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INVESTMENTS

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FOR IMMEDIATE DISTRIBUTION

FONDUL PROPRIETATEA ACCUSES WEAKENING OF CORPORATE GOVERNANCE IN NUCLEARELECTRICA

Bucharest, 22 August 2017 – Fondul Proprietatea expresses its strong disapproval and significant concerns regarding the two new points proposed by the Ministry of Energy in the convening notice of Nuclearelectrica's General Shareholders Meeting scheduled for 24 August 2017. Both amendments are in direct contradiction with corporate governance provisions and are expected to have a negative impact on Nuclearelectrica's performance, as well as on its share value as a listed company.

Firstly, Nuclearelectrica's interim Supervisory Board is to be changed with another four-month Board, despite the fact that the expiration of the current board members mandate was known to all shareholders for months now. **The company urgently needs a solid, full-term competent Supervisory Board, to help deal with the challenges and the opportunities Nuclearelectrica faces.**

Secondly, revised mandate contracts are proposed for the new interim Board, which eliminate key obligations of the Board members that were part of the previous mandate's contracts. Under the new mandate contracts, Board members are no longer held accountable for non-competition obligations, thus permitting flagrant conflicts of interest, or preserving the confidentiality of information obtained as member of Nuclearelectrica's Supervisory Board.

In the Fund's view, this clearly increases the risk of potential corrupt and abusive practices at Nuclearelectrica. Moreover, it endangers the company's performance, as it may impact the share value of this listed company and the investors' confidence in its future due to the lack of accountability and transparency.

Commenting on the implications of these proposals, Johan Meyer, Co-CEO and Co-Portfolio Manager of Fondul Proprietatea, said: "**Following the similar situation at Hidroelectrica, making detrimental changes to the Board mandate contracts seems to be a common practice of the Ministry of Energy.** Yet again, a new interim Board with watered down mandate contracts, allowing Board members to retain similar positions in other energy companies, including competitors, as well as scraping confidentiality provisions seems to be the Ministry of Energy's way to elude the corporate governance law and potentially pursue other vested interests. This situation raises serious concerns about the energy sector Board members' accountability to act in the best interest of the company and not use their Board positions in companies like Nuclearelectrica and Hidroelectrica to serve other interests than those of the companies."

- ENDS -

Note to editors:

The mandate contracts proposed by the Ministry of Energy can be consulted on the company's website [here](#)

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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 \$752.7 billion in assets under management as of 31 July 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.

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