

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

Current report according to Article 99 (s) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Events to be reported:

## **Supporting materials related to the 21 January 2015 Extraordinary General Shareholders' Meeting**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (the "**Fund Manager**"), in its capacity as Sole Administrator and Fund Manager of Fondul Proprietatea SA (the "**Fund**"), would like to remind shareholders that the Fund Manager has summoned the Fund's Extraordinary General Shareholders' Meeting for 21 January 2015 ("**EGM**"), at "Radisson Blu" Hotel, „Atlas" Room, 63 – 81 Calea Victoriei Street, District 1, Bucharest, starting at 14:00, Romanian time.

The supplemented agenda of the meeting, the supplemented convening notice, the procedure, the forms for power of attorneys and for correspondence vote together with the entire supporting documentation are available for shareholders' reference on the Fund's web page [here](#).

The Fund Manager recommends that shareholders vote in favour for all of the points on the EGM agenda. Considering the number of points on the agenda of the meeting and the specific rationale of some of them, please find in the Annex attached a table setting out the Fund Manager's voting recommendation for each point.

The Fund Manager's voting recommendations contained in the Annex are not binding in any way and should not be deemed under any circumstances as a supporting documentation/argument for substantiating one's vote, shareholders being free to decide on the manner they vote for each item on the agenda. The Fund Manager will implement and will comply with all the decisions taken by the shareholders, irrespective of its recommendations herein, subject to compliance with law and regulation.

**Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, in its capacity of Sole Administrator of FONDUL PROPRIETATEA S.A.**

**Oana Valentina Truta**  
**Legal Representative**

**Report date:**

16 December 2014

**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 11,815,279,886.85

**Paid-up share capital:**

RON 11,469,658,154.35

**Regulated market on which**

**the issued securities are**

**traded:**

Bucharest Stock Exchange

Point of the agenda	Agenda	Fund Manager's Voting Recommendation
---------------------	--------	--------------------------------------

**EGM 1** The approval of the EGM agenda. **FOR**

**EGM 2** The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA as follows. **FOR**

The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 11,575,064,733.65 to RON 10,965,850,800.30 through the reduction of the par value of the shares of Fondul Proprietatea SA from RON 0.95 to RON 0.90. The decrease is motivated by the optimization of the share capital of Fondul Proprietatea SA, 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.

After the decrease, the subscribed share capital of Fondul Proprietatea SA shall have a value of RON 10,965,850,800.30 being divided in 12,184,278,667 shares, each having a par value of RON 0.90. The decrease of the share capital is performed based on Article 207 para. (2) letter (b) of Law no. 31/1990 and shall be effective, in accordance with Article 208 para. (1) of Law no. 31/1990, after the expiry of a two months term starting with the publication of the general meeting of shareholders resolution in the Official Gazette of Romania, Part IV, provided that Financial Security Authority (FSA) shall have endorsed the amendment of Article 7 paragraph 1 and Article 9 para. (2) of the Constitutive Act of Fondul Proprietatea SA as approved by shareholders during this meeting.

The approval of the amendment of the Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea SA as follows.  
*“(1) The subscribed share capital of Fondul Proprietatea is in amount of RON 10,965,850,800.30, divided in 12,184,278,667 ordinary, nominative shares, having a face value of RON 0.90/each. The capacity as shareholder of*

*Fondul Proprietatea is attested by a statement of account issued by the Central Depository.”*

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

*“(2) The nominal value of a share is RON 0.90”.*

The approval of the payment to the shareholders registered as such at the registration date of RON 0.05/share, proportionally with their participation to the paid-up share capital of Fondul Proprietatea SA. The payment shall start on the Payment Date of this EGM, provided that the decrease of the share capital mentioned above is effective by that time.

**EGM 3**      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 SA through Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, between 6 September 2010 and 20 January 2015 and the approval and ratification of any implementation acts, facts and operations based on such, including the management of the Company 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 20 January 2015, as endorsed by FSA and reflected in the in force Constitutive Act attached as an Annex herein.      **FOR**

**EGM 4**      In accordance with Article 1292 of Regulation no. 1/2006, the approval of:      **FOR**

- a) 24 June 2015 as the registration date, in accordance with the provisions of Article 238 paragraph (1) of Capital Market Law no. 297/2004.
- b) 23 June 2015 as the Ex – Date, computed according to the definition set by Article 2 letter f) of Regulation no. 6/2009;
- c) 29 June 2015 as the Payment

---

Date, as it is defined by Article 2 letter g) of Regulation no. 6/2009.

**EGM 5** The empowerment, with authority to be substituted, of Grzegorz Maciej KONIECZNY, as legal representative of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, 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 Register or with any other public institution.

**FOR**

**EGM 6**<sup>1</sup> The approval of the secondary listing of Fondul Proprietatea S.A. on the London Stock Exchange, as follows:

6.1 The approval of all arrangements to allow the admission to trading of Fondul Proprietatea S.A.'s shares via direct or indirect ownership (such as through depositary receipts, depositary interests or other indirect ownership form) (the "Securities") on the London Stock Exchange;

6.2 The approval of the empowerment of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, in its capacity as sole director of Fondul Proprietatea S.A. (i) to take all necessary actions in order to complete such listing, including to choose the type of listing, the section of the London Stock Exchange where the Securities will be listed, the execution of the intermediation and any other agreements, appointing a depositary bank and the execution of a depositary agreement, if the case, appointing any advisers and subcontractors if necessary and drafting and executing all documentation in connection with the secondary listing; (ii) to represent Fondul Proprietatea S.A. with full power and authority in front of any third party and authorities in connection with secondary listing activities; (iii) to seek all necessary regulatory approvals; (iv) to carry out any

*We recommend that shareholders vote **in favour** of this point 6 because we consider that the Fund's listing on the London Stock Exchange (LSE) would be in the best long-term interest of the Fund and its shareholders as it should broaden the foreign institutional investor base not currently active in Romania, it should increase the research coverage from international brokers, and the incremental demand for the Fund's shares generated by the listing on the LSE should contribute to the narrowing of the discount to NAV at which the Fund's shares currently trade. Although the Fund's listing on the LSE could not be completed in December 2014 through the use of Dis, because the FSA failed to approve the required DI regulation, the recent regulatory changes now allow for the Fund to be listed on the LSE via the use of GDRs. We remain committed to working with the FSA to approve the DI regulation, but ultimately the final decision and the timing of that is solely under the control of the FSA. Therefore, if this shareholders' resolution for the secondary listing is approved, the Fund Manager will work to achieve the Fund's listing on the LSE as soon as possible, taking into account the existing regulatory limitations.*

---

<sup>1</sup> This point 6 has been introduced on the agenda following the proposal of a shareholder owning more than 5% of the share capital.

promotional campaigns; and (v) to perform any other action or formality which may be necessary or desirable to ensure the full effectiveness of the matters set out at this point; such authorisation of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch is valid until 10 July 2015.