

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

Current report according to Article 99 letter (s) of the Rule book of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

**Events to be reported:**

**Supporting materials and voting recommendations related to the 26 October 2017 Extraordinary and Ordinary General Shareholders' Meeting**

Franklin Templeton International Services S.Ă. R.L., in its capacity as alternative investment fund manager and sole director ("**Fund Manager**") of Fondul Proprietatea S.A. (the "**Fund**"), would like to remind shareholders that the Fund Manager has summoned the Fund's Extraordinary ("**EGM**") and Ordinary ("**OGM**") General Shareholders' Meetings for 26 October 2017 at "Radisson Blu" Hotel, 63-81 Calea Victoriei Street, Atlas Room, 1<sup>st</sup> District, Bucharest, 010065, Romania, starting at 13:00 hours (Romanian time) in case of EGM and 14:00 hours (Romanian time) in case of OGM.

The entire EGM and OGM supporting documentation is available for the shareholders' reference on the Fund's web page at <http://www.fondulproprietatea.ro/investor-relations/gsm-information/gsm-documentation>.

The Fund Manager recommends that shareholders **vote in favour of all the points on the EGM's and OGM's agenda, except for point 3.2 of the OGM agenda** (i.e. the simultaneous termination of the mandate of Franklin Templeton International Services S.Ă. R.L. as the alternative investment fund manager and sole director of the Fund, and of the Management Agreement signed between Franklin Templeton International Services S.Ă. R.L. and the Fund), **for which we recommend a vote "against"**.

Our recommendation for a vote against this point of the agenda is based on the fact that the Fund Manager has taken all reasonable actions within its powers to narrow the trading discount, but the evolution of the trading discount is independent from the Fund Manager.

For details regarding the measures taken to reduce the discount, as well as the significant challenges encountered, please refer to the Performance Report, which is available on the Fund's webpage above-mentioned, as part of the supporting documentation for the OGM.

The Fund Manager's voting recommendations herein are not binding in any way and should not be deemed under any circumstances as supporting documentation or argumentation 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 International Services S.Ă. R.L., in its capacity of Sole Director of FONDUL PROPRIETATEA S.A.**

**Johan Meyer**  
Permanent representative

**Report date:**  
16 October 2017

**Name of the issuing entity:**  
Fondul Proprietatea S.A.

**Registered office:**  
78-80 Buzesti Street  
7<sup>th</sup> floor, district 1,  
Bucharest, 011017

**Phone/fax number:**  
Tel.: + 40 21 200 9600  
Fax: + 40 21 200 9631

**Email:**  
office@fondulproprietatea.ro

**Internet:**  
www.fondulproprietatea.ro

**Sole Registration Code with the Trade Register Office:**  
18253260

**Order number in the Trade Register:**  
J40/21901/2005

**Register on Data Protection Notification Register under number:**  
18668

**Subscribed share capital:**  
RON 5,238,521,987.92

**Paid-up share capital:**  
RON 5,049,339,565.92

**Number of shares in issue:**  
10,074,080,746

**Number of paid shares:**  
9,710,268,396

**Regulated market on which the issued securities are traded:**  
Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange