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## **FONDUL PROPRIETATEA SHAREHOLDERS APPROVE KEY TERMS FOR A NEW MANDATE AS FUND MANAGER FOR FRANKLIN TEMPLETON**

**Bucharest, 29 September 2021** – At the Fund’s General Shareholders’ Meeting (GSM) organised today, the shareholders of Fondul Proprietatea approved the key terms for a new administrator mandate for Franklin Templeton International Services S.Ă RL for a period of two years, starting with 1 April 2022. This is the 11th year since Franklin Templeton has been managing Fondul Proprietatea, with the initial management mandate signed in 2010. Over the last 11 years, Fondul Proprietatea has continuously supported the development of the Romanian capital market and has generated substantial value for its shareholders.

**Ilinca von Derenthall, Chairperson of the Board of Nominees said:** *“The Board of Nominees appreciates the results obtained by Franklin Templeton as Fondul Proprietatea Fund Manager and its efforts towards increased corporate governance standards, transparency and profitability of portfolio companies. Along with attracting numerous new local and international investors, private and institutional, the Fund has contributed significantly to the development of the capital market in Romania and will continue doing so with a view to support further listings of Romanian SOE’s on the Bucharest Stock Exchange. Under the professional management of Franklin Templeton, Fondul Proprietatea will continue to bring value and benefit all stakeholders in the future. We are very pleased to see that amongst our valued shareholders Fondul Proprietatea counts all locally active private pension funds and contributes to the future welfare of a significant number of Romanians.”*

On this occasion, **Johan Meyer, CEO of Franklin Templeton Bucharest Branch and portfolio manager of Fondul Proprietatea said:** *“Across the organisation, Franklin Templeton’s mission is to help its clients achieve better outcomes by leveraging our 70 year expertise in investment management. In Romania, this is of particular relevance as we have been working closely with the portfolio companies for more than a decade, in order to generate value for Fondul Proprietatea’s shareholders. I am particularly grateful to the very talented and dedicated team in Bucharest, without whom these results would not have been possible. It’s encouraging to note that Franklin Templeton has continued to secure shareholders support in the continuation of its mandate as the Fund Manager of Fondul Proprietatea. Going forward, we will continue to focus on managing the investments in the portfolio companies to generate the highest possible outcomes for investors. We have an unwavering commitment to professionalism, corporate governance and transparency and believe that this will enable us to unlock more value for shareholders through initiatives such as the listing of portfolio companies like Hidroelectrica and Salrom.”*

In the coming period a new GSM will be organised (to be called during next weeks) asking shareholders to vote on the detailed terms of the mandate included in the draft of Management Agreement.

**Key milestones of the Fund’s activity, under the management of Franklin Templeton:**

- Fondul Proprietatea was listed on two stock exchanges (Bucharest Stock Exchange in 2011 and London Stock Exchange in 2015) and contributed significantly to promoting Romania and its capital market on the international scene, to the largest investors in the world.
- it has been a pioneer of protecting rights of minority shareholders in SOEs and has assumed without hesitation the challenging task of being an activist shareholder. It has relentlessly advocated for higher standards of corporate governance, transparency and professional management of these companies.
- it contributed to unlocking the potential and value of numerous portfolio companies during the last decade. The substantial turnaround of portfolio companies, such as Hidroelectrica, is an eloquent proof of this steady engagement.
- it opened new avenues on the local capital market by using for the first time in Romania new tools such as buy-backs programmes and tender offers.
- it established a substantial track record of generating significant value for the Fund's shareholders:
  - the share price has reached an all-time high of RON 1.8780 per share on 15 July 2021, well above the RON 1.00 per share which was the nominal value of the share when the Fund was initially set-up, building on consistent performance over the past 11 years.
  - as of 31 August 2021, the share price total return has been 512.28%, calculated since the listing of the Fund on BVB on 25 January 2011, while the NAV per share total return has been 187.51%, calculated since 31 December 2010.
  - the discount to NAV has decreased significantly from 55.67% in 2021 to as low as 3.80% YTD. In 2021, the share price achieved an impressive performance reaching a new historical milestone for the Fund: trading at a premium.
  - since Franklin Templeton started managing the Fund in September 2010, the Fund made significant gross cash distributions of \$ 2.05 billion (RON 7.58 billion) to shareholders and completed eleven buy-back programs, the twelfth being in progress, worth over 7,27 billion lei.
  - between 1 January 2011 and 31 August 2021, the total value of transactions with the Fund's shares represented more than 24.3 % of the total value of transactions on BVB, while the volume traded with the Fund's shares represented 33.8% of the total volume of shares traded on BVB.

Subject to shareholders' approval of the detailed terms of the mandate at a new GSM, Franklin Templeton will focus in the future on engaging even more closely with the existing portfolio companies and continue driving reforms and improvements related to corporate governance, transparency, professionalism with the objective of further increasing profitability and returns for shareholders.

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## Notes to Editors

### 1. About Fondul Proprietatea

Launched in December 2005, Fondul Proprietatea (“the Fund”) was established to compensate Romanians whose properties were confiscated by the former communist government. Following an international tender announced in December 2008, Franklin Templeton Investments was officially appointed as investment manager and sole administrator of the Fund on 29 September 2010.

The Fund is an alternative investment fund and its investment objective is the maximization to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities. The Fund listed on the Bucharest Stock Exchange on 25 January 2011 and on the Specialist Fund Market of the London Stock Exchange by means of global depositary receipts (“GDRs”) on 29 April 2015.

The headquarters of Fondul Proprietatea SA are at 76-80 Buzesti Street, 7th Floor, Bucharest District 1, 011017, Romania. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

### 2. About Franklin Templeton Investments

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton’s mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 70 years of investment experience and approximately 1.53 trillion in assets under management as of 31 August 2021. For more information, please visit [www.franklintempleton.ro](http://www.franklintempleton.ro).

Franklin Templeton established an office in Bucharest in May 2010, with a team of 32 employees, including 6 locally based investment professionals who are further supported by the over 40 portfolio managers and analysts of the wider Templeton Emerging Markets team.

Starting with 1 April 2016, in view of complying with the EU Directive 2011/61 on alternative investment fund managers, the Fund is managed by Franklin Templeton Investment Services S.À R.L. (“FTIS/ Fund Manager”), a société à responsabilité limitée qualifying as an alternative investment fund manager under Article 5 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 36.979.

This release herein is issued by FTIS Bucharest Branch, registered therein under the number 40198471.

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