

FROM: Fondul Proprietatea  
[www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)

For more information, contact:

Bucharest: Elena Birjovanu, +40 21 200 9640, [ebirjovanu@frk.com](mailto:ebirjovanu@frk.com)

Bucharest: GolinHarris, +40 21 301 0051, [MBotez@golinharris.com](mailto:MBotez@golinharris.com)

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FOR IMMEDIATE RELEASE: 4 October 2012

### **PRESS STATEMENT**

Bucharest, 4 October 2012 – Fondul Proprietatea, “the Fund”, would like to clarify the reasons for recommending Mr Remus Vulpescu and Ms Oana Truta as members of the Supervisory Board of Hidroelectrica. As a general comment, Fondul Proprietatea only recommends individuals that we believe can bring value to the companies where they are appointed as Board Members and where we believe they can contribute to the company’s development.

Following the receipt of the 31 October 2012 GSM convening notice including all documentation from Hidroelectrica on 27 September 2012, Fondul Proprietatea made on 1 October 2012 the proposal to nominate Mr Remus Vulpescu and Ms Oana Truta as members of the Supervisory Board of Hidroelectrica. The final decision regarding the appointment of the members of the Supervisory Board of Hidroelectrica will be taken by the company’s shareholders at Hidroelectrica’s GSM. Please note that the mandate of the members of the Supervisory Board will be effective only after Hidroelectrica exits insolvency.

Fondul Proprietatea’s nomination is in accordance with art. 117 indice 1 paragraph 2 from the Companies Law 31/1990, that states that any shareholder can nominate people on the Board when the GSM is convened for selecting the Supervisory Board/Board or Directors. As such, FP did not have to request anyone’s approval for this proposal; we have just informed all interested stakeholders including the judicial administrator, the company, and the majority shareholder about our nominalization. As a result the proposal did not have to be approved or signed by anyone except Fondul Proprietatea.

We would also like to clarify the fact that Oana Truta and Remus Vulpescu signed a separate document prior to Fondul Proprietatea’s proposal for the Supervisory Board of Hidroelectrica and their proposal was submitted attached to the 31 October 2012 GSM convening notice (published on Hidroelectrica’s website). In this separate document, as members of the Nomination and Remuneration Committee of Hidroelectrica, Mr Vulpescu and Ms Oana Truta recommended to the General Shareholders Meeting a list of 10 candidates for the Supervisory Board, following the selection process done with the help of a human resource consultant. They have also made recommendations for the

remuneration of the Board members, based on the human resource consultant recommendation and an analysis of such remunerations offered by other similar private companies in Romania and in Western Europe. It is the responsibility of such a Committee to make these proposals. Please note that the employees of Franklin Templeton are not allowed to receive any kind of compensation from the portfolio companies where they sit as members of the Supervisory Board or the Board of Directors.

Fondul Proprietatea has proposed Remus Vulpescu given his accumulated experience during the past months in working with public institutions and state owned companies in Romania and his significant knowledge about Hidroelectrica, its operations, current status during the insolvency procedures and perspectives going forward. We believe that his presence in the Supervisory Board of Hidroelectrica will ensure a smooth handing over of the operations of the company and transition when the company exits insolvency and will allow for a continuation of the positive developments that have been achieved during this period.

Fondul Proprietatea would like to underline that Board members are responsible towards all shareholders and do not represent the interests of a particular shareholder that recommends them. They are expected to act independently and in the best interest of the company and their involvement with the Board is subject to duties to that company.

Should you have any further queries about Franklin Templeton's operations, please do not hesitate to contact Elena Birjovanu, PR Manager.

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