

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

Current report according to Article 113 point A, paragraph (1) 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, Title II, Issuers and Financial Instruments.

**Important events to be reported:**

## **Endorsement by the Financial Supervisory Authority of several amendments to the corporate documents of Fondul Proprietatea SA**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (the “**Fund Manager**”), in its capacity as Sole Director and Fund Manager of Fondul Proprietatea SA (the “**Fund**”), would like to inform shareholders and investors that the Financial Supervisory Authority (“**FSA**”) issued Endorsement no. 25 / 28 January 2016 and Endorsement no. 26/28 January 2016 (the “**Endorsements**”), whereby it endorsed the following amendments to the Fund’s corporate documents, which were approved by the Fund’s shareholders during the 29 October 2015 General Shareholders’ Meetings. This refers to:

- the amendments to the Constitutive Act of the Fund effective as of 1 April 2016, approved by the Extraordinary General Shareholders’ Meeting Resolution no. 13/29 October 2015 and endorsed by the FSA’s Endorsement no. 25/2016 with minor rewording proposals;
- Addendum no. 5/2 November 2015 to the Investment Management Agreement concluded between the Fund and the Fund Manager on 29 April 2014, effective as of 1 April 2016, as approved by the Ordinary General Shareholders’ Meeting Resolution no. 8/29.10.2015 and endorsed by FSA’s Endorsement no. 26/2016.

Please find the English translation of the FSA Endorsements enclosed in Annex 1.

Also, for ease of reference, please find enclosed in Annex 2 a comparative table describing the amendments to the Constitutive Act for which the FSA proposed a different wording.

**Report date:**

29 January 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 10,074,080,745.90

**Paid-up share capital:**

RON 9,746,649,630.90

**Number of shares in issue:**

11,193,423,051

**Number of paid shares:**

10,829,610,701

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

Shares on Bucharest Stock  
Exchange

GDRs on London Stock  
Exchange

According to the FSA Board Resolution of 27 January 2016, the Management Agreement signed between the Fund and Franklin Templeton International Services S.ÀR.L. (“**FTIS**”), as its Alternative Investment Fund Manager (“**AIFM**”) and sole director, as approved by the Ordinary General Shareholders’ Meeting Resolution no. 8/29 October 2015 with effect as of 1 April 2016, does not require FSA’s endorsement prior to its entering into force. Furthermore, FSA considers that the Commission de Surveillance du Sector Financier of Luxembourg (“**CSSF**”), as the competent authority of the AIFM’s home state, has oversight obligations in respect to the management of the Fund performed by FTIS, based on the notification sent from CSSF to FSA regarding the new Management Agreement.

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

**Oana Valentina TRUȚA  
Legal Representative**

*Translation from Romanian*

ROMANIA - Financial Supervisory Authority (FSA)  
Stamp of the Financial Supervisory Authority  
Incoming/Outgoing number SI/DRA 6835.2  
January 28th, 2016  
Stamp of Fondul Proprietatea SA  
Incoming no. 5 /January 28th, 2016

To:  
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED  
United Kingdom Bucharest Branch  
78-80 Buzesti St., floors 7-8, Premium Point  
District 1, 011017, Bucharest, Romania  
Fax: 021 200 96 31/32

To the attention of Ms. Oana Valentina TRUȚA – Manager

Dear Madam,

Following your notices registered by FSA under no. 95978/05.11.2015 , 95974/05.11.2015 and 95986/05.11.2015, supplemented by notices no. 102372/04.12.2015, 102372/04.12.2015, 108407/29.12.2015, 108475/30.12.2015 and 108475/30.12.2015 whereby you sent for endorsement purposes the Addendum no.5 to the Investment Management Agreement no.45 /29.04.2014 concluded between **Franklin Templeton International Services S.à r.l** and SC Fondul Proprietatea SA , namely the Constitutive act of SC Fondul Proprietatea SA, as approved by the Resolutions of the Ordinary General Shareholders' Meeting and Extraordinary General Shareholders' Meeting of SC Fondul Proprietatea SA held on the 29<sup>th</sup> of October 2015, please find attached , in original, the following documents:

