

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

Current report according to Article 234 para. (1) letter d) and e) of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of Article 99 letter a) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

**Important events to be reported:**

**The resolutions of the Extraordinary and Ordinary General Shareholders' Meetings of Fondul Proprietatea SA held on 13 November 2020**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea SA ("Fondul Proprietatea / the Company"), hereby, announces that on 13 November 2020, were held at "ATHÉNÉE PALACE HILTON BUCHAREST" Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, District 1, Bucharest, 010292, Romania, the Fund's **Extraordinary General Shareholders Meeting** ("EGM") commencing 11:00 hours (Romanian time) and the Fund's **Ordinary General Shareholders Meeting** ("OGM") commencing 12:00 hours (Romanian time).

The meetings were chaired by Mr. Johan Meyer, the Permanent Representative of Franklin Templeton International Services S.à r.l., the Sole Director of the Fund.

The shareholders of the Fund decided the following with respect to:

**A. The agenda of the EGM:**

1. The approval of the following amendments to the Constitutive Act of Fondul Proprietatea S.A.:

**(a) The amendment of Article 12 paragraph (2) letter f), as follows:**

*"(2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:*

*f) to approve the remuneration policy applicable to the members of the Board of Nominees and to the Alternative Investment Fund Manager and to set the level of the remuneration of the financial auditor for financial audit services."*

**(b) The introduction of a new letter f1) to paragraph 2 of Article 12, as follows:**

**Report date:**  
13 November 2020

**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

**Subscribed share capital:**  
RON 3,749,282,292.08

**Paid-up share capital:**  
RON 3,560,099,870.08

**Number of shares in issue:**  
7,210,158,254

**Number of paid shares:**  
6,846,345,904

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

GDRs on London Stock Exchange

*“(2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:*

*f<sup>1</sup>) to vote on an annual basis on the remuneration report for the previous fiscal year; such a vote shall be of an advisory nature and Fondul Proprietatea shall explain in the following remuneration report how the vote by the general meeting has been taken into account;”.*

**(c) The amendment of Article 28 paragraphs (2), (3) and (5) (as endorsed by the FSA through Endorsement no. 164/22 July 2020), as follows:**

*“(2) The net accounting profit of Fondul Proprietatea, as reflected in the audited financial statements, shall be distributed according to the decision of the general meeting of the shareholders and to the legal provisions in force.*

*(3) Fondul Proprietatea creates the legal reserves and any other reserves, pursuant to the law.*

*(..)*

*(5) The dividends are distributed to the shareholders proportional with the number of paid shares held at the relevant record date.”*

**(d) The amendment of Article 31 paragraph (1) letter d) (as endorsed by the FSA through Endorsement no. 164/22 July 2020), as follows:**

*“d) as consequence of losses, as reflected in the audited financial statements, if the net asset value, determined as difference between the total asset and company’s debts, represents less than half of the value of the subscribed share capital and if, not later than the termination of the financial year subsequent to the one during which the losses have been ascertained, the general meeting of the shareholders fails to decrease the share capital with an amount at least equal with the one of losses which could not be covered from reserves or to reconstitute the company’s net asset up to the value at least equal with half of the subscribed share capital;”*

**(e) The amendment of Article 33, as follows:**

*“(1) For the calculation of the net assets value of Fondul Proprietatea, the portfolio holdings are valued and included in the Fund’s net asset at the values established according to the accounting and legal regulations in force. The net asset value of the Fund is determined as the difference between the total assets value and the aggregate value of the Fund’s debts, provisions and deferred income.*

*(2) The total value of the assets is calculated according to the legal regulations in force, by cumulating:*

*a) non-current assets;*

*b) current assets;*

*c) derivatives;*

*d) deferred expenses.*

*(3) The total value of debts, provisions and deferred income is determined*

*based on information provided by Fund's own accounting organised and managed in accordance with the legal provisions in force.*

*(4) The calculation of the net assets value is prepared by the Fund's Sole Director and certified by the depositary bank on a monthly basis, for the last calendar day of the month, and for the dates when a share capital increase or decrease takes place respectively the dates when such share capital increase or decrease is recorded to Trade Registry."*

2. The approval of the authorization of the Sole Director to buy-back shares of Fondul Proprietatea, global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea, via trading on the regular market on which the shares, the global depositary receipts or the depositary interests corresponding to the shares of Fondul Proprietatea are listed, or bought through public tender offers, in compliance with the applicable law, for a maximum number of 800,000,000 treasury shares (being in the form of shares and/or shares equivalent as described above), starting with 1 January 2021 until 31 December 2021. The buy-back shall be performed at a price that cannot be lower than RON 0.2 / share or higher than RON 2 / share. In case of acquisitions of global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea, the calculation of number of shares in relation to the aforementioned thresholds shall be based on the number of Fondul Proprietatea shares underlying such instruments and their minimum and maximum acquisition price in the currency equivalent (at the relevant official exchange rate published by the National Bank of Romania valid for the date on which the instruments are purchased) shall be within the price limits applicable to the share buy-backs above-mentioned, and shall be calculated based on the number of shares represented by each global depositary receipt or depositary interest. The transaction can only have as object fully paid shares, global depositary receipts or depositary interests corresponding to these shares. The said buyback programme is aimed at the share capital decrease of Fondul Proprietatea in accordance with Article 207 paragraph (1) letter (c) of Companies' Law no. 31/1990. This buy-back programme implementation will be done exclusively from the own sources.
3. In accordance with Article 176 paragraph (1) of Regulation no. 5/2018, the approval of **3 December 2020 as the Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter (I) of Regulation no. 5/2018, and **4 December 2020 as the Registration Date**, computed in accordance with the provisions of Article 86 paragraph (1) of Issuers' Law.

As they are not applicable to this EGM, the shareholders did not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed

participation and the payment date.

4. The empowerment, with authority to be substituted, of Johan Meyer to sign the shareholders' resolutions and the amended and restated form of the Constitutive Act, if the case may be, 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 Registry or with any other public institution.

## **B. The agenda of the OGM**

1. The approval of 2021 budget of Fondul Proprietatea, in accordance with the supporting materials.
2. The appointment of two members in the Board of Nominees of Fondul Proprietatea following the termination of two of the mandates, as follows:

(a) The appointment of Mrs. Ilinca von Derenthall as a member of the Board of Nominees following the resignation of Mrs. Vivian Nicoli; the mandate of the new member is valid for a period of three (3) years and shall produce its effects starting with the acceptance date.

(b) The appointment of Mr. Ciprian Lăduncă as a member of the Board of Nominees following the resignation of Mr. Steven Cornelis van Groningen; the mandate of the new member is valid for a period of three (3) years and shall produce its effects starting with the acceptance date.

3. In accordance with Article 176 paragraph (1) of Regulation no. 5/2018, the approval of:
  - (a) **3 December 2020 as the Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter (l) of Regulation no. 5/2018;
  - (b) **4 December 2020 as the Registration Date**, computed in accordance with the provisions of Article 86 paragraph (1) of Issuers' Law.

As they are not applicable to this OGM, the shareholders did not decide on the other aspects provide by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation and the payment date.

4. The empowerment, with authority to be substituted, of Johan Meyer to sign the shareholders' resolutions, 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' resolution, including formalities for publication and

registration thereof with the Trade Registry or with any other public institution.

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

**Johan MEYER**  
**Legal Representative**

