

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

Current report according to the provisions of Article 1 paragraph (2) point (i) of the Regulation of the Financial Supervisory Authority no. 5/2020 for taking certain measures referring to the carry out of general meetings of issuers during the state of emergency caused by COVID-19 and according to Article 99 letter (s) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Important events to be reported:

Updates regarding the general shareholders meetings to be held on 28 April 2020 in the context of the COVID-19 pandemic

Franklin Templeton International Services S.Ă 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 update shareholders on the measures taken in connection with the Fund's Extraordinary ("**EGM**") and Ordinary ("**OGM**") General Shareholders' Meetings convened for 28 April 2020, in the context of the Romanian national state of emergency and the special measures regarding movement and carrying out of certain activities imposed by the State authorities due to the COVID-19 pandemic.

The Fund Manager is evaluating the possibility to hold the EGM and OGM at the Fund's headquarters¹ with physical participation of a limited number of shareholders, considering that holding the event at the "Radisson Blu" Hotel, where the OGMS and OGMS were originally convened, is not possible due to restrictions regarding the conduct of certain activities in closed spaces².

The decision regarding the physical participation of a limited number of shareholders at the EGM and OGM held at the Fund's headquarters, will be taken considering the legal provisions applicable during the state of emergency, and also the restrictions imposed by the Romanian competent authorities for the management of the COVID-19 pandemic (such as social distancing and the suspension of activities carried out in closed spaces).

For taking a final decision, the Fund Manager is expecting the responses and advice provided by **public health authorities** (Ministry of Health and the Bucharest Public Health Agency), and **internal affairs authorities** (Ministry of Internal Affairs through the Department for Emergency Situations - the National Committee for Special Emergency Situations and the Technical-Scientific Support Group on the Management of Highly Contagious Diseases on the territory of Romania) from which the Fund Manager has requested their positions regarding the holding of the events

Report date:

15 April 2020

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 3,959,264,762.44

Paid-up share capital:

RON 3,770,082,340.44

Number of shares in issue:

7,613,970,697

Number of paid shares:

7,250,158,347

Regulated market on which the issued securities are traded:

Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange

¹ 78-80 Buzesti Street, 7th floor, Bucharest 1st district, postal code 011017, Romania

² The restrictions were instated starting with 17 March 2020 through the Military Ordinance 1/2020 that limited the services that can be rendered by hotels to certain activities. The restrictions are applicable during the emergency state, initially established for 16 March – 14 April 2020, and announced that will be extended for 15 April – 14 May 2020.

and the required security measures.

The Fund Manager's final decision regarding holding the EGM and OGM at the Fund's headquarters with physical participation of a limited number of shareholders will be communicated to the shareholders through a current report published by 24 April 2020.

Even if art. 1 paragraph (4) of the FSA Regulation no. 5/2020 stipulates that issuers have to publish current reports announcing the objective impossibility to carry out general meetings of shareholders with the shareholders' physical presence with the latest 3 working days before the deadlines for the filing of such powers of attorneys/votes by correspondence (for the Fund, this would be 21 April 2020, as the deadline is 24 April 2020), the Fund Manager is evaluating the physical participation of a limited number of shareholders at the Fund's headquarters until 24 April 2020 as this is the deadline until when the draft of Emergency Ordinance on certain measures concerning companies³ is under public debate, and this Emergency Ordinance may forbid holding general meetings of shareholders with the shareholders' physical presence.

However, regardless of the Fund Manager's final decision, even if all safety measures are taken for complying with the limits imposed by the authorities, **Fund highlights that participating in public meetings in closed spaces exposes shareholders to a possible contamination with COVID-19, and that the Fund and the Fund Manager cannot be held responsible for shareholders' decision to attend the EGM and the OGM.**

Given the restrictions of having a physical participation of shareholders similar to previous years, the Fund Manager intends to **transmit the EGM and the OGM by video conference.**

Thus, the shareholders interested in registering for the online transmission, will express their intention by e-mail to the address office@fondulproprietatea.ro, sent with at least 2 working days before the date of the EGM and of the OGM, so that their identity can be verified in the s shareholders' register received from the Central Depository for the reference date (we will request certain information to prove their identity, similar to the verifications performed while entering the premises where the general shareholders meetings were usually held in the past).

Also, considering the provisions of FSA Regulation no. 5/2020, we remind

³ <http://www.just.ro/proiectul-de-ordonanta-de-urgenta-privind-unele-masuri-in-domeniul-societatilor/>

shareholders that:

- (a) 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/2020.html>;
- (b) at the request of the interested shareholders, sent by e-mail to the address office@fondulproprietatea.ro , the supporting materials related to the EGM and OGM can be sent in hard copy through courier services;
- (c) until 24 April 2020, 11:00 o'clock (Romanian time), any shareholder, irrespective of how many shares he/she/it owns, has **the right to ask questions regarding the issues on the agenda** of the EGM and the OGM sent by e-mail to the address office@fondulproprietatea.ro;
- (d) until 24 April 2020, 11:00 o'clock (Romanian time) for documents regarding the EGM and 12:00 o'clock (Romanian time) for documents regarding the OGM, **shareholders may send the general or special powers of attorney** (i) in original, by courier services or by post, as indicated in the convening notice, or (ii) by e-mail with extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at: office@fondulproprietatea.ro, in accordance with the Procedure regarding the organization and holding of General Shareholders' Meetings of Fondul Proprietatea, available online at <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/gsm-documentation/2020/28%20April/GSM%20Procedure.pdf>;
- (e) until 24 April 2020, 11:00 o'clock (Romanian time) for documents regarding the EGM and 12:00 o'clock (Romanian time) for documents regarding the OGM, **shareholders may send the correspondence voting ballots** (i) in original, by courier services or by post, as indicated in the convening notice, or (ii) by e-mail with extended electronic signature incorporated in accordance with Law no. 455/2001 on the electronic signature at: office@fondulproprietatea.ro, in accordance with the Procedure regarding the organization and holding of General Shareholders' Meetings of Fondul Proprietatea, available online at <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/gsm-documentation/2020/28%20April/GSM%20Procedure.pdf>.

Considering the current special situation and the existing restrictions, in order to ensure the exercise of the voting right in legal terms, the Fund Manager strongly recommends **voting by correspondence**, and, as far as possible, **the use of the e-mail with extended electronic signature as a means of communication**.

Also, considering the pandemic risk and the recommendation of public authorities,

we recommend the shareholders of the Fund to avoid attending in person any shareholders meetings during the state of emergency.

The Fund Manager reminds the shareholders that the agenda of the EGM and of the OGM published on 2 March 2020 has not changed, and that the value of the gross dividend for the profit for the financial year 2019 of 0.0642 lei per share was not changed.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch acting as Investment Manager of FONDUL PROPRIETATEA S.A.

Johan MEYER
Legal Representative