FSA's endorsement no. 25 /28.01.2016

FSA's endorsement no. 26/ 28.01.2016

Also, acting in accordance with the Decision of the Financial Supervisory Authority's Council from the 27<sup>th</sup> of January 2016, we inform you of the following:

Considering the provisions of Art. 46 par. (3) of Regulation no. 10/2015 and also the fact that starting with 01.04.2016 **FONDUL PROPRIETATEA SA** will be directly managed by **Franklin Templeton International Services S.à r.l**, under the principle of the freedom to provide services, as defined by Art. 34 par. (1) of Law no. 74/ 2015, according to which FSA is prohibited from imposing additional requirements to **AIFMs** , other than the provisions of the notification procedure referred to in the Art. 33. par. (2) of the European Directive 2011/61/EU, FSA considers that the endorsement of the Management Agreement based on which **Franklin Templeton Investment Services S.à r.l** will manage FONDUL PROPRIETATEA SA, is not required.

Commission de Surveillance du Secteur Financier Luxembourg, as competent authority in the country of origin of the **AIFM**, has the responsibility of supervising how **Franklin Templeton Investment Services S.à r.l**, acting as **AIFM**, manages the **AIF**, as it has

already been duly notified of the provisions of the Management Agreement based on which **Franklin Templeton Investment Services S.à r.l** manages Fondul Proprietatea SA.

The approval of delegation of the portfolio management duties ( point 1, letter „a”), entity management (point 2 letter „a” points i-ix) and distribution ( letter „b”) under AIFMD, by **Franklin Templeton International Services S.à r.l** to **Franklin Templeton Investment Management Limited** ( investment management company authorized and supervised by FCA-UK, which provides MiFID services and investment activities in Romania both directly and also through its Bucharest branch ), for FONDUL PROPRIETATEA SA, is the responsibility of the Commission de Surveillance du Secteur Financier Luxembourg, as the competent authority in the country of origin of the **AIFM**, pursuant to Art. 20 of the Directive 2011/61/EU.

Sincerely yours,

Florentina Boboc  
Manager  
Illegible signature  
Stamp of the FSA

## FINANCIAL SUPERVISORY AUTHORITY ENDORSEMENT No. 25 / 28 January 2016

Based on the provisions of Art. 1 par. (2), Art. 2 par. (1) letter a) and d) , Art. 3 letter a) and d), Art. 6 par. (1) and (3), Art. 14 and Art. 27 from Government Emergency Ordinance no. 93./2012 on the establishment, organization and operation of Financial Supervisory Authority (hereinafter FSA), approved as ammended and supplemented by Law no. 113/2013, as further amended and supplemented,

According to the provisions of Art. 14 par. (1) letter b) and par. (3) of Regulation no. 4/2010 of the National Securities Commission, on the registration with the National Securities Commission of the operations of the Company „Fondul Proprietatea SA” , as well as the trading of the shares issued by the Company, as further amended and supplemented,

considering the request of SC Fondul Proprietatea SA , registered by FSA under number 95978/05.11.2015 supplemented by notices no. 102372/04.12.2015 and no. 108475/30.12.2015,

considering the fact that the applicable legislation to AIFMs , respectivley Law no. 74/2015 and FSA Regulation no.10/2015, do not mention the necessity of endorsment by the FSA of activity delegation by AIFMs from member states who manage a AIF from Romania,

considering the fact that the new Manager approved by the Ordinary General Shareholders Meeting of SC Fondul Proprietatea SA ( **Franklin Templeton International Services S.à r.l** ) has the capacity of an AIFM , and that in this capacity will continue the management of the Fund by signing the Management Agreement with the Fund,

