

THIS ENGLISH LANGUAGE TENDER OFFER DOCUMENT REPRESENTS AN UNOFFICIAL TRANSLATION OF THE ROMANIAN LANGUAGE TENDER OFFER DOCUMENT APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY



**FONDUL PROPRIETATEA S.A.**

*(A joint stock company incorporated under the laws of Romania managed by Franklin Templeton International Services S.À R.L.)*



**TENDER OFFER DOCUMENT**

**with respect to a proposed tender offer to purchase for cash up to 1,200,000,000 fully paid up ordinary shares of Fondul Proprietatea S.A., in the form of Shares and GDRs representing such Shares at a purchase price of RON 0.9350 per Share and the US dollar equivalent of RON 46.75 per GDR**

This document has been approved by the Romanian Financial Supervisory Authority (the "FSA") as a tender offer document (the "**Tender Offer Document**") in accordance with Romanian Law no. 24/2017 on issuers of financial instruments and market operations (the "**Capital Markets Law**") and Regulation no. 1/2006 on issuers and operations with securities issued by the Romanian National Securities Commission, as further amended ("**Regulation no. 1/2006**").

This Tender Offer Document has been approved by the FSA but has not been, and will not be, approved by or notified to the United Kingdom Financial Conduct Authority or any other competent authority of the European Economic Area.

This Tender Offer Document relates to a tender offer (the "**Tender Offer**") by Fondul Proprietatea S.A., a joint stock company incorporated under the laws of Romania (the "**Bidder**" or the "**Issuer**", as applicable) for existing fully paid up ordinary shares with, on the date hereof, a nominal value of RON 0.52 each in its share capital (the "**Shares**"). The Tender Offer comprises a tender offer for up to 1,200,000,000 Shares in the form of Shares and/or global depository receipts which represent the Shares (the "**GDRs**" and, together with the Shares, the "**Securities**"). The Shares are admitted to trading on the spot regulated market operated by Bursa de Valori Bucuresti S.A. (the "**Bucharest Stock Exchange**" or "**BSE**") under the market symbol "**FP**". The GDRs have no nominal value and are admitted to trading on the Specialist Fund Segment (the "**SFS**") of the London Stock Exchange (the "**LSE**") under the market symbol "**FP**". One GDR represents an interest in 50 Shares.

The purchase price (the "**Purchase Price**") of the Securities is equal to RON 0.9350 per Share and the USD equivalent of RON 46.75 per GDR, respectively. Investors tendering GDRs should note that the Purchase Price for the GDRs will be paid in US dollars at the exchange rate commercially available to the Bidder, at the Bidder's absolute discretion, for exchanging one RON into USD on the Trade Date provided that such rate shall be no higher than the rate for exchanging one RON into USD published by the National Bank of Romania at 1:00 p.m. (Eastern European Time) on the Trade Date plus 0.5 per cent. (the "**Exchange Rate**"). No assurance can be given as to the National Bank of Romania US Dollar/RON exchange rate that will be published at 1:00 p.m. (Eastern European Time) on the Trade Date.

**The Tender Offer will commence on 18 January 2018 and will expire at 12:00 p.m. (Eastern European Time) / 10:00 a.m. (Greenwich Mean Time) on 23 February 2018 (the "Expiration Deadline") (the "Offer Period").** Please note that Euroclear Bank N.V./S.A. ("**Euroclear**") and Clearstream Banking, Société Anonyme ("**Clearstream**" and, together with and Euroclear, the "**Clearing Systems**"), their respective participants and the brokers or other securities intermediaries through which GDRs are held will establish their own cut-off dates and times for the tender of the GDRs, which will be earlier than the Expiration Deadline. The Tender Offer may be extended at any time without cause, subject to publication of a supplement to this Tender Offer in accordance with applicable law.

The Tender Offer is being made to holders of Shares and GDRs resident in the United States in reliance on, and in compliance with, Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Regulation 14E thereunder.

**Dealer Managers**

**Jefferies International Limited**

**WOOD & Company Financial Services a.s.**

The date of this Tender Offer Document is 10 January 2018

THE APPROVAL VISA ON THE TENDER OFFER DOCUMENT SHALL NOT BE CONSTRUED AS A GUARANTEE OR ANY KIND OF ASSESSMENT BY THE FSA WITH RESPECT TO THE OPPORTUNITY, ADVANTAGES OR DISADVANTAGES, PROFIT OR RISKS INVOLVED IN ACCEPTING THE TENDER OFFER, WHICH IS SUBJECT TO THE APPROVAL DECISION. THE APPROVAL DECISION CERTIFIES ONLY THE COMPLIANCE OF THE TENDER OFFER DOCUMENT WITH THE LEGAL REQUIREMENTS AND THE NORMS ADOPTED FOR THE APPLICATION THEREOF.

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**IMPORTANT INFORMATION ABOUT THIS TENDER OFFER DOCUMENT**

**The information contained in this Tender Offer Document is addressed exclusively to the holders of Shares and GDRs (each an "Investor").** The tender and purchase of Securities will be carried out exclusively in accordance with the procedures set forth in this Tender Offer Document and pursuant the Capital Markets Law and Regulation no. 1/2006.

**If you do not wish to tender your Shares or GDRs, you need not take any action.**

This Tender Offer does not constitute an offer to buy or the solicitation of an offer to sell Securities in any circumstances in which such Tender Offer or solicitation is unlawful. In those jurisdictions where the laws require this Tender Offer to be made by a licensed broker or dealer, this Tender Offer shall be deemed to be made on behalf of the Bidder by one or more registered brokers or dealers licensed under the laws of such jurisdiction. The Bidder is not making this Tender Offer to, and will not accept any tendered Securities from, any Investor in any jurisdiction where it would be illegal to do so.

Investors who desire to tender all or any portion of their Shares or GDRs, or both, as the case may be, should carefully read and follow the procedures outlined under Section 12 "*Participation in the Tender Offer*".

In order to be validly submitted for tender, Shares tendered in the Tender Offer must be blocked by the relevant Investor in the relevant account at the Authorised Participant (as defined below) or the relevant custodian of the Investor (as the case may be) from the date the relevant tender of Shares is made until the earlier of the Trade Date and the date on which the Investor validly withdraws its tender, as applicable.

GDRs tendered in the Tender Offer will be blocked in the relevant account at the relevant Clearing System from the date the relevant tender of Securities is made until the earlier of the time of completion of settlement for GDRs in the Tender Offer and the date on which the Investor validly withdraws its tender, as applicable, it being understood, however, that the Clearing Systems may impose their own cut off times with respect to the ability of Investors to revoke their instructions to tender.

Developing markets such as Romania are subject to greater risks than more developed markets. As a result, tendering Investors should familiarise themselves with such risks as well as make their own assessment of the merits and risks involved in participating in the Tender Offer, including investment, tax, legal and accounting matters.

**None of Jefferies International Limited ("Jefferies"), WOOD & Company Financial Services a.s. ("WOOD & Co." or the "Intermediary" and, together with Jefferies, the "Dealer Managers") or The Bank of New York Mellon as GDR tender agent (the "GDR Tender Agent") and GDR depositary (the "GDR Depositary") (nor their respective directors, officers, employees or affiliates) makes any representation whatsoever regarding this Tender Offer Document or the Tender Offer, and none of the Bidder, its Board of Nominees or management, the Intermediary, the Dealer Managers, the GDR Tender Agent or the GDR Depositary (nor their respective directors, officers, employees or affiliates) makes any recommendation to any Investor as to whether to tender or refrain from tendering Shares or GDRs.** No person has been authorised to make any recommendation on behalf of the Bidder, its Board of Nominees or management, the Intermediary, the Dealer Managers, the GDR Tender Agent or the GDR Depositary as to whether Investors should tender or refrain from tendering their Shares or GDRs pursuant to this Tender Offer or to make any representation or to give any information in connection with this Tender Offer other than as contained herein. If made or given, any such recommendation, representation or information must not be relied upon as having been authorized by the Bidder, its Board of Nominees or management, the Intermediary, the Dealer Managers, the GDR Tender Agent or the GDR

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Depository. Investors are urged to evaluate carefully all information in this Tender Offer Document, the Acceptance Form and other related materials and consult their own investment and tax advisors and make their own decisions as to whether to tender or refrain from tendering their Securities.

Neither the delivery of this Tender Offer Document nor any purchase of Securities will, under any circumstances, imply that the information contained in this Tender Offer Document is current as of any time subsequent to the date the Tender Offer Document or, without prejudice to the Bidder's obligations under the Capital Markets Law and Regulation 1/2006, that there has been no change in the information since the date of this Tender Offer Document or in the affairs of the Issuer since the date of this Tender Offer Document.

