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INVESTMENTS**

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FOR IMMEDIATE RELEASE

FONDUL PROPRIETATEA URGES THE MANAGEMENT OF ENGIE ROMANIA TO REVISIT THEIR CORPORATE GOVERNANCE POLICIES

PARIS and BUCHAREST, 17 July 2017 – Franklin Templeton Investment Management Limited UK Bucharest Branch, in its capacity of Investment Manager of Fondul Proprietatea S.A. (“the Fund”), announces that the Fund, acting as shareholder of ENGIE Romania SA, previously named GDF Suez Energy Romania (“Company”), has requested the convening notices of the Ordinary General Shareholders Meetings of ENGIE Romania SA. The agenda of the meeting includes a request to the board of directors of the Company to present a report to shareholders concerning the procedures approved by the board of directors in relation to the sizable management and consultancy service agreements concluded by the Company with its controlling shareholder ENGIE SA (former GDF SUEZ SA) during the period 2011-2015. ENGIE SA is controlling the Company through its affiliate, Romania Gas Holding BV.

According to data available to the Fund, in 2015, the total value of these service agreements related to strategic and management consultancy amounted to an estimated RON 12.9 million (the equivalent of EUR 2.9 million). Based on the limited information made available by the Company, the Fund considers that the management and consultancy service agreements with the controlling shareholder were neither necessary nor appropriate, given that the Company has its own board of directors and managers, who have been appointed by the general meeting of shareholders with the purpose of making management decisions and acting for the benefit of the Company and of all shareholders and not the for the benefit of its controlling shareholder.

The Fund considers that entering into such service agreements can be also considered an abuse of power by the controlling shareholder, Romania Gas Holding BV (acting in the interest of its affiliate, ENGIE SA, and not in the interest of the Company and/or its shareholders). The Fund also considers that the service agreements concluded by the Company with ENGIE SA were needless and the price paid by the Company to ENGIE SA for the management and consultancy services was unjustified.

Over the last 5 years, the Fund has engaged on numerous occasions with the management of ENGIE Romania SA and pointed out the abusive nature of these contracts. The Fund has demanded further clarifications and requested the management to put a stop to this practice. We are pleased to highlight that as a result of our actions, the contracts identified by the Fund were no longer in place starting with FY 2016.

The Fund cannot, however, ignore the significant damages caused by the management and consultancy service agreements from 2011- 2015. Consequently, the Fund has initiated a court action in front of Bucharest Court against Board members and managers of ENGIE Romania SA for the recovery of damages caused to the Company by approving, concluding and performing management and consultancy service agreements with ENGIE SA between 2011-2015. The board members and managers against whom legal action was initiated are Eric Joseph Stab, Grzegorz Gorski, Alain Marie Louise Janssens, Olivier Bloeyaert, Mihai Adrian Albulescu, Gelu Stefan Diaconu, Maria Gabriela Horga, Pierre Marie Paul Chatain, Bart Josef Irma Boesmans, Valerie Marie Laure Limpens and Simona Claudia Dobre. These agreements represented a conflict of interests and a serious breach of corporate governance principles, in the Fund’s view.

The Fund considers that it is highly necessary to have in place monitoring controls to make sure such conflicts of interests are avoided in the future. Therefore, the Fund strongly urges the management of ENGIE SA in Romania to present a plan of measures designed to avoid the conclusion of any similar agreements with the Company in future.

- 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](#) 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.

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.

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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