as the applicable AIFM legislation does not provide the association of the permanent representatives of an AIFM with its Managers,

considering the necessity of harmonization of the wordings used throughout the text of the Constitutive Act , as well as the necessity of correlation with the legal provisions,

considering that the abbreviation used in the applicable legislation for the managers of alternative investment funds is „AIFM” , and that the „Fund Manager,” term is already in usage in the applicable legislation for authorized investment management companies that operate in accordance with GEO no. 32/2012,

considering the resolution adopted by the shareholders during the Extraordinary General Shareholders Meeting from 29.10.2015, of empowering the Fund Manager to update the text of the Constitutive Act the term „National Securities Commission” with the term „Financial Supervisory Authority” or „FSA”,

based on the review of the specialized directorate and the resolution adopted within the meeting of 27.01.2016, the Council of the Financial Supervisory Authority decided on the issuance of the following individual document:

### **ENDORSEMENT**

**Article 1.** We hereby endorse the amendments to the Constitutive Act of SC Fondul Proprietatea SA, as approved by the Resolution no.13 of the Extraordinary General Shareholders Meeting held on the 29th of October 2015, with the amendments presented in the schedule herein which is an integrant part of this endorsment

**Article 2.** The Manager of SC Fondul Proprietatea SA has the obligation to inform the shareholders during the next General Shareholders Meeting on the amendments of the Constitutive Act provided in the shedule herein.

**Article 3.** This endorsment shall enter in force on 1 April 2016

**Article 4.** This endorsment will be published in the FSA bulletin, electronic format.

CHAIRMAN  
Misu NEGRITOIU  
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Stamp of the FSA

### **Appendix to the Endorsement no.25 / 28 January 2016**

**Art. 17 par. (20) from the Constitutive Act shall read as follows:**

*„ (20) approves the delegation by the AIFM of certain activities. The delegation shall produce its legal effects as provided by the applicable legislation”*

**Throughout the entire text of the Constitutive Act the term „Fund Manager” shall be replaced with the abbreviation „AIFM”.**

**Art. 20 of the Constitutive act shall read as follows:**

*„ The AIFM shall appoint a natural person as its permanent representative. The AIFM can make changes of its permanent representatives in compliance with the applicable legislation. All changes will be registered with the Trade Registry ”*

**Art. 21 par. (4) letter (viii) from the Constitutive Act shall read as follows:**

*„ (viii) approve the outsourcing of certain activities, within the limits of the approved budget, respectively delegating the execution of certain duties, subject of compliance with applicable legislation;”*

**Art. 36 par. (2) shall be removed from the Constitutive Act**

Throughout text of the Constitutive Act the term „National Securities Commission” or any other abbreviation of this term shall be replaced with the term „Financial Supervisory Authority” or „FSA”.

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## **FINANCIAL SUPERVISORY AUTHORITY**

### **ENDORSEMENT No. 26 / 28 January 2016**

Based on the provisions of Art. 1 par. (2), Art. 2 par. (1) letter a) and d) , Art. 3 letter a) and d), Art. 6 par. (1) and (3), Art. 14 and Art. 27 from Government Emergency Ordinance no. 93./2012 on the establishment, organization and operation of Financial Supervisory Authority (hereinafter FSA), approved as amended and supplemented by Law no. 113/2013, as further amended and supplemented

According to the provisions of Art.14 par. (1) letter a) and par. (3) of Regulation no. 4/2010 of the National Securities Commission, on the registration with the National Securities Commission of the operations of the Company „Fondul Proprietatea SA” , as well as the trading of the shares issued by the Company, as further amended and supplemented,

considering the request of Franklin Templeton Investment Management Ltd United Kingdom –Bucharest Branch, registered by FSA under number 95974/05.11.2015 and 95986/05.11.2015 supplemented by notices no. 102372/04.12.2015, no. 108407/29.12.2015 and 108475/30.12.2015,

considering the fact that on the 29th of October 2015 , during the Ordinary General Shareholders Meeting, the shareholders of Fondul Proprietatea SA have approved the Resolution no. 8 regarding the termination of the management of SC Fondul Proprietatea SA by Franklin Templeton Investment Management Ltd United Kingdom –Bucharest Branch, starting with 1 April 2016,

based on the review of the specialized directorate and the resolution adopted within the meeting of 27.01.2016, the Council of the Financial Supervisory Authority decided on the issuance of the following individual document,