The Bidder accepts responsibility for the information contained in this Tender Offer Document. To the best of the Bidder's knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Tender Offer Document is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Dealer Managers or the Intermediary accepts any responsibility whatsoever for the contents of this Tender Offer Document or for any other statement made or purported to be made by it or any of them or on its or their behalf in connection with the Issuer or the Securities. Each of the Dealer Managers and the Intermediary accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Tender Offer Document or any such statement.

The Dealer Managers have been engaged by the Bidder to act as dealer managers with respect to the Tender Offer. The Bidder has also entered into an intermediation agreement with the Intermediary in respect of the tender of Shares. In addition, the Bidder has engaged The Bank of New York Mellon to act as GDR Tender Agent with respect to GDRs tendered in the Tender Offer. Investors tendering Shares pursuant to this Tender offer will be required to tender through the Intermediary or Authorised Participants (as defined below). Investors tendering GDRs will be required to tender through the relevant Clearing System to the GDR Tender Agent. The Dealer Managers, the Intermediary and their respective affiliates may contact and communicate with Institutional Investors (as defined below) regarding the Tender Offer and will not take any action in relation to, nor have any liability or responsibility for, communications with Retail Investors (as defined below) regarding the Tender Offer.

Investors should be aware that the sale of Securities and receipt of the Purchase Price pursuant to this Tender Offer may have certain tax consequences, and are urged to consult at their own expense their tax advisors with respect to those consequences in considering this Tender Offer.

To the extent permissible under applicable securities laws, each of the Dealer Managers, the Intermediary and their affiliates may from time to time purchase, or enter into arrangements to purchase, Shares or GDRs either as principal or agent before and during the Offer Period. The Bidder does not intend to purchase Shares or GDRs, other than as disclosed in the Tender Offer Document or pursuant to this Tender Offer, during the period in which this Tender Offer is open for submission of tenders. In addition, in accordance with and pursuant to Rule 14e-5(b) under the Exchange Act, affiliates of the Bidder that do not comprise the Bidder's consolidated group and over which the Bidder does not exercise control and their respective nominees or brokers (acting as agents) may from time to time make purchases of, or arrangements to purchase, Shares or GDRs other than pursuant to the Tender Offer, before or during the Offer Period, so long as those acquisitions or arrangements comply with the provisions of the exemption provided under Rule 14e-5 under the Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Information about such purchases will be disclosed as and if required by applicable securities laws.

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Questions and requests for information in respect of the tendering procedures for GDRs may be directed to the GDR Tender Agent at the following e-mail address: [drglobaltransactions@bnymellon.com](mailto:drglobaltransactions@bnymellon.com).

This Tender Offer Document shall be made available, as follows:

- (a) in hard copy at the Bidder's registered office, 78-80 Buzesti Street (7th floor), District 1, Postal Code 011017, Bucharest, Romania, telephone +4021.200.96.00, starting with the date of publication of the Tender Offer announcement; and
- (b) in electronic form, on the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)), as well as on the Bidder's website ([www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)).

***Currencies***

In this Tender Offer Document, all references to "**RON**" are to the lawful currency of Romania, all references to "**US dollar**" and "**USD**" are to the lawful currency of the United States.

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**TENDER OFFER RESTRICTIONS**

**Notice to Investors in the United Kingdom**

The communication of the Tender Offer, this Tender Offer Document and any other documents or materials relating to the Tender Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The Tender Offer and the communication of such documents and/or materials are only addressed to and directed at persons in the United Kingdom who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are otherwise persons to whom the Tender Offer and/or such documents and/or materials may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Neither the Tender Offer nor the Tender Offer Document must be acted on or relied on in the United Kingdom, by persons who are not relevant persons. The Tender Offer is available only to relevant persons in the United Kingdom and will be engaged in only with such persons.

**Notice to Investors in the United States**

The Tender Offer is being made to Investors resident in the United States in reliance on, and compliance with, Section 14(e) of the Exchange Act and Regulation 14E thereunder.

Neither the United States Securities and Exchange Commission (the "**SEC**") nor any U.S. state securities commission or regulatory authority has approved or disapproved of this Tender Offer, passed upon the fairness or merits of this Tender Offer or determined whether this Tender Offer Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The Tender Offer is being made for the securities of a Romanian company and is subject to Romanian disclosure requirements, which are different from certain U.S. disclosure requirements. U.S. Investors should be aware that this Tender Offer Document has been prepared in accordance with the format and style of a Romanian tender offer document, which differ from the format and style of a U.S. tender offer document.

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1. **TIMETABLE OF EXPECTED EVENTS**

The times, dates and events shown in this table are subject to change at the absolute discretion of the Bidder:

<b>TIME AND DATE</b>	<b>EVENT</b>
<b>T- 28 Business Days</b>	Announcement of the Tender Offer Publication of the Tender Offer Document
<b>T- 24 Business Days</b>	Commencement of the Offer Period
<b>T</b>	Expiration Deadline at 12:00 p.m. (Eastern European Time) / 10:00 a.m. (Greenwich Mean Time) – deadline for submission of tenders of Shares and/or GDRs  <i>Please note that Euroclear and Clearstream (together with Euroclear, the "Clearing Systems"), their respective participants and the brokers or other securities intermediaries through which GDRs are held will establish their own cut-off dates and times for the tender of the GDRs, which will be earlier than the Expiration Deadline</i>  Allocation Date - announcement of the allocation ratio
<b>T+1 Business Day</b>	Trade Date - announcement of the Exchange Rate; execution of trades with respect to the Shares accepted for purchase after allocation
<b>T+2 Business Day</b>	Payment of the Purchase Price by the Bidder for GDRs accepted for purchase by the Bidder after application of the allocation ratio, in US dollars to the GDR Tender Agent.  The GDR Tender Agent will, as soon as practicable on or after T+2 Business Days but no later than T+3 Business Days, (i) pay that price to the Clearing Systems for further distribution to Investors who have validly tendered GDRs in the Tender Offer and whose GDRs have been accepted for purchase in the Tender Offer and (ii) instruct the Clearing Systems to transfer the corresponding GDRs to the account indicated by the Bidder for this purpose.
<b>T+3 Business Days</b>	Shares Settlement Date - Payment of the Purchase Price by the Bidder to Investors for Shares accepted for purchase after allocation, in RON, and receipt by the Bidder of the corresponding Shares as part of settlement ( <i>delivery versus payment in the clearing and settlement system of Depozitarul Central S.A. (the "Central Depositary")</i> )  Announcement of completion of the Tender Offer ( <i>upon completion of settlement procedures in relation to trades with respect to Shares and GDRs accepted</i> )

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*for purchase by the Bidder after allocation)*

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2. **RISK FACTORS AND OTHER CONSIDERATIONS**

Before making a decision with respect to the Tender Offer, Investors should carefully consider, in addition to the other information contained in this Tender Offer Document, the following:

**Blocking of Securities.** When considering whether to tender Securities pursuant to the Tender Offer, Investors should take into account that restrictions on the transfer of Securities by Investors will apply from the time of such tender or submission. An Investor must, on tendering Shares in the Tender Offer, agree that the relevant Shares will be blocked in the relevant account at the Authorised Participant (as defined below) or the relevant custodian of the Investor (as the case may be) from the date the relevant tender of Shares is made until the Trade Date or until the Investor validly withdraws its tender, as applicable. An Investor must, on tendering GDRs in the Tender Offer, agree that the relevant GDRs will be blocked in the relevant account at the relevant Clearing System from the date the relevant tender of GDRs is made until the earlier of the time of completion of settlement of the Tender Offer and the date on which the Investor validly withdraws its tender, as applicable, it being understood, however, that the Clearing Systems may only permit Investors to withdraw their instructions to tender until the applicable Clearing System's own cut-off times.

**Responsibility for complying with the procedures of the Tender Offer.** Investors are responsible for complying with all the procedures for tendering Securities required pursuant to this Tender Offer. None of the Bidder, the Intermediary, the Dealer Managers, the GDR Tender Agent nor the GDR Depositary assumes any responsibility for informing Investors of irregularities with respect to any tender instruction made in connection with the Tender Offer.

**Compliance with offer restrictions.** Investors are referred to the offer restrictions and the acknowledgements, representations, warranties and undertakings which Investors will be deemed to make on tendering Securities in the Tender Offer. Non-compliance with these could result in, among other things, the unwinding of trades and/or civil or criminal liability.

**Taxation.** Investors should be aware that the sale of Securities and receipt of the Purchase Price pursuant to this Tender Offer may be subject to fiscal taxes, fees and commissions of the brokers, intermediaries, relevant market institutions involved and bank transfer fees. The Bidder is not responsible for withholding or payment of and will not withhold or pay any taxes or other governmental charges or fiscal duties in relation to the Purchase Price payable to Investors. The Bidder is neither responsible for the payment of any transaction fees and charges nor other charges and commissions payable by Investors who have sold Securities pursuant to the Tender Offer. Consequently, Investors should consult at their own expense their tax advisors with respect to those consequences in considering this Tender Offer.

