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**FONDUL PROPRIETATEA PRESS STATEMENT
UNFOUNDED AND ABUSIVE ACTION OF THE MINISTRY OF ENERGY TAKEN AT
HIDROELECTRICA'S GSM ON 31 AUGUST 2017**

Bucharest, 6 September 2017 – At Hidroelectrica's GSM on 31 August 2017, the Ministry of Energy, representing the Romanian State as majority shareholder of Hidroelectrica, approved its own proposal for the initiation of court proceedings against Oana Truta, Hidroelectrica Supervisory Board member. This situation automatically triggers the revocation of Ms. Truta from her position as Board member.

Fondul Proprietatea expresses its utter indignation towards the removal of Oana Truta from the Supervisory Board of Hidroelectrica on 31 August 2017 and considers the actions taken by the Ministry of Energy as unfounded and abusive.

The Ministry of Energy's proposal does not include any grounds for initiating court proceedings against Ms. Truta. The Ministry and Hidroelectrica also ignored the legal right to information, by not giving access to the GSM documentation to the Fund. Fondul Proprietatea considers that these actions represent retaliation from the Ministry of Energy to remove a Board Member who, in exercising her fiduciary duties, has opposed actions from certain members of corporate bodies that threatened the implementation of corporate governance principles in Hidroelectrica. It should be noted that Ms. Truta is in fact by far the most experienced board member at Hidroelectrica having served several board mandates with the company since March 2011 and being aware of the entire reorganisation process of the company. The action thus taken by the Ministry of Energy represents a further attack on the implementation of corporate governance principles.

The Ministry of Energy in fact voted in favour of the appointment of Ms. Truta as Board member of Hidroelectrica on 3 July 2017 and 3 August 2017. The Fund has recently initiated several litigations and actions against decisions of the Shareholders' meetings and the Supervisory Board for breaches of corporate governance and this unfounded accusation against the Board member nominated by the Fund may be seen as a form of retaliation.

Ms. Truta has rightfully opposed the increasing number of actions breaching corporate governance legislation that were undertaken by the Supervisory Council and Ministry of Energy at Hidroelectrica since the beginning of the year.

Fondul Proprietatea has already initiated legal actions against the shareholders' resolution approving the initiation of court action against Ms. Truta. The Fund will continue to take all necessary measures to ensure that corporate governance principles at Hidroelectrica are upheld and that directors performing their fiduciary duties of administration should not be dismissed without reason.

It is Fondul Proprietatea's view that the Ministry of Energy should be focused on creating an environment in which all stakeholders can contribute to the delivery of Hidroelectrica's key priorities, instead of taking such clearly abusive decisions. Unfortunately, during the mandate of the current Energy Minister, we noted that:

- No concrete steps were taken for the listing of the company, on the contrary there have been mostly delays and confusion;
- There are no concrete steps and decisions that rendered in further delays in listing Hidroelectrica;
- There have been inappropriate attempts of the Ministry to interfere in the day-to-day activity of the company;
- Inexperienced individuals have been appointed in Hidroelectrica's Board, obviously without any competitive and transparent selection process. In turn, this allowed the appointment of an interim Directorate without respecting the legal provisions in force regarding professional criteria and selection process.

Fondul Proprietatea urges the Ministry of Energy to cease taking such abusive actions in State-Owned Entities and to correctly implement, uphold and respect corporate governance principles – which are key to creating value for the company, its stakeholders and employees, and for protecting against inappropriate behaviour and corruption.

- ENDS -

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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. Fondul Proprietatea's Fiscal Identification Code (CIF) is 18253260 and Trade Registry registration no is J40/21901/2005. The subscribed share capital is RON 11,575,064,733.65 and paid up share capital is RON 11,229,443,001.15. 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](http://www.franklintempleton.co.uk) 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 \$742.9 billion in assets under management as of 30 June 2017. For more information, please visit 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.

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Franklin Templeton Investment Management Limited UK Bucharest Branch office is located at Premium Point, 7-8th floors, 78-80 Buzesti, District 1, Bucharest, Romania. Tel: +40.200.96.00, Fax: +40.200.96.31/32. For more information on Fondul Proprietatea SA, please visit www.fondulproprietatea.ro.

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