**ENDORSEMENT**

**Article 1.** We hereby endorse the amendments to the Management Agreement no. 45/ 29 April 2014 concluded between SC Fondul Proprietatea SA and Franklin Templeton Investment Management Ltd. United Kingdom – Bucharest Branch, as approved by the Resolution no. 8 of October 29th, 2015 of the Ordinary General Shareholders' Meeting and included into Addendum no. 5 to the Agreement, regarding the termination of the management of Fondul Proprietatea SA by Franklin Templeton Investment Management Ltd United Kingdom –Bucharest Branch , which shall be effective starting with 1 April 2016.

**Article 2.** Starting with 1 April 2016, Fondul Proprietatea SA shall be directly managed by **Franklin Templeton International Services S.à r.l.**, under the principle of the freedom to provide services, as defined by Art. 34 par. (1) of Law no. 74/ 2015, as stated in the notice sent to the Commission de Surveillance du Secteur Financier Luxembourg, referred to in Art. 33 para. (2) of the Directive 2011/61/EU.

**Article 3.** This endorsement will be published in the FSA bulletin, electronic format.

CHAIRMAN  
Misu NEGRITOIU  
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Stamp of the FSA

**Constitutive Act extract - Form approved  
by the Fund's shareholders on 29  
October 2015**

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

“(20) Approves the delegation by the Fund Manager of certain activities. The delegation will be in force after the approval by or the notification to the FSA or any other competent authority, where required by legislation in force”.

**Article 20 shall be amended and shall read as follows.**

“The Fund Manager shall appoint a natural person as its permanent representative. The Fund Manager can make changes of its permanent representatives (that are the legal representatives and managers of the Fund Manager), in accordance with the applicable law. All changes will be registered at Trade Register”.

**Article 21 paragraph (4) letter viii) shall be amended and shall be read as follows:**

“viii) approve the outsourcing of certain activities, within the limits of the approved budget; respectively delegating the execution of certain activities, with the prior notification or endorsement of the FSA or of any competent authority, where required by applicable legislation;”

**Article 36 paragraph (2) shall be amended and shall read as follows.**

“(2) Fund Manager means the Alternative Investment Fund Manager authorised to perform all investment management functions and all other required functions for the purpose of managing Fondul Proprietatea in accordance with the applicable law”.

**Constitutive Act extract - Form amended  
by the FSA through the Endorsement**

**Article 17 paragraph (20) shall read as follows:**

“Approves the delegation by the AIFM of certain activities. The delegation shall take effect in accordance with the legal provisions in force”.

Throughout the entire text of the Constitutive Act, the abbreviation term of “SAI” in Romanian shall be replaced with “AFIA” [in English, the term “Fund Manager” shall be replaced with “AIFM” (*Alternative Investment Fund Manager*)]

**Article 20 shall read as follows:**

“The AIFM shall appoint a natural person as its permanent representative. The AIFM can make changes of its permanent representatives in accordance with the applicable law. All changes will be registered at Trade Register”.

**Article 21 paragraph (4) viii) shall read as follows:**

“viii) approve the outsourcing of certain activities, within the limits of the approved budget; respectively delegating the execution of certain activities, subject to compliance with applicable legislation; ”

**Article 36 paragraph (2) shall be removed.**



Throughout the entire text of the Constitutive Act the term „National Securities Commission” or any other abbreviation of this term shall be replaced with the term „Financial Supervisory Authority” or „FSA”.