**Other purchases of Securities.** Whether or not the purchase of any Securities pursuant to the Tender Offer is completed, the Bidder and its respective affiliates may, to the extent permitted by applicable law (including Rule 14e-5 under the Exchange Act), acquire (from time to time after the Tender Offer) securities in the Issuer, including through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise. Such purchases may be on such terms and at such prices as the parties may determine, which may be more or less than the prices to be paid pursuant to the Tender Offer and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated by the Tender Offer.



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**Proportionate interest of the Issuer's major shareholders may increase following the Tender Offer.** Should the Issuer's major shareholders decide not to tender Securities held by them in the Tender Offer, while other Investors tender Shares or GDRs representing the Maximum Number of Shares, the major shareholders' respective proportionate equity interest as a percentage of the Issuer's outstanding share capital will increase following the cancellation of the Securities acquired by the Bidder in the Tender Offer and the corresponding share capital decrease.

**Changes in the value of the share capital**

By resolution no. 4 of 26 September 2017 of the extraordinary general meeting of shareholders of the Issuer it was approved to decrease the subscribed share capital of the Issuer from RON 4,854,034,784.56 to RON 4,771,610,196.08 pursuant to the cancellation of 158,508,824 own Shares acquired by the Issuer during the seventh and eighth buy-back programme (the "**Resolution**"). After this share capital decrease, the subscribed share capital of the Issuer will amount to RON 4,771,610,196.08 being divided in 9,176,173,454 Shares, each having a nominal value of RON 0.52 per Share. The said subscribed share capital decrease will take place on the basis of Article 207 paragraph 1 letter c) of Companies Law no. 31/1990 and will be effective after all the following conditions are met: (i) the Resolution is published in the Official Gazette of Romania, Part IV for at least two months; (ii) the FSA endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of the Issuer as approved under the Resolution, where required by applicable law or regulation; (iii) the previous share capital decrease approved by resolution no. 3 of 3 May 2017 of the extraordinary general meeting of shareholders of the Issuer is effective; and (iv) the Resolution is registered with the Trade Registry.

The conditions set out under points (ii) and (iv) above are still pending as at the date of this Tender Offer Document. The share capital decrease may become effective during the Offer Period.

**The Issuer will publish its preliminary financial results for the year ended 31 December 2017 and continue to publish monthly net asset value ("NAV") reports during the Offer Period.**

The Issuer is expected to publish financial data during the Offer Period. In particular, the Issuer expects to publish during such period:

- (a) its preliminary financial results for the year ended 31 December 2017. The preliminary financial results will be published on 15 February 2018;
- (b) its monthly NAV reports at the end of December 2017 and January 2018. The NAV report for December 2017 will be published no later than 15 January 2018 and the NAV report for January 2018 will be published no later than 15 February 2018; and
- (c) its NAV report in the event of a share capital decrease. The related NAV report with respect to the share capital decrease approved under the Resolution must be published within 15 days as of the registration of the Resolution with the Trade Registry (more information related to such decreases may be found on the Issuer's website at <http://www.fondulproprietea.ro/investor-relations/gsm-information>).

While as at the date of this Tender Offer Document the Bidder expects that such NAV reports and the preliminary financial results for the year ended 31 December 2017 will reflect a situation broadly in line with the one shown in (i) the NAV report for October 2017 published on 15 November 2017 and the NAV report for November 2017 (which includes the share

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capital decrease approved on 3 May 2017) published on 14 December 2017; and (ii) the Issuer's financial results for the third quarter of 2017, published by the Issuer on 15 November 2017, there is no certainty whether this will be the case or whether the additional NAV reports to be published during the Offer Period described above, will reflect such a situation. All financial information and NAV reports of the Issuer are publicly available and can be found on the Issuer's website ([www.fondulpropriatea.ro](http://www.fondulpropriatea.ro)).

**Shareholders' meetings in relation to the Issuer's Fund Manager's mandate.**

By resolution no. 3 of 26 September 2017 of the ordinary general meeting of shareholders of the Issuer (the "OGM"), it was approved to renew the mandate of Franklin Templeton International Services S.À R.L. as the alternative investment fund manager and sole director of the Issuer (the "Fund Manager") for another two (2) year term starting 1 April 2018 (the "New Mandate") conditional upon:

- (a) the Issuer's shareholders approving the key commercial terms of the New Mandate as per point 1.2 of the OGM agenda<sup>1</sup>; and
- (b) the Fund Manager and the Issuer executing by 1 March 2018 a management agreement covering the New Mandate (which is to include the key commercial terms mentioned at point 1.2 of the OGM agenda).

Although the condition set out under paragraph (a) above was fulfilled under resolution of the ordinary general meeting of shareholders no. 4 of 26 September 2017, the condition set out under paragraph (b) is still pending at the time of this Tender Offer Document. The Fund Manager summoned an extraordinary and ordinary shareholders' meetings for 14 February 2018, thus inside the Offer Period, having on the agenda, among others, the approval of the said management agreement and its execution by 1 March 2018. More information in relation to the said meetings can be found on the Issuer's webpage at: <https://www.fondulpropriatea.ro/home/investor-relations/gsm-information/gsm-documentation.html>.

**The Issuer will convene its annual shareholders' meeting during the Offer Period.**

The Issuer envisages, as per its financial calendar available on <http://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=FP>, to hold its annual shareholders' meeting on 26 April 2018 ("Annual GSM"). The Annual GSM must be convened with at least 30 calendar days' notice and will decide, among other things, on the approval of the annual financial results for the period ended 31 December 2017. The summoning of the Annual GSM is envisaged to be made on or about 15 February 2018, therefore within the Offer Period. At the time of convening, the Issuer must also make available on its website, as part of the Annual GSM documentation, a copy of the relevant annual financial results which will be subject to shareholders' approval.

**3. THE ISSUER**

The company whose Securities are being offered for repurchase under the Tender Offer is Fondul Proprietatea S.A., identified according to the following data:

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<sup>1</sup> Full details of the key commercial terms of the New Mandate as per point 1.2 of the OGM agenda can be found on the Issuer's website at <https://fondulpropriatea.ro/home/investor-relations/gsm-information/gsm-decisions.html>.

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<b>Legal form:</b>	Joint stock company, registered and operating under Romanian law as an alternative investment fund (as defined by Law 74/2015 regarding alternative investment fund managers)
<b>Registered office:</b>	78-80 Buzesti Street (7 <sup>th</sup> floor), District 1, Postal Code 011017, Bucharest, Romania
<b>Fiscal code:</b>	18253260
<b>Registration number at the Trade Registry:</b>	J40/21901/2005
<b>Main business object:</b>	NACE code 6430 - financial investments
<b>Share capital:</b>	<p><b>Current subscribed share capital</b> (as registered with the Trade Registry/Central Depository): <b>RON 4,854,034,784.56</b>, divided into <b>9,334,682,278</b> ordinary shares, issued in dematerialized form, with each share having a nominal value of <b>RON 0.52</b> and granting equal rights to its owner.</p> <p><b>Current paid up share capital</b> (as registered with the Trade Registry/Central Depository): <b>RON 4,664,852,362.56</b> divided into <b>8,970,869,928</b> ordinary shares, issued in dematerialized form, with each share having a nominal value of <b>RON 0.52</b> and granting equal rights to its owner.</p> <p>The difference between subscribed and paid up share capital (i.e., unpaid share capital) represents the nominal value of certain contributions due to the Issuer by the Romanian State represented by the Ministry of Public Finance, as shareholder, to the Issuer. The holders of unpaid shares are not entitled to participate in the Tender Offer with respect to such unpaid shares.</p> <p>Furthermore, as stated in Section 2 above, if the share capital decrease approved under the Resolution will become effective, the new value of the share capital of the Issuer will be the following:</p> <p><b>Subscribed share capital: RON 4,771,610,196.08</b>, divided into <b>9,176,173,454</b> ordinary shares, issued in dematerialized form, with each share having a nominal value of <b>RON 0.52</b> and granting equal rights to its owner.</p> <p><b>Paid up share capital: RON 4,582,427,774.08</b> divided into <b>8,812,361,104</b> ordinary shares, issued in dematerialized form, with each share having a nominal value of <b>RON 0.52</b> and granting equal</p>

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	<p>rights to its owner.</p> <p>After this share capital decrease becomes effective, the FSA is required to issue a new securities registration certificate reflecting the changes in the subscribed and paid up share capital and the Central Depository is required to register the changes, which registration can occur within the Offer Period.</p> <p>Full details of the resolution can be found on the Issuer's website at <a href="http://www.fondulproprietatea.ro/investor-relations/gsm-information/gsm-decisions">http://www.fondulproprietatea.ro/investor-relations/gsm-information/gsm-decisions</a>.</p>
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According to the shareholders' structure issued by the Central Depository at 14 December 2017, the share capital of the Issuer was held by legal entities, excluding the GDR Depository (43.79 per cent) and by natural persons (20.53 per cent). Another 35.68 per cent of the Issuer's share capital was held in the form of GDRs through The Bank of New York Mellon, as GDR Depository.

