valentina Truța  
Permanent Representative