

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 Annual General Shareholders' Meeting of Fondul Proprietatea SA held on 28 April 2021

Franklin Templeton International Services S.À R.L., alternative investment fund manager and sole director of Fondul Proprietatea SA ("Fondul Proprietatea / the Fund"), hereby, announces that on 28 April 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** ("OGM") 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 amendment of Article 33 of the Constitutive Act of Fondul Proprietatea (as endorsed by the FSA through Endorsement no. 38/8 February 2021), 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 and deferred income. In the calculation of the aggregate value of debts are included both current and non-current debts, as well as the provisions booked by Fondul Proprietatea.

(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 decrease of the subscribed share capital of Fondul Proprietatea, as follows.

The approval of the decrease of the subscribed share capital of Fondul Proprietatea from RON 3,749,282,292.08 to RON 3,334,342,422.84 pursuant to the cancellation of 797,961,287 own shares acquired by Fondul Proprietatea during 2020.

After the share capital decrease, the subscribed share capital of Fondul Proprietatea

Report date:

28 April 2021

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 3,749,282,292.08

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

shall have a value of RON 3,334,342,422.84 being divided in 6,412,196,967 shares, each having a nominal value of RON 0.52 per share.

The first paragraph of Article 7 of the Constitutive Act of Fondul Proprietatea after the share capital decrease will be changed as follows.

“(1) The subscribed share capital of Fondul Proprietatea is in the amount of RON 3,334,342,422.84, divided in 6,412,196,967 ordinary, nominative shares, having a nominal value of RON 0.52 each”.

The subscribed share capital decrease will take place on the basis of Article 207 paragraph (1) letter c) of Companies' Law no. 31/1990 and will be effective after all the following conditions are met:

- (i) this resolution is published in the Official Gazette of Romania, Part IV for at least two months;
- (ii) Financial Supervisory Authority endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea as approved by shareholders during this meeting, where required by applicable law or regulation;
- (iii) the shareholders' resolution for approving this share capital decrease is registered with the Trade Registry.

3. The approval of:

(a) **The date of 27 May 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 28 May 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 and restated form of the Constitutive Act, 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.

B. The agenda of the OGM

1. 1.1. The presentations of the:

(a) The Alternative Investment Fund Manager of the Performance Report for the period 1 January 2020 – 31 December 2020; and

(b) The Board of Nominees of its annual report for 2020 financial year, including its Review Report in relation to the Performance Report.

In accordance with Article 9.7 of the Management Agreement signed on 24 July 2019 between Fondul Proprietatea and Franklin Templeton International Services S.à r.l. (“**Management Agreement**”), the shareholders decide on the approval of the continuation of the current mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea (*secret vote*)

2. The approval of the Annual Activity Report of the Sole Director of Fondul Proprietatea for the financial year 2020, including the financial statements for the year ended on 31 December 2020 prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and applying the Financial Supervisory Authority Norm no. 39/ 28 December 2015, the approval of the auditor's report (all as published in the supporting documentation on the website of Fondul Proprietatea, including in the format according to provisions of the EU Delegated Regulation 2019/815 of the Council with regard to regulatory technical standards on the specification of a single electronic

reporting format), the ratification of all legal acts concluded, adopted or issued on behalf of Fondul Proprietatea, as well as of any management/administration measures adopted, implemented, approved or concluded during 2020 financial year, along with the discharge of the Sole Director's for any liability for its administration during 2020 financial year.

3. The approval to cover the negative reserves of RON 236,026,121 incurred in 2020 financial year from the cancellation of treasury shares acquired through the 10th buy-back programme, in accordance with the supporting materials.
4. The approval to cover the accounting loss of RON 102,978,968 incurred in 2020 financial year, in accordance with the supporting materials.
5. The approval of the distribution of a gross special dividend of RON 0.072 per share, in accordance with the supporting documentation, subject to the approval of the coverage of the negative reserves, and coverage of the accounting loss mentioned above. The shareholders approve that the payment of the dividends to start on the Payment Date of this OGM (as defined at point 9 of this OGM) to the persons registered as shareholders of Fondul Proprietatea on the Registration Date (as defined at point 9 of this OGM). Unpaid shares and treasury shares do not constitute dividend entitlement.
6. The approval to allocate to other reserves an amount of RON 671,941,938 to be used for covering the negative reserves estimated to arise from the cancellation of treasury shares acquired during 2020 through the 11th buy-back programme, in accordance with the supporting materials.
7. The approval of the Remuneration Policy of Fondul Proprietatea, as described in the supporting documentation.
8. The appointment of Ernst & Young Assurance Services SRL with its headquarters in Bucharest, 15 -17 Ion Mihalache Blvd., Tower Center Building, 22nd Floor, Sector 1, 011171, Romania, registered with the Trade Registry under no. J40/5964/1999, Sole Registration Number 11909783, as the financial auditor of Fondul Proprietatea, setting the duration of the financial audit agreement for the period starting with 1 July 2022 to 31 August 2025; and setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea for 2022, 2023 and 2024 financial years, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and setting the level of its remuneration for the financial audit services described above at a maximum level (without VAT) of EUR 90,000/ year. (secret vote)
9. The approval of:
 - (a) **The date of 27 May 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 28 May 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.
The date of 22 June 2021 as the **Payment Date**, computed in accordance with the provisions of Article 178 paragraph (2) of Regulation no. 5/2018.
As they are not applicable to this OGM, 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.
 - (b) 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.

Point 1.2. on the OGM agenda:

1.2. In case point 1.1. is not approved by the shareholders, in accordance with point 9.7 of the Management Agreement, the approval of:

- 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 Fondul Proprietatea, and of the Management Agreement, beginning with the earliest of (i) the appointment of a new alternative investment fund manager and sole director of Fondul Proprietatea in accordance with the terms of the Management Agreement and (ii) 1 November 2021, and
- the procedure to be observed for the selection of a new alternative investment fund manager and sole director of Fondul Proprietatea, as described in the supporting materials. (secret vote)

was 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