The Issuer was incorporated on 28 December 2005 as a joint stock company and was subsequently authorized by the National Securities Commission as a closed-end investment company. The Issuer is registered with the FSA under number PJR09SIIR/400006/18.08.2010. Following the implementation of Directive 2011/61/EU (the "AIFM Directive") on alternative investment fund managers into Romanian legislation through Law 74/2015, the Issuer qualifies as an alternative investment fund.

The business object of the Issuer is portfolio management. The Issuer's investment objective consists of the maximisation of returns and per-share capital appreciation through investments mainly in Romanian equities and equity-linked securities.

In order to comply with the Law 74/2015 implementing the AIFM Directive, on 29 October 2015, the general meeting of the Issuer's shareholders approved the appointment of Franklin Templeton International Services S.À R.L., a *société à responsabilité limitée*, qualified as an alternative investment fund manager under the laws of Luxembourg, as the alternative investment fund manager and as the sole director of the Issuer for a mandate of two years as of 1 April 2016. As stated under Section 2 above, the Fund Manager's mandate was renewed for another two years starting 1 April 2018, subject to the related management agreement being executed before 1 March 2018.

The Issuer's contact details are the following:

Address: 78-80 Buzesti Street (7th floor), District 1,  
Postal Code 011017, Bucharest, Romania.

Web: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)

E-mail: [investor.relations@fondulproprietatea.ro](mailto:investor.relations@fondulproprietatea.ro)

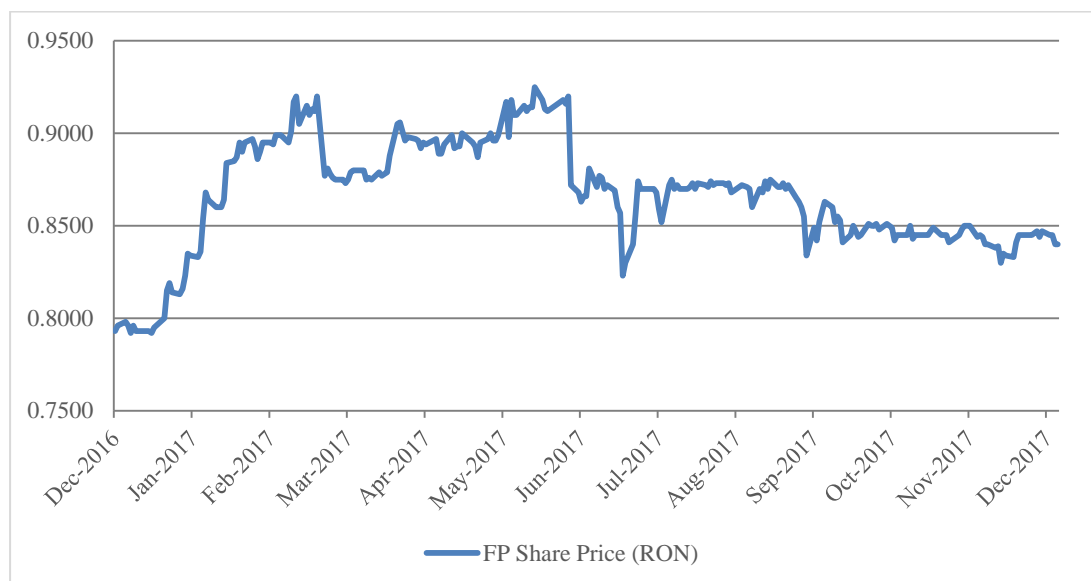
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Telephone: +40 21 200 9600

Fax: +40 21 200 9631/32

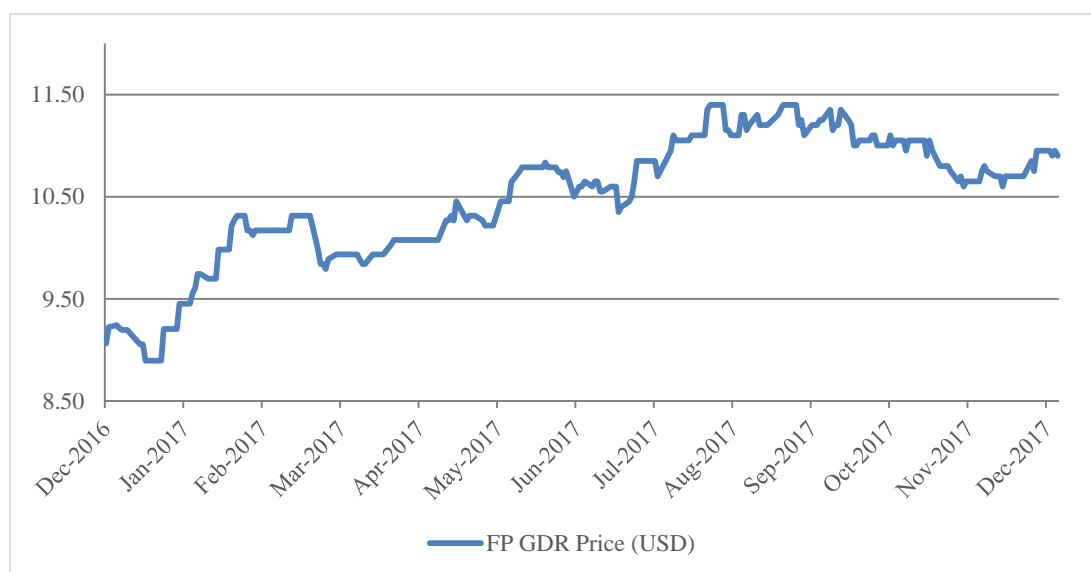
The Shares are admitted to trading on the spot regulated market operated by the Bucharest Stock Exchange and the GDRs are admitted to trading on the SFS of the LSE.

The following chart shows the evolution of the price of the Shares, expressed in RON, during the last 12 months prior to, and including, 14 December 2017 (being the trading date immediately preceding the date of submission of this Tender Offer Document to the FSA):



Source: BSE

The following chart shows the evolution of the price of the GDRs, expressed in USD, during the last 12 months prior to, and including, 14 December 2017 (being the trading date immediately preceding the date of submission of this Tender Offer Document to the FSA):



Source: LSE

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The closing price of the Shares and GDRs on 14 December 2017 (being the trading date immediately preceding the date of submission of this Tender Offer Document to the FSA) was RON 0.8400 per Share and USD 10.90 per GDR, respectively.

**4. THE BIDDER**

Please refer to Section 3 ("*The Issuer*") above.

**5. PERSONS ACTING IN CONCERT WITH THE BIDDER**

The Bidder is not aware of the existence of any persons acting in concert with it in relation to the Issuer. "Persons acting in concert" has the meaning ascribed under the Capital Markets Law.

**6. NUMBER OF THE ISSUER'S SHARES HELD BY THE BIDDER (IN THE FORM OF SHARES OR GDRS)**

According to the statements of account issued by the Central Depository and by BRD Groupe Société Générale (the Bidder's custodian), as at 14 December 2017 the Bidder holds 251,878,340 Shares (246,674,440 in the form of Shares and 5,203,900 in the form of GDRs (i.e. 104,078 GDRs)).

**7. NUMBER AND CLASS OF SECURITIES SUBJECT TO THE TENDER OFFER**

The Bidder intends to acquire through the Tender Offer up to 1,200,000,000 fully paid Shares in the form of Shares and/or GDRs (which, for the avoidance of any doubt, do not include Shares or GDRs already owned by the Bidder on the date of this Tender Offer Document) (the "**Maximum Number of Shares**").

If an Investor is a holder of both Shares and GDRs, the Investor may (but is not obligated to) tender all of its Securities, or any portion or combination of Securities, using the appropriate procedures described below for each type of Security (please refer to Section 12 "*Participation in the Tender Offer*"). Alternatively, an Investor may choose to tender none of its Securities (in which case no action on such Investor's part is required), or tender only one type of security (Shares or GDRs) even if the Investor holds both types of Securities.

