

To: **Bucharest Stock Exchange**
Romanian National Securities Commission

The current report according to Art. 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 Art. 99 of the Rule Book of the Bucharest Stock Exchange as Market Operator.

Important events to be reported:

The resolutions of the Extraordinary and Ordinary General Shareholders Meetings of 22 November 2013

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("FTIML Bucharest Branch / The Fund Manager"), in its capacity of Sole Administrator and Fund Manager of Fondul Proprietatea SA ("the Fund") hereby announces that on 22 November 2013 were held at Radisson Blu Hotel, in Bucharest the Fund's Extraordinary General Shareholders Meeting commencing with 10.00 a.m. (Romanian time) and the Fund's Ordinary General Shareholders Meeting commencing with 11.00 a.m. (Romanian time).

The meetings were chaired by Mr. Grzegorz Maciej Konieczny, the Legal Representative of the Fund Manager.

Following the two said meetings, the shareholders decided the following:

A. Extraordinary General Shareholders Meeting ("EGM")

1. To approve the EGM agenda.
2. To reject the amendments of the Constitutive Act of SC Fondul Proprietatea SA, as imposed by Financial Supervision Authority ("FSA") through Decision no. 28/12.08.2013.
3. Not to take a decision because of the lack of quorum on the decrease of the subscribed share capital of SC Fondul Proprietatea SA. Please note that this point of the EGM's

Report date:

22 November 2013

Name of the issuing entity:

S.C. 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 13,778,392,208

Paid share capital:

RON 13,413,137,586

Regulated market on which the

issued securities are traded:

Bucharest Stock Exchange

agenda was not approved, because the minimum required quorum condition of 50% of the total voting rights for voting this point was not met. Therefore, on 25th November 2013 the second EGM will be convened for approving the decrease of the subscribed share capital of the Fund, at the Fund's headquarters, starting with 10 a.m. (Romanian hour).

4. To approve the Investment Policy Statement which will enter into force on the date of EGM approval.

5. To approve the authorization of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch to buy-back shares of S.C. „Fondul Proprietatea” S.A., for a maximum number of (i) 252,858,056 shares or (ii) 10% of the issued share capital at the relevant time, whichever is the lesser, starting with the date when the buy-back programme approved through the Extraordinary General Meeting of Shareholders Resolution no. 4/25 April 2012 is completed (or otherwise cancelled by the shareholders), for a maximum period of 18 months as of the date when the 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 1.5 / share. The transaction can only have as object fully paid shares. The buy-back programme is aimed at the share capital decrease. The shareholders' decision 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 Fund Manager. This buy-back programme implementation will be subject to the availability of the necessary cash.

6. To ratify and to approve all resolutions taken by the extraordinary general shareholders meetings and all of the legal acts (including decisions and contracts) concluded, adopted and issued in the name of SC Fondul Proprietatea SA through Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, between 6 September

2010 and 21 November 2013 and the approval and ratification of any implementation acts, facts and operations based on such, including the management of the SC Fondul Proprietatea SA under an unitary system.

7. To reject 10 December 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004.

8. To empower Grzegorz Maciej KONIECZNY, with authority to be substituted, 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' resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution.

9. To approve the amendment of the Constitutive Act of S.C. Fondul Proprietatea S.A. as follows: Article 19, paragraph 3 is amended to read as follows: *"The mandate of the Fund Manager is of 2 years. The Fund Manager will call an Ordinary General Meeting of the Shareholders to be held at least 6 months before the termination of the duration of the mandate of the Fund Manager with the agenda of approving the renewal of the Fund Manager's mandate or starting the selection process of a new Fund Manager and the negotiation of the management agreement to be concluded with the selected candidate. After the selection of the candidate, the Fund Manager will immediately call an Ordinary General Meeting of the Shareholders with the agenda of appointing the selected candidate as Fund Manager and authorizing the execution of the relevant investment management agreement and fulfillment of all relevant formalities for the authorization and legal completion of such appointment."*

10. To approve 10 December 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Capital Markets Law 297/2004, for all the points on the agenda, except for point 3 regarding the approval of the

decrease of the subscribed share capital of S.C. Fondul Proprietatea S.A. for which the registration date is 31 January 2014.

B. Ordinary General Shareholders Meeting (“OGM”)

1. To approve the OGM agenda.
2. To reject the amendments of the Investment Management Agreement signed on 25 February 2010 by and between SC Fondul Proprietatea SA and Franklin Templeton Investment Management Limited United Kingdom, as imposed by Financial Supervision Authority (“FSA”) through Decision no. 29/12.08.2013.
3. To approve 2014 budget of SC Fondul Proprietatea SA.
4. To appoint DELOITTE AUDIT S.R.L. with headquarters in Bucharest, 4-8 Nicolae Titulescu Street, 3rd Floor, 1st District, registered with the Trade Register under no. J40/6775/1995, Sole Registration Number RO7756924 as the financial auditor of SC Fondul Proprietatea SA, setting the duration of the financial audit agreement for the period starting with the date of approval of the decision and 31 August 2014; setting the subject of the financial audit agreement: audit of the financial statements of Fondul Proprietatea SA for the year ended December 31, 2013, (the financial statements prepared in accordance with Romanian Accounting Standards, separate IFRS and consolidated IFRS) 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 SC Fondul Proprietatea SA and on its internet webpage, together with the rest of the documentation).
5. To approve/reject the proposals of the Fund Manager regarding the management of SC Fondul Proprietatea SA beginning with 30 September 2014 as follows:

- 5.1. To reject of the extension of the mandate of

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch with its headquarters in Bucharest, 78-80 Buzzești St., 7th and 8th floors, 1st District, registered with the Trade Register under no. J40/8587/2009, with Fiscal Registration Code RO 25851096, registered with the Public Register of the National Securities Commission under no. PJM05SSAM/400001 as a branch of an Investment Management Company from a Member State of European Union as sole administrator and fund manager of SC Fondul Proprietatea SA for another period/mandate of 4 years starting with 30 September 2014, in accordance with art. 19 paragraph (3) of the Constitutive Act. The list containing data regarding Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (including name, headquarters, the professional qualification, the evidence that it is registered with Trade Register, the evidence that it is registered in Public Register of CNVM, the Investment Management Agreement endorsed by CNVM under legislation in force) is published on the internet webpage of the Company and is available at the registered office and it may be consulted and completed by shareholders in accordance with the law. The draft of the replacing Investment Management Agreement to be concluded between SC Fondul Proprietatea SA and Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, proposed by the Fund Manager and subject to the endorsement of the Board of Nominees will be on the agenda of the next annual OGM.

5.2. To approve that in case that point 5.1 of the agenda is approved by the shareholders and the replacing Investment Management Agreement will not be in force until 30 September 2014, the extension of the mandate/new mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as sole administrator and fund

manager of SC Fondul Proprietatea SA will be effective and exercised under the terms and conditions of the current Investment Management Agreement until the execution of the replacement Investment Management Agreement in accordance with this resolution and the relevant legal provisions.

5.3. To reject the start of a new selection for the appointment of a sole administrator and fund manager of SC Fondul Proprietatea SA for a mandate of 4 years, starting with 30 September 2014. The OGM empowers the Board of Nominees (i) to establish the regulations for performing international tender and selection procedure; (ii) to manage the international tender and the selection of the new sole administrator and fund manager; (iii) to hire legal, financial and any other consultants required in the international tender and selection procedure; (iv) to recommend to the shareholders the appointment of the winner of this selection process; (v) to negotiate the draft of the agreement to be concluded with the new sole administrator and fund manager and to inform accordingly the shareholders; and (vi) to perform any other related formalities for the authorization and legal completion of the international tender and selection procedure of the new sole administrator and fund manager of SC Fondul Proprietatea SA. The Board of Nominees shall inform the shareholders on a monthly basis on the status of the selection by publishing information notes on the webpage of Fondul Proprietatea. The Board of Nominees shall inform the Fund Manager immediately after the selection is completed so that the Fund Manager calls the OGM proposing to the shareholders to vote on the candidate having won the selection organized by the Board of Nominees and the approval of the execution of the investment management agreement. The costs of the new selection will be supported by SC Fondul Proprietatea SA and the Board of Nominees will present to shareholders a report regarding the budget

in relation to the international tender and selection procedure, after the selection is completed.

