

FOR IMMEDIATE DISTRIBUTION: 1 November 2019

## PRESS STATEMENT

Bucharest, 1 November 2019 – Fondul Proprietatea expresses its extreme disappointment with the recent statements of the outgoing Economy Minister, Nicolae Badalau, with regards to the current workers' strikes organized at several units of the National Salt Company (Salrom) related to the company's Board decision to not award holiday vouchers in 2019. The statements offer an inaccurate view of the situation, and have the potential to increase the current tension between the company and the workers, especially considering that it is in breach of the legislation in force on corporate governance of public enterprises.

Government Ordinance no. 109/2011 on the Corporate Governance of Public Enterprises (art. 4 paragraph 1), prohibits the Ministry of Economy to interfere with the administration and management of public enterprises. As such, The Minister of Economy is not entitled to request its *"urgent"* convening of Salrom's Board of Directors to adopt measures that he approves of, as this amounts to nothing less than State interference with the affairs of the company and is a clear breach of the independence of Salrom's Board of Directors

Commenting on the matter of Minister of Economy Nicolae Badalau' statements regarding the strikes at Salrom, **Johan Meyer, CEO of Franklin Templeton Investments and Portfolio Manager of Fondul Proprietatea** said: *"First of all, we should not forget that state-owned companies are owned by all Romanians, so they are entitled to have access to accurate and truthful information on matters related to these entities. We are deeply disappointed with any public statements that misleads the public and distorts reality, as it can have many farreaching, unpredictable consequences that can prove difficult to manage. Secondly, we are concerned whenever a State representative breaches the Corporate Governance Law, disregarding legal principles that are in place to guarantee the independence of SOEs from political interference. We continue to shed light on any deviations from corporate governance rules and advocate for their proper implementation by both SOEs and State representatives, confident that the only way forward is through openly addressing such breaches."*

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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. An international tender was announced in December 2008, and Franklin Templeton Investments officially took over 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 of returns and per-share capital appreciation 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 78-80 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 operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management to retail, institutional and sovereign wealth clients in over 180 countries. Through specialized teams, the Company has expertise across all asset classes—including equity, fixed income, alternative and custom solutions. The Company's more than 600 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. With offices in 35 countries, the California-based company has more than 65 years of investment experience and over \$692.6 billion in assets under management as of 30 September 2019. For more information, please visit [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).

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"), 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, registered with the Romanian Financial Supervisory Authority ("FSA") under number PJM07.1AFIASMDLUX0037/10 March 2016.

This release herein is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with the FSA under no. PJM01SFIM/400005/14 September 2009, which is authorized and regulated in the UK by the Financial Conduct Authority, registered therein under the number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission. FTIML acts herein as a delegate of FTIS with respect to the portfolio management functions as well as administration services over the Fund.

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