The following table provides information with respect to the Securities as at 14 December 2017:

<b>Securities types</b>	<b>Identification Codes/Numbers</b>	<b>Listing Venue</b>	<b>Number of fully paid up Securities</b>
Shares	ISIN: ROFPTAACNOR5  Trading symbol: FP	Bucharest Stock Exchange	8,970,869,928*
GDRs	Common Code: 121643294  ISIN: US34460G1067  CUSIP: 34460G 106	Specialist Fund Segment of the main market for listed securities of the London Stock Exchange	66,611,077

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Securities types	Identification Codes/Numbers	Listing Venue	Number of fully paid up Securities
	SEDOL: BWV69Y7  Trading symbol: FP.		

\* Including Shares represented by GDRs.

## 8. PURPOSE OF THIS TENDER OFFER

This Tender Offer is part of the buy-back programme authorized by the resolution of the extraordinary general meeting of shareholders of the Bidder no. 5 held on 26 October 2017 and published with the Official Gazette of Romania, Part IV, no. 4303 on 10 November 2017 the purpose of which is the decrease of the Bidder's share capital. The buy-back programme has been authorised for a period of 18 months from 10 November 2017.

After the closing of the Tender Offer, the Bidder intends to cancel the GDRs purchased in the Tender Offer in exchange for the underlying Shares and subsequently, subject to approval of the shareholders, cancel all the purchased Shares (whether initially purchased in the form of Shares or GDRs) and decrease its share capital by the corresponding nominal value, at the time of cancellation, of such cancelled Shares.

## 9. PURCHASE PRICE UNDER THE TENDER OFFER

### 9.1 The Purchase Price

The price per Share to be paid by the Bidder within the Tender Offer is RON 0.9350 per Share and the USD equivalent of RON 46.75 per GDR, as applicable (the "**Purchase Price**"). The Purchase Price for the Shares will be paid in RON. The Purchase Price for the GDRs will be paid in US dollars at the Exchange Rate. No assurance can be given as to the National Bank of Romania US Dollar/RON exchange rate that will be published on the Trade Date.

### 9.2 The method of determining the Purchase Price

The Purchase Price in RON was established according to the Capital Markets Law and Regulation no. 1/2006. According to the provisions of Regulation no. 1/2006, the price in a tender offer of shares should be equal to at least the higher of:

- (a) the highest price paid by the relevant bidder and the persons acting in concert therewith for shares during a period of 12 months preceding the date of submission to the FSA of the relevant tender offer document. In this Tender Offer, the highest price paid by the Bidder for Shares during the 12 month period ending on 14 December 2017 (the "**Relevant Period**") is RON 0.9200 per Share; and
- (b) the volume weighted average price for shares, for a period of 12 months preceding the date of the submission to the FSA of the relevant tender offer document. In this Tender Offer, the volume weighted average price per Share for the Relevant Period is 0.8748 RON per Share.

The highest price paid by the Bidder for GDRs during the Relevant Period is USD 11.4000 per GDR (the "**Highest Price per GDR**"), while the volume weighted average price per GDR for the same period is USD 10.8224 per GDR. The Bidder paid the Highest Price per GDR on the trade dates of 24 May 2017, 26 May 2017 and 1 June 2017. The National Bank of

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Romania's RON/USD exchange rates valid for the aforementioned trade dates were of 4.0714 RON/USD on 24 May 2017, 4.0641 RON/USD on 26 May 2017, and 4.0844 RON/USD on 1 June 2017. Thus, the highest RON equivalent of the Highest Price per GDR is of RON 46.5621 per GDR (resulted by applying the RON/USD exchange rate from 1 June 2017, i.e. 4.0844 RON/USD) and of RON 0.9312 per Share (by accounting for the GDR/Share ratio of 1/50).

9.3 **Offer Value**

The total Purchase Price payable under the Tender Offer (the "**Offer Value**") will be equal to the number of purchased Shares (in the form of Shares or GDRs) in the Tender Offer multiplied by the applicable Purchase Price in RON.

The Bidder may, at its sole discretion increase the Purchase Price during the Tender Offer according to the procedure described in Section 11 "*Amendment of the Tender Offer*" of this Tender Offer Document. In this situation, any Investors who have validly accepted the Tender Offer before the amendment of the Purchase Price will receive the increased Purchase Price.

10. **TENDER OFFER PERIOD**

This Tender Offer will be open for a period of twenty-five (25) Business Days. The Tender Offer will commence on 18 January 2018 and will expire on the Expiration Deadline, which is at 12:00 p.m. (Eastern European Time) / 10:00 a.m. Greenwich Mean Time on 23 February 2018 (the "**Offer Period**").

"**Business Day**" means a day on which banks are open for business in Romania, the UK and the US. For the avoidance of any doubt, 24 January 2018 and 19 February 2018 are not Business Days and, as a consequence, no tender of Securities will be accepted on such days.

The Clearing Systems, their respective participants and the brokers or other securities intermediaries through which GDR holders hold their GDRs will establish their own cut-off dates and times for the tender and/or revocation of the GDRs, which will be earlier than the Expiration Deadline.

The Offer Period may be extended by the Bidder according to the procedure described in Section 11 "*Amendment of the Tender Offer*" of this Tender Offer Document. Throughout its duration, the Tender Offer is irrevocable, and may not be terminated by, the Bidder. On the Expiration Deadline, the Tender Offer will become obsolete.

11. **AMENDMENT OF THE TENDER OFFER**

During the Offer Period, the Bidder may amend the initial terms and conditions of the Tender Offer, provided that:

- (a) the FSA approves the amendment to the Tender Offer Document;
- (b) the amendment terms do not lead to less favourable conditions for Investors; and
- (c) the amendment shall be made available to Investors through publication of an announcement under the same procedure as that used for the publication of the Tender Offer Document.

Any request to amend the Tender Offer Document must be submitted to the FSA for approval not later than one (1) Business Day prior to the Expiration Deadline.



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Any amendment to the Tender Offer Document once approved by the FSA is valid from the date of its publication.

In the event of an increase in the Purchase Price, all Investors who have agreed to tender their Securities to the Bidder pursuant to the terms of the Tender Offer shall receive the increased Purchase Price in respect of all Securities actually purchased by the Bidder.

The Bidder reserves the right, at any time or from time to time, to postpone the Expiration Deadline (as a result of an amendment to the Tender Offer Document or otherwise) to a later date and time as announced by the Bidder, subject to applicable law (including Rule 14e-1 under the Exchange Act) and, in any case, without extending the Offer Period beyond 50 Business Days. During any postponement of the Expiration Deadline (as a result of an amendment to the Tender Offer Document or otherwise), all Securities previously tendered in the Tender Offer will remain subject to the Tender Offer and may, subject to the terms and conditions to the consummation of the Tender Offer, be accepted for purchase by the Bidder. If the Bidder postpones the Expiration Deadline (as a result of an amendment to the Tender Offer Document or otherwise), the Bidder will provide written notice of such change to the GDR Tender Agent and will disseminate a supplement to this Tender Offer Document or issue a press release, as necessary.

## **12. PARTICIPATION IN THE TENDER OFFER**

### **12.1 General**

Investors who desire to tender all or any portion of their Securities pursuant to this Tender Offer must follow the procedures set forth in this Section.

Section 13(e) of the Exchange Act and Rule 14e-4 promulgated thereunder make it unlawful for any person acting alone or in concert with others, directly or indirectly, to tender securities for such person's own account unless at the time of tender and at the Expiration Deadline such person has a "net long position" in a number of securities that is equal to or greater than the amount tendered and will deliver or cause to be delivered such securities for the purpose of tendering to the Bidder within the period specified in this Tender Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of securities made pursuant to any method of delivery set forth in this Tender Offer will constitute the tendering Investor's acceptance of the terms and conditions of this Tender Offer, as well as the tendering Investor's representation and warranty to the Bidder that (i) such Investor has a "net long position" in a number of securities at least equal to the securities being tendered within the meaning of Rule 14e-4, and (ii) such tender of securities complies with Rule 14e-4. The Bidder's acceptance for purchase of Shares and GDRs tendered pursuant to this Tender Offer will constitute a binding agreement between the tendering Investor and the Bidder upon the terms and subject to the conditions of this Tender Offer and, including the participating Investor's representation that the Investor has a net long position in the Shares or GDRs, as the case may be, being tendered for purchase within the meaning of Rule 14e-4 and that the request to tender such Shares or GDRs, as the case may be, complies with Rule 14e-4.

### **12.2 Participation of Investors tendering Shares**

The Tender Offer for Shares shall be carried out exclusively through the trading systems operated by the BSE.

Institutional Investors may tender their Shares (i) through the Intermediary, during its regular business hours of each Business Day within the Offer Period, from Monday to Friday; and (ii)

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at the registered office of any Eligible Participant, during the regular business hours of the respective Eligible Participant on each Business Day within the Offer Period, from Monday to Friday.

