

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 resolution of the Extraordinary General Shareholders' Meeting of Fondul Proprietatea SA held on 14 January 2021**

Franklin Templeton International Services S.À R.L, alternative investment fund manager and sole director of Fondul Proprietatea SA ("Fondul Proprietatea / the Company / the Fund"), hereby, announces that on 14 January 2021, 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).

The meeting was 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:

1. The approval of the following amendments to the Constitutive Act of Fondul Proprietatea S.A.:
  - I. The approval of the amendment of Article 4 of the Constitutive Act, as follows:

*"(1) The duration of Fondul Proprietatea is until 31 December 2031.*  
*(2) The duration may be extended by the extraordinary general meeting of shareholders, with additional periods of 5 years/each."*
  - II. The approval of the amendment of Article 9 paragraph (1) and of the introduction of a new paragraph (1<sup>1</sup>) to Article 9 of the Constitutive Act, as follows:

*"(1) The shares of Fondul Proprietatea are nominative, of equal value, issued in dematerialized form, established by registration in the account, and grants equal rights to their holders under the conditions provided by article 11. The existing fully paid up ordinary shares of Fondul Proprietatea are admitted to trading on the regulated market operated by Bursa de Valori Bucuresti S.A. and may be admitted to trading on other markets, with the approval of the extraordinary general meeting of shareholders.*  
*(1<sup>1</sup>) Fondul Proprietatea's Global Depositary Receipts (i.e. GDRs), having the shares of Fondul Proprietatea as underlying securities, are listed on the Specialist Fund Market of London Stock Exchange and*

**Report date:**  
14 January 2021

**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

*may be admitted to trading on other markets, with the approval of the extraordinary general meeting of shareholders.”*

- III. The approval of the amendment of Article 12 paragraph (2) letters f) and k) of the Constitutive Act, 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, that includes the level of remuneration of the members of the Board of Nominees and of the Alternative Investment Fund Manager, and to set the level of the remuneration of the financial auditor for financial audit services;*

*(...)*

*k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea, according to the legislation in force;”*

- IV. The approval of the introduction of a new letter k<sup>1</sup>) to paragraph (3) of Article 12 of the Constitutive Act, as follows:

*“(3) The extraordinary general meeting of the shareholders is entitled to decide on the following:*

*k<sup>1</sup>) approval of: (i) the dissolution and liquidation of the Company; or (ii) the extension of the duration of the Company, in all cases according to the legislation in force;”*

- V. The approval of the amendment of Article 13 paragraph (7) of the Constitutive Act, as follows:

*“(7) The calling notice includes all elements required according to legislation and regulations in force.”*

- VI. The approval of the introduction of a new paragraph (6) to Article 19 of the Constitutive Act, as follows:

*“(6) The rules for remuneration of the Alternative Investment Fund Manager and the size of administration fees are included in the remuneration policy and the remuneration policy is approved by ordinary general meeting of shareholders, at least once at four years. The annual size of the administration fees is included in annual budget and approved by the ordinary general meeting of shareholders according to the legislation in force.”*

- VII. The approval of the amendment of Article 20 of the Constitutive Act, as follows:

*“The Alternative Investment Fund Manager shall appoint a natural*

*person as its permanent representative. The Alternative Investment Fund Manager can change the permanent representative in accordance with the applicable law. All changes will be registered with the Trade Registry.”*

VIII. The approval of the amendment of Article 24 paragraph (2) of the Constitutive Act, as follows:

*“(2) The internal audit activity organised for Fondul Proprietatea, will be rendered by a third party on a contractual basis, in accordance with the applicable legal provisions.”*

IX. The approval of the amendment of Article 31 paragraph (1) of the Constitutive Act, as follows:

*“(1) The dissolution of Fondul Proprietatea shall take place in the following cases:*

- a) impossibility of performing the company’s business object;*
- b) declaring the company’s nullity;*
- c) by decision of the extraordinary general meeting of the shareholders, in accordance with article 14;*
- d) as consequence of losses, 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) opening of the bankruptcy procedure;*
- f) the number of shareholders reduces under the legal minimum;*
- f<sup>1</sup>) expiration of the duration of Fondul Proprietatea, if the extraordinary general meeting of shareholders of Fondul Proprietatea does not decide the extension of the duration, in accordance with Article 4;*
- g) other causes provided by the law or by this constitutive act.”*

X. The approval of the amendment of Article 32 of the Constitutive Act, as follows:

*“(1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure and, irrespective of the reasons for dissolution of the Company, Fondul Proprietatea will be wound up only after finalising the related procedures, in accordance with the law.*

*(2) The shareholders cannot, directly or indirectly, redeem their shares from Fondul Proprietatea’s assets prior to the start of the liquidation procedure.*

*(3) The liquidation of Fondul Proprietatea and distribution of the*

*patrimony are made in accordance with the law.”*

XI. The approval of the amendment of Article 34 of the Constitutive Act, as follows:

*“(1) The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitation provided by the legal provisions in force for a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors and of this Constitutive Act.*

*(2) Fondul Proprietatea shall be subject to the investment restrictions and can invest only in the categories of assets according to the provisions applicable to a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors according to legislation in force.*

*(3) Subject to the terms of this Constitutive Act, of the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.*

*(4) Prudential rules concerning the investment policy will be approved by the shareholders through Investment Policy Statement.*

*(5) The detailed presentation of the investment policy and the rules for pricing the assets of the Company, drafted in line with Romanian and European legislation in force, are included in rules of the Fund and are published by the AIFM on the website of the Company.”*

XII. The approval of:

**(a) The date of 1 February 2021** as the **Ex – Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 2 paragraph (2) letter (l) of Regulation no. 5/2018; and of

**The date of 2 February 2021** as the **Registration Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 86 paragraph (1) of Issuers’ Law.

As they are not applicable to this EGM, the shareholders do 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.

**(b)** The empowerment, with authority to be substituted, of Johan Meyer to sign the shareholders’ resolutions and the amended, renumbered 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.

2. The amendments to the Constitutive Act of Fondul Proprietatea S.A. on points 5, 6, 8, 9, 10, 11, 12, 13, 14, and 17 on the EGM agenda were not approved because the required majority was not met.

**Franklin Templeton International Services S.À R.L. in its capacity of alternative investment fund manager and sole director of FONDUL PROPRIETATEA S.A.**

**Johan MEYER**  
Permanent Representative