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FONDUL PROPRIETATEA HOLDS CORPORATE GOVERNANCE CONFERENCE FOR PORTFOLIO COMPANIES

Bucharest, 13 February 2014 – Franklin Templeton Investment Management Limited UK Bucharest Branch, in its capacity of Sole Director and Fund Manager of S.C. Fondul Proprietatea S.A. (“the Fund”) announces that on 11 February, in Bucharest, it held the second corporate governance conference focused on the separation of roles and responsibilities between the top executive management and the Boards of state owned companies.

The conference debuted with a brief synopsis on Fondul Proprietatea, which was followed by presentation on the corporate governance experience of Czech company Pegas Nonwovens, delivered by Mr. Marek Modecki, member of the Board and Mr. Frantisek Rezac, CEO, who offered an overview on how the company’s board and executive management operate, and their responsibilities and relationship with shareholders. They underlined the need for building trust and competence among these key stakeholders in order for the company to function effectively.

A comprehensive presentation on the importance and impact of corporate governance on various stakeholders was held next by Dr. Peter Jansen MBA, Lecturer at the London School of Business and Finance. Dr. Jansen talked about key principles of corporate governance such as accountability, responsibility, transparency, impartiality, independence and integrity.

Mr. Greg Konieczny, Fund Manager of Fondul Proprietatea, held a presentation on ways to incentivize management through share options, as a variable component of their remuneration.

“Improving the corporate governance of portfolio companies has been one of our top priorities ever since we began our mandate at Fondul Proprietatea. We believe that implementing proper corporate governance standards is essential if state-owned companies are to become more competitive and profitable, to the benefit of all shareholders, including the Romanian state. We are delighted with the positive feedback we have received from the representatives of these companies following this event. This feedback shows a genuine interest from top management in improving the efficiency, transparency and profitability of these companies and we hope to see some of the ideas discussed here implemented in the Fund’s portfolio companies in the

near future. Remuneration through share options is a great way to incentivize management to increase the value of a company. This is a widely used system of remuneration in other markets, where it has proven its efficiency and we are pleased that it is slowly being adopted by Romanian SOEs as well.” stated Mr. Konieczny.

The event was well attended by over 70 guests, among which representatives of major companies in the Fund’s portfolio such as: Petrom, Nuclearelectrica, CE Oltenia, Transelectrica, Electrica Distributie Transilvania Sud SA, Electrica Distributie Transilvania Nord, Electrica Distributie Muntenia Nord, Posta Romana, Conpet, Salrom, CN Aeroporturi Bucuresti SA, Aeroportul International Mihail Kogalniceanu, Romaero SA Bucuresti, CN Administratia Porturilor Maritime, CN Administratia Porturilor Dunarii Maritime CN Administratia Porturilor Dunarii Fluviale, CN Administratia Canalelor Navigabile and SN Plafar.

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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 a closed-end investment company with the investment objective of long-term capital appreciation through via investment primarily in Romanian equity securities.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 28 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.

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