Retail Investors may tender their Shares only at the registered office of any Eligible Participant, during the regular business hours of such Eligible Participant on each Business Day within the Offer Period, from Monday to Friday.

For the purposes of this Tender Offer Document:

**"Eligible Participants"** means any intermediaries (other than the Intermediary), which are investment firms or credit institutions qualified as participants to the trading system of the BSE, and which (a) have signed and submitted to the Intermediary an irrevocable and unconditional undertaking (the **"Engagement Letter"**) to observe the terms and conditions of the Tender Offer and applicable laws and (b) have been granted access to the market segment of the BSE used for the Tender Offer.

**"Institutional Investors"** means "qualified investors" as such term is defined under the Capital Markets Law.

**"Retail Investors"** means Investors other than Institutional Investors.

Investors may tender their Shares in the Tender Offer in accordance with the terms of this Tender Offer Document by filling in and signing the share purchase agreement (the **"Acceptance Form"**) made available to interested Investors by the Intermediary or any Eligible Participant (the Intermediary together with the Eligible Participant, the **"Authorised Participants"**) at their respective registered offices and by delivering before the Expiration Deadline, all necessary documents, at the respective registered offices.

Signed and completed Acceptance Forms may be submitted with any Authorised Participant only prior to the Expiration Deadline.

Each Investor tendering Shares in the Tender Offer may only tender such number of Shares in respect of which it is a registered owner on the date of submission of the Acceptance Form to any Authorised Participant in the Tender Offer. Each Authorised Participant undertakes to verify, upon receiving each Acceptance Form, with the accompanying documents that the number of Shares proposed to be tendered by each Investor as set out in the Acceptance Form does not exceed the number of Shares held at that time by the respective Investor, which are registered in an account opened with the respective Authorised Participant or with the relevant custodian of the Investor (as the case may be). Each Authorised Participant may only validate the tenders made by an Investor and place the corresponding sell order into the trading system of the BSE after it has performed the above described verifying process. Each Authorised Participant is liable for any loss or damages caused to the Bidder or any third parties, directly or indirectly, by the failure to comply with the above described process in respect of the tenders validly submitted to such Authorised Participant.

If an Investor has concluded a valid brokerage contract with an Authorised Participant, such Investor may send to the respective Authorised Participant a standard sale order in respect of the Shares proposed to be sold in the Tender Offer, without being required to submit any other additional documentation except for the evidence of ownership of the Shares in the form of a statement of account issued by its custodian. In such case, the relevant Authorised Participant will fill in the Acceptance Form on behalf of the respective Investor.

If an Investor has not concluded a valid brokerage contract with an Authorised Participant, the

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Acceptance Form must be accompanied by any other documents requested by the Authorised Participant for the purpose of carrying out its duty to comply with "know your client" rules, based on applicable regulation and its internal policies and requirements for client identification.

Documents in a language other than Romanian or English, submitted by an Investor must be accompanied by a translation thereof into Romanian or English.

If (a) an Acceptance Form contains factual or legal errors or is not accompanied by the required documentation and/or (b) any Shares intended to be sold in the Tender Offer by an Investor (i) are restricted in any way from transfer and such restriction is registered with the Central Depository, the Authorised Participant or the relevant custodian of the Investor (as the case may be) and/or (ii) are expressed to be subject to any options or other rights in favour of a third party and/or (iii) are not held in an account of the Investor and/or (iv) the number of Shares indicated in the Acceptance Form exceeds the number of Shares actually held by the Investor, the relevant Acceptance Forms shall be deemed null and void for the entire number of shares mentioned in it and shall not be validated by the Authorised Participant.

Immediately after the validation of an Acceptance Form from an Investor, the relevant Authorised Participant will block the Shares tendered by that Investor. Each Authorised Participant is required to take all the necessary measures to ensure an effective blocking of the tendered Shares into the relevant accounts opened by the Investor with the respective Authorised Participant. If the Investor holds the Shares, which are tendered, through a custodian, the Investor shall instruct its custodian to block the tendered Shares until the Trade Date (as defined below). Each custodian of the Investors tendering Shares in the Tender Offer is required to take all necessary measures to ensure an effective blocking of the tendered Shares into the relevant accounts opened by the Investor with the respective custodian. Consequently such Investor will not be able to transfer, dispose of, or otherwise deal in, the Shares that have been tendered, except where it has validly submitted a tender withdrawal request (a "**Revocation Form**") (see Section 12.4 "*Withdrawal of tenders*").

Any tendered Shares that are not withdrawn and that are not accepted for purchase under the Tender Offer as a result of the pro-rata allocation will be unblocked by the Authorised Participant/custodian after acceptance of the tendered Shares on the Allocation Date (as defined below).

All tendered Shares that are not withdrawn and that are accepted in the Tender Offer shall be unblocked on the Allocation Date for transfer immediately prior to and for the purpose of the registration of the trades in the trading system of the BSE.

Each Authorised Participant must inform Investors tendering their Shares through such Authorised Participant of the terms and conditions of the Tender Offer and each of them is exclusively liable for carrying out the trades in connection with this Tender Offer in compliance with this Tender Offer Document and the FSA regulations. For the avoidance of doubt, the Authorised Participants are liable also for the completion of the settlement of the trades carried out pursuant to the orders collected, validated and registered by such Authorised Parties in the BSE systems and corresponding payments to Investors.

By tendering their Shares through an Authorised Participant, each Investor tendering Shares will be deemed to represent, warrant and agree as follows:

- (a) It understands and agrees that tenders of Shares pursuant to the procedures described in this Tender Offer Document and acceptance of such Shares for purchase by the

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Bidder will constitute a binding agreement between the Investor tendering Shares and the Bidder, upon the terms and subject to the conditions of this Tender Offer.

- (b) It represents and warrants that it has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and all distributions relating thereto and that when such tendered Shares are accepted for purchase and payment by the Bidder, the Bidder will acquire good, marketable and unencumbered title thereto and to all distributions, free and clear of all liens, charges, claims, interests, rights of third parties, encumbrances and restrictions of any kind and not subject to any adverse claim or right, and together with all rights attached thereto.
- (c) It represents and warrants that it has read this Tender Offer Document and the related materials and agrees to all of the terms of this Tender Offer. All authority conferred or agreed to be conferred shall not be affected by, and shall survive, the death or incapacity of the Investor, and any obligation of the Investor hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the Investor.
- (d) It understands that the Bidder will pay the Purchase Price for each of the Shares accepted for purchase upon the terms and subject to the conditions set forth in this Tender Offer Document.
- (e) It recognizes that under certain circumstances set forth in this Tender Offer Document, the Bidder may amend this Tender Offer.
- (f) It represents, warrants and undertakes that it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities in connection with any tender of any Shares, in any jurisdiction and that it has not taken or omitted to take any action in breach of the terms of this Tender Offer Document or the related materials or which will or may result in the Bidder or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with this Tender Offer or tender of Shares in connection therewith.
- (g) It is not a person to whom it is unlawful to make an invitation pursuant to the Tender Offer under applicable securities laws and it has complied with all laws and regulations applicable to it for the purposes of its participation in the Tender Offer.
- (h) It confirms and agrees that it will indemnify and hold harmless the Bidder, the GDR Tender Agent, the Dealer Managers, the Intermediary, the GDR Depository and each of their affiliates, employees, directors and officers and each person, if any, who controls the Bidder, the GDR Tender Agent, the Dealer Managers, the Intermediary and the GDR Depository within the meaning of Section 15 of the U.S. Securities Act of 1933, as amended, or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred by any of them in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), arising out of or, in connection with any breach by the Investor of any of the representations, warranties and agreements hereunder.
- (i) If the Investor is in the United Kingdom, it is (i) a person having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) a high net worth entity falling within Article 49(2)(a) to

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(d) of the Order, or (iii) otherwise a person to whom the Tender Offer may otherwise lawfully be communicated.

- (j) It represents, warrants and confirms that: (a) it is not a Sanctioned Person (as defined below) (other than solely by virtue of its or its controlling persons' inclusion in: (1) the most current "**Sectoral Sanctions Identifications**" list (which as of the date hereof can be found at: [http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/ssi\\_list.aspx](http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/ssi_list.aspx) (the "**SSI List**"), (2) Annexes III, IV, V and VI of Council Regulation No.833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), or (3) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes); (b) it is not acting on behalf, or for the benefit, of a Sanctioned Person; and (c) it will not use, directly or indirectly, the proceeds received by it from the sale of its securities pursuant to this Tender Offer for the purpose of financing or making funds available directly or indirectly to or for the benefit of any Sanctioned Person, to the extent such financing or provision of funds would be prohibited by Sanctions.

