

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

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

Events to be reported:

Voting recommendations and supporting materials related to the 4 April 2019 shareholders' meetings

Franklin Templeton International Services S.À R.L., in its capacity as alternative investment fund manager and sole director (the "**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 4 April 2019 at "Radisson Blu" Hotel, 63-81 Calea Victoriei Street, Atlas Room, 1st District, Bucharest, 010065, Romania, starting at 11 a.m. (Romanian time) for EGM, and 12 p.m. (Romanian time) for the OGM.

The entire EGM and OGM supporting documentation is available for the shareholders' reference at <https://www.fondulproprietatea.ro/home/investor-relations/gsm-information/gsm-documentation/gsm-documentation-13.html>.

The Fund Manager recommends that shareholders **vote in favour of all the points on the EGM's and OGM's agenda, except for point 6 letter (b) of the OGM agenda** (i.e. 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 the Fund, and of the Management Agreement signed between Franklin Templeton International Services S.à 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 contained herein are not binding in any way and should not be deemed under any circumstances as a supporting documentation/argument for substantiating one's vote. The Fund Manager will

Report date:

7 March 2019

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti Street
7th 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

Subscribed share capital:

RON 4,733,020,898.32

Paid-up share capital:

RON 4,543,838,476.32

**Number of shares in
issue:**

9,101,963,266

Number of paid shares:

8,738,150,916

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

Shares on Bucharest Stock
Exchange
GDRs on London Stock
Exchange

implement and will comply with all the decisions taken by the Fund's 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