6. To ratify and to approve all OGM decisions and all of the legal acts (including decisions and contracts) concluded, adopted or issued on behalf of SC Fondul Proprietatea S.A. by Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as well as of any management/administration measures adopted and/or implemented by it, approved or concluded between 6 September 2010 and 21 November 2013. The ratification and the appointment of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Sole Administrator of SC Fondul Proprietatea SA and as Fund Manager pursuant to Law no. 297/2004 regarding the capital market and according to Investment Management Agreement signed on 25 February 2010 and the ratification and the approval of the Investment Management Agreement signed on 25 February 2010 including all amendments thereto. The appointment of the Sole Administrator produces effects in accordance with the provisions of the Law 31/1990, beginning with the acceptance of the mandate. The mandate expires on 29 September 2014, subject to renewal in accordance with the provisions of the Constitutive Act of SC Fondul Proprietatea SA. The list containing data regarding Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (including name, headquarters, the professional qualification, the evidence that it is registered with Trade Register, the evidence that it is registered in Public Register of CNVM, the Investment Management Agreement endorsed by CNVM under legislation in force) is published on the internet webpage of the Company and it may be consulted and completed by shareholders in accordance with the law.

7. To approve 10 December 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004.

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

9. To approve the proposal of a shareholder owning more than 5% of the share capital in relation with the management of S.C. Fondul Proprietatea S.A. beginning with 30 September 2014 as follows:

9.1. The approval in principle, subject to the conditions set forth under point 9.3 below, of the renewal of the mandate of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch with its headquarters in Bucharest, 78-80 Buzeşti St., 7th and 8th floors, 1st District, registered with the Trade Register under no. J40/8587/2009, with Fiscal Registration Code RO 25851096, registered with the Public Register of the National Securities Commission under no. PJM05SSAM/400001 as a branch of an Investment Management Company from a Member State of European Union ("Franklin Templeton") as sole administrator and fund manager of S.C. Fondul Proprietatea S.A. for a mandate of 2 years starting from 30 September 2014. The list containing data regarding Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (including name, headquarters, professional qualification, the evidence that it is registered with the Trade Register, the evidence that it is registered in the Public Register of the Financial Supervisory Authority ("FSA")) is published on the internet webpage of the Company and is available at the registered office and may be consulted by shareholders in accordance with the law.

9.2. The empowerment of the Board of Nominees of the Company to negotiate with Franklin Templeton the terms and conditions of the amendment to the Investment Management Agreement or, as the case

may be, the new Investment Management Agreement to be concluded between S.C. Fondul Proprietatea S.A. and Franklin Templeton for the same period as the mandate granted under point 9.1 above. Franklin Templeton shall have the obligation to submit the draft of the amended, or, as the case may be, the new Investment Management Agreement for the approval of the Company's shareholders at the next annual OGMS. The amendments to the Investment Management Agreement or the new Investment Management Agreement shall include the following provisions:

a) to the extent permissible under applicable laws and regulations, the total fee payable to Franklin Templeton shall include a base fee linked to the market capitalisation of the Company and an additional variable fee linked to the amount of exceptional distributions to shareholders in the relevant period (including, for example, by way of share buybacks, public tender buybacks, reductions of the share capital with the return to shareholders of a part of their contributions, but excluding regular dividend distributions). The amounts and specific details of the fees will be negotiated by the Board of Nominees.

b) the Investment Management Agreement shall be subject to early termination as per the following procedure:

i) the Investment Management Agreement shall include the following performance criteria:

(1) the discount between the closing share price for each trading day and the latest published NAV per share must be equal to or lower than 15% in at least two thirds of the trading days in the period 1 October 2014 – 30 June 2015;

(2) the adjusted NAV per share at 30 June 2015 must be higher than the NAV per share at 30 September

2013; for the purpose of applying this performance criterion, the adjusted NAV per share shall be computed as: the NAV computed as per the legal provisions in force PLUS any returns to shareholders following reductions of the share capital during the period 11 October 2013 – 30 June 2015 PLUS any variable fee paid to Franklin Templeton as per point a) above, all divided by the number of paid shares at 30 June 2015 less the number of shares bought back (and not cancelled) by the Company.

When drafting the relevant sections of the Investment Management Agreement, the Board of Nominees shall be entitled to amend the language of the two performance criteria for any clarificatory or technical reasons.

ii) in order to analyze the fulfillment of the performance criteria, Franklin Templeton shall publish the results of the performance criteria no later than 15 July 2015 and if any, or both, of the two performance criteria is not met, shall call a GMS to be held during the month of September 2015, having as a specific point on the agenda the decision on the early termination of the mandate.

iii) if the GMS decides the early termination of the mandate, the Board of Nominees will be empowered to immediately start the selection process for a new sole administrator and fund manager and the negotiation of the investment management agreement to be concluded with the selected candidate. Franklin Templeton's Investment Management Agreement and Franklin Templeton's mandate as sole administrator will be terminated on the date of the registration of the new sole administrator with the Trade Registry as per the applicable legal provisions, no compensation being due to Franklin Templeton aside from the pro-rated fee according to point a) above.

9.3. If any of the following events occurs:

a) the Board of Nominees and Franklin Templeton fail to finalize the negotiations of the amendments to the Investment Management Agreement or of the new Investment Management Agreement, as the case may be, before the date of calling the next annual OGMS; or

b) the next annual OGMS rejects or fails to approve the amendments to the Investment Management Agreement or of the new Investment Management Agreement; or

c) the amendments to the Investment Management Agreement or, as the case may be, the new Investment Management Agreement is not executed by 15 July 2014,

then the mandate of Franklin Templeton as per point 9.1 above shall be deemed rejected.

9.4. If Franklin Templeton's mandate is not renewed because of the occurrence of one of the matters set out under point 9.3 above or for any other reason, the following shall apply:

a) the Board of Nominees shall be hereby empowered to immediately start the selection process of a new sole administrator and fund manager of S.C. Fondul Proprietatea S.A. To this end, the Board of Nominees shall have the power:

(i) to establish the regulations for performing the international tender and selection procedure;

(ii) to manage the international tender and the selection of the new sole administrator and fund manager;

(iii) to instruct Franklin Templeton, as incumbent sole administrator, to hire legal, financial and any other consultants required in the international tender and

selection procedure and/or for the negotiation of the investment management agreement, on behalf of S.C. Fondul Proprietatea S.A.;

(iv) to recommend to the shareholders the appointment as sole administrator and fund manager of the winner of this selection process;

(v) to negotiate the draft of the investment management agreement to be concluded with the new sole administrator and fund manager and to inform accordingly the shareholders; and

(vi) to perform any other related formalities for the authorization and legal completion of the international tender and selection procedure of the new sole administrator and fund manager of SC Fondul Proprietatea SA.

b) the Board of Nominees shall inform the shareholders on a monthly basis on the status of the selection by publishing information notes on the webpage of the Company. The Board of Nominees shall inform Franklin Templeton immediately after the selection is completed so that Franklin Templeton immediately calls the OGMS proposing to the shareholders to vote on the candidate having won the selection organized by the Board of Nominees and the approval of the investment management agreement. The costs of the selection process will be borne by S.C. Fondul Proprietatea S.A. and the Board of Nominees will present to shareholders a report regarding the budget in relation to the international tender and selection procedure, after the selection is completed.

c) starting with 30 September 2014 and until the new sole administrator is registered with the Trade Registry as per the applicable legal provisions, Franklin Templeton will run S.C. Fondul Proprietatea S.A. as temporary manager, based on the provisions of the

current Investment Management Agreement which will apply accordingly.

**Franklin Templeton Investment Management Ltd United Kingdom Bucharest
Branch, acting as Sole Administrator on behalf of S.C. FONDUL
PROPRIETATEA S.A.**

Adrian CIGHI

Legal Representative