For the purposes of this Tender Offer Document:

- (i) a "**Sanctioned Person**" means any person: (a) that is or (to the extent ownership or control subjects it to the relevant sanctions under applicable law or regulatory guidance) is owned or controlled by a person that is, described or designated in (1) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (2) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: [http://eeas.europa.eu/cfsp/sanctions/consol-list/index\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm)); or (b) that is otherwise the subject of any Sanctions;
- (ii) "**Sanctions**" means any economic, financial or trade sanctions, laws, regulations, or restrictive measures (including, for the avoidance of doubt, any sanctions or measures relating to any particular embargo or asset freezing) enacted, administered, imposed or enforced from time to time by the US, including the OFAC Regulations, the United Nations, the European Union, each Member State of the European Union, Switzerland, the United Kingdom or the competent governmental agencies or official institutions of any of these countries and organizations, each as amended, supplemented or substituted from time to time; and
- (iii) a "**Sanctions Authority**" means (a) the Security Council of the United Nations; and (b) the respective governmental institutions and agencies of the US, the United Kingdom, the European Union or a Member State of the European Union including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury, or (c) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions.
- (k) It acknowledges that the GDR Tender Agent, the Intermediary, the Dealer Managers and the GDR Depositary make no representation as to the truth or accuracy of any information available with respect to the Issuer, in the public domain, in this Tender Offer Document or otherwise, or to the sufficiency of any such information, to enable

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it to determine whether to tender or refrain from tendering its Shares pursuant to this Tender Offer.

- (1) It acknowledges that the Bidder, the GDR Tender Agent, the Dealer Managers, the Intermediary and the GDR Depositary will rely upon the truth and accuracy of the foregoing acknowledgements, agreements, representations, warranties, undertakings and directions.

None of the Bidder, its Board of Nominees or management, the Dealer Managers or the Intermediary or any other person is or will be obligated to give any notice of any defect or irregularity in any tender, and none of them will incur any liability for failure to give any such notice.

### 12.3 Participation of Investors tendering GDRs

Investors who intend to tender all or any portion of their GDRs pursuant to this Tender Offer Document must follow the procedures set forth in this Section 12.3 "*Participation of Investors tendering GDRs*". An Investor holding GDRs (or a direct participant of Euroclear or Clearstream, as the case may be, holding GDRs on behalf of such Investor) must tender through either Euroclear or Clearstream, as the case may be.

GDRs tendered in the Tender Offer will be blocked in the relevant account at the relevant Clearing System from the date the relevant tender of Securities is made until the time of completion of settlement of the Tender Offer or until the Investor validly withdraws its tender (see Section 12.4 "*Withdrawal of tenders*").

Please note that the Clearing Systems, their respective participants and the brokers or other securities intermediaries through which GDRs are held will establish their own cut-off dates and times for the tender and/or withdrawal of the GDRs, which will be earlier than the Expiration Deadline. Investors should contact the broker or other securities intermediary through which they hold GDRs to determine the cut-off dates and times that apply to them.

By tendering their GDRs through the submission of an electronic instruction in accordance with the requirements of Euroclear or Clearstream, as applicable, each Investor tendering GDRs will be deemed to represent, warrant and agree as follows:

- (a) Effective upon acceptance for purchase and payment for tendered GDRs, it irrevocably constitutes and appoints the GDR Tender Agent as its true and lawful agent and attorney-in-fact (with full knowledge that the GDR Tender Agent also acts as the agent of the Bidder) with respect to such GDRs, with full powers of substitution and revocation (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (i) present such GDRs and all evidences of transfer and authenticity to, or transfer ownership of, such GDRs on the account books maintained by the Clearing Systems or the GDR Depositary to, or upon the order of, the Bidder, and (ii) receive all benefits and otherwise exercise all rights of beneficial ownership of such GDRs, all in accordance with the terms and conditions of this Tender Offer.
- (b) It understands and agrees that tenders of GDRs pursuant to the procedures described in this Tender Offer Document and acceptance of such GDRs for purchase by the Bidder will constitute a binding agreement between the Investor tendering GDRs and the Bidder, upon the terms and subject to the conditions of this Tender Offer. For purposes of this Tender Offer, it understands that validly tendered GDRs will be deemed to have been accepted for purchase by the Bidder if, as and when the Bidder

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gives oral or written notice thereof to the GDR Tender Agent.

- (c) It represents and warrants that it has full power and authority to tender, sell, assign and transfer the GDRs (including the underlying Shares) tendered hereby and all distributions relating thereto and that when such tendered GDRs are accepted for purchase and payment by the Bidder, the Bidder will acquire good, marketable and unencumbered title thereto and to all distributions, free and clear of all liens, charges, claims, interests, rights of third parties, encumbrances and restrictions of any kind and not subject to any adverse claim or right, and together with all rights attached thereto. It will, upon request, execute and deliver any additional documents deemed by the GDR Tender Agent or by the Bidder to be necessary or desirable to complete the sale, assignment or transfer of the GDRs validly tendered hereby or to evidence such power and authority.
- (d) It represents and warrants that it has read this Tender Offer Document and the related materials and agrees to all of the terms of this Tender Offer. All authority conferred or agreed to be conferred shall not be affected by, and shall survive, the death or incapacity of the Investor, and any obligation of the Investor hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the Investor.
- (e) It understands that the Bidder will pay the Purchase Price for each of the GDRs accepted for purchase upon the terms and subject to the conditions set forth in this Tender Offer Document.
- (f) It recognizes that under certain circumstances set forth in this Tender Offer Document, the Bidder may amend this Tender Offer.
- (g) It understands that the delivery and surrender of any GDRs is not effective, and the risk of loss of the GDRs does not pass to the GDR Tender Agent, until receipt by the GDR Tender Agent of those GDRs.
- (h) It hereby requests that any GDRs not accepted for purchase that are held through Euroclear or Clearstream be unblocked.
- (i) It represents, warrants and undertakes that it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities in connection with any tender of any GDRs, in any jurisdiction and that it has not taken or omitted to take any action in breach of the terms of this Tender Offer Document or the related materials or which will or may result in the Bidder or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with this Tender Offer or tender of GDRs in connection therewith.
- (j) It is not a person to whom it is unlawful to make an invitation pursuant to the Tender Offer under applicable securities laws and it has complied with all laws and regulations applicable to it for the purposes of its participation in the Tender Offer.
- (k) It confirms and agrees that it will indemnify and hold harmless the Bidder, the GDR Tender Agent, the Dealer Managers, the Intermediary, the GDR Depositary and each of their affiliates, employees, directors and officers and each person, if any, who controls the Bidder, the GDR Tender Agent, the Dealer Managers, the Intermediary and the GDR Depositary within the meaning of Section 15 of the U.S. Securities Act of 1933, as amended, or Section 20 of the Exchange Act, from and against any and all

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losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred by any of them in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), arising out of or, in connection with any breach by the Investor of any of the representations, warranties and agreements hereunder.

- (l) If the Investor is in the United Kingdom, it is (i) a person having professional experience in matters relating to investments falling within Article 19(5) of the Order, (ii) a high net worth entity falling within Article 49(2)(a) to (d) of the Order, or (iii) otherwise a person to whom the Tender Offer may otherwise lawfully be communicated.
- (m) It represents, warrants and confirms that: (a) it is not a Sanctioned Person (other than solely by virtue of its or its controlling persons' inclusion in: (1) the most current SSI List (which as of the date hereof can be found at: [http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/ssi\\_list.aspx](http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/ssi_list.aspx), (2) the EU Annexes, or (3) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes); (b) it is not acting on behalf, or for the benefit, of a Sanctioned Person; and (c) it will not use, directly or indirectly, the proceeds received by it from the sale of its securities pursuant to this Tender Offer for the purpose of financing or making funds available directly or indirectly to or for the benefit of any Sanctioned Person, to the extent such financing or provision of funds would be prohibited by Sanctions.
- (n) It acknowledges that the GDR Tender Agent, the Intermediary, the Dealer Managers and the GDR Depositary make no representation as to the truth or accuracy of any information available with respect to the Issuer, in the public domain, in this Tender Offer Document or otherwise, or to the sufficiency of any such information, to enable it to determine whether to tender or refrain from tendering its Shares in the form of GDRs pursuant to this Tender Offer.
- (o) It acknowledges that the Bidder, the GDR Tender Agent, the Dealer Managers, the Intermediary and the GDR Depositary will rely upon the truth and accuracy of the foregoing acknowledgements, agreements, representations, warranties, undertakings and directions.

None of the Bidder, its Board of Nominees or management, the Intermediary, the Dealer Managers or the GDR Tender Agent or any other person is or will be obligated to give any notice of any defect or irregularity in any tender, and none of them will incur any liability for failure to give any such notice.

#### 12.4 **Withdrawal of tenders**

Tenders submitted in the Tender Offer may be withdrawn by Investors no later than the Expiration Deadline, it being understood, however, that in relation to GDRs, the Clearing Systems may impose their own cut-off times with respect to the ability of Investors to withdraw their instructions to tender. Investors that hold through an intermediary are advised to check with such entity when it would require receipt of instructions to revoke a tender of GDRs in the Tender Offer in order to meet the deadline. For the avoidance of doubt, any Investor who does not exercise any such right of revocation in the manner specified above shall be deemed to have maintained its tender and its original instruction will remain effective.

Investors may withdraw their tender by filling in a Revocation Form at the unit where the tender was submitted.



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13. **ALLOCATION**

The Bidder shall determine those Securities that will be accepted for purchase under the Tender Offer on the Business Day falling on the Expiration Deadline (the "**Allocation Date**").

The total number of Shares tendered and not withdrawn in the Tender Offer (in the form of Shares and GDRs) by Investors ("**Aggregated Tendered Shares**") will be determined by aggregating (i) the total number of Shares tendered and not withdrawn in the form of Shares and (ii) the total number of Shares tendered and not withdrawn in the form of GDRs (noting that each GDR represents 50 Shares). The total number of Shares tendered and not withdrawn in the form of Shares will be the sum of Shares corresponding to the sale orders entered by the Authorised Participants in the market for special operations – POF - of the BSE, by 6:00 p.m. (Eastern European Time) on the last day of the Offer Period. The total number of Shares tendered in the form of GDRs will be the number of GDRs tendered and not withdrawn by the Expiration Deadline, as communicated by the GDR Tender Agent, multiplied by 50.

If the Aggregated Tendered Shares exceed the Maximum Number of Shares, the tendered and not withdrawn Shares and GDRs will be purchased by the Bidder on a pro-rata basis according to the number of Shares validly tendered and not withdrawn by each of the tendering Investors (including Shares in the form of GDRs) (with adjustments where necessary to avoid the purchase of a fractional Security from any Investor). The allocation ratio will be calculated by dividing the Maximum Number of Shares by the Aggregated Tendered Shares.

The allocation ratio will be made public on the Allocation Date, including via the Bucharest Stock Exchange electronic system and Regulatory Information Service in the United Kingdom.

Any Investor, which validly tenders Securities in the Tender Offer, will sell such number of Shares, tendered in the form of Shares and/or GDRs, as accepted for tender by the Bidder following the pro-rata allocation and possible adjustments.

As a first step, in the case of Shares tendered and not withdrawn in the form of GDRs through the GDR Tender Agent, the allocation ratio will be applied to the number of Shares in the form of GDRs communicated by the GDR Tender Agent (which, for this purpose will be deemed as a single instruction to tender GDRs). If the resulting number of Shares allocated to the number of GDRs tendered through and communicated by the GDR Tender Agent after the pro-rata allocation is not a whole number which is a multiple of 50, the number of Shares allocated to the GDR Tender Agent shall be rounded down to the immediately lower whole number which is also a multiple of 50. Any remaining Shares as a result of such rounding down will be allocated to Investors tendering Shares as described below.

As a second step, in the case of Investors tendering Shares in the Tender Offer, if the resulting number of Shares allocated to such Investor after the pro-rata allocation is not a whole number, the number of Shares allocated to the relevant Investor shall be rounded down to the immediately lower whole number.

For the purpose of allocating any remaining Shares resulting from the rounding down related to the two steps described above, Investors who validly tendered Shares shall be ranked in decreasing order of the number of Shares for which they validly tendered and which were not withdrawn and, if one or more Investors tendered the same number of Shares they will be ranked in increasing order based on the time stamp in the Bucharest Stock Exchange electronic system associated with their trading order. The remaining Shares shall be then allocated on the basis of one per Investor (but so that the number of Shares allocated in

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aggregate to an Investor does not exceed the number of Shares initially tendered by such Investor), starting with the largest allocation, until the remaining Shares are fully allocated.

For the avoidance of doubt, an Investor owning more than the Maximum Number of Shares is entitled to tender in the Tender Offer up to the total number of Shares held by such Investor and such number of Shares will be considered in the total number of Shares tendered in the Tender Offer when assessing the pro-rata allocation. The number of Shares that will be sold under this Tender Offer by the respective Investor shall be calculated by applying the allocation ratio to the number of Shares tendered in the Tender Offer. Acceptances are not allowed for fractional Securities.

The Clearing Systems and participants in those systems will make appropriate adjustments to the number of GDRs accepted for purchase in the Tender Offer (rounding up or down, as appropriate) so as to avoid the acceptance of fractional GDRs for purchase in the Tender Offer. If any validly tendered and not withdrawn GDRs are not purchased under this Tender Offer, such GDRs will be unblocked by the relevant Clearing System on the account of the Investor tendering GDRs.

## 14. PAYMENT

### 14.1 General

Investors validly tendering Securities in the Tender Offer in accordance with the terms of this Tender Offer Document shall receive the Purchase Price corresponding to the number of Securities accepted for tender, less any taxes or other governmental charges, fiscal duties, any commissions and transaction fees charged by the brokers, intermediaries, relevant market institutions or any applicable bank transfer fees. No Investor will be entitled to any payment of accrued or other interest with respect to the Purchase Price under any circumstances.

The Bidder shall not be liable for the payment of any transaction fees and charges or other charges and commissions payable by Investors who have sold Securities pursuant to the Tender Offer.

The Bidder is not responsible for withholding or payment of and will not withhold or pay any taxes or other governmental charges or fiscal duties in relation to the Purchase Price payable to Investors who have sold Securities in the Tender Offer. Each Investor should seek independent advice from its legal, tax or financial advisors and shall duly comply with any tax obligations which may arise in respect of the income derived in connection with the Securities sold pursuant to the Tender Offer.

### 14.2 Payment for Shares

The trades for Shares in the Tender Offer will take place on the Business Day immediately following the Expiration Deadline (the "**Trade Date**"). The settlement of the trades relating to the Shares in the Tender Offer shall occur on the second Business Day following the Trade Date (the "**Shares Settlement Date**"). Payment of the Purchase Price by the Bidder to Investors for Shares accepted for purchase after allocation shall be made in RON, as part of settlement (delivery versus payment in the clearing and settlement system of the Central Depository).

For the avoidance of any doubt, in case of Investors that have elected in the corresponding Acceptance Form to receive payment other than by bank transfer, the Authorised Participants (through which such Investors tendered their Shares) shall transfer the corresponding

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Purchase Price received from the Bidder no later than the Business Day immediately following the Shares Settlement Date.

Each Investor will receive payment of the Purchase Price corresponding to the number of Shares accepted for tender pursuant to the Tender Offer in accordance with the option specified by the Investor in the Acceptance Form, less any taxes or other governmental charges, fiscal duties, any commissions and transaction fees charged by the brokers, intermediaries, relevant market institutions or any applicable bank transfer fees.

**14.3 Payment for GDRs**

The Bidder will, no later than two (2) Business Days following the Expiration Deadline, remit the aggregate Purchase Price for all GDRs to be purchased by the Bidder pursuant to the Tender Offer in US dollars to the GDR Tender Agent. The GDR Tender Agent will, as soon as practicable, pay that price to the Clearing Systems for further distribution to the Investors who have validly tendered GDRs in the Tender Offer and whose GDRs have been accepted for purchase in the Tender Offer pro-rata to the number of GDRs validly tendered by the relevant tendering Investor. The Purchase Price for GDRs accepted for tender, after deduction or payment of any taxes or other governmental charges, fiscal duties, any commissions and transaction fees charged by the brokers, intermediaries, relevant market institutions or any applicable bank transfer fees, shall be paid to Investors through the procedures of the relevant Clearing System. Investors tendering GDRs will not receive any other form of compensation during this period of time or in the event of a delay in the delivery of the corresponding Purchase Price to the Investors (subject to Rule 14e-1(c) under the Exchange Act).

**15. THE SOURCE AND SIZE OF THE BIDDER'S FUNDS FOR THE PAYMENT OF THE PURCHASE PRICE**

The Bidder will use its own funds to pay the Purchase Price in connection with this Tender Offer. The Bidder has deposited with the Intermediary's account the guarantee of 30 per cent of the Offer value, required in accordance with Regulation no. 1/2006.

**16. GENERAL INFORMATION**

**16.1 Authorisations and purpose**

The Tender Offer has been authorized by the resolution of the extraordinary general shareholders' meeting of the Bidder no. 5 of 26 October 2017 published with the Official Gazette of Romania Part IV no. 4303 dated 10 November 2017 and is part of the buy-back programme whose purpose is the decrease of the Bidder's share capital.

After the closing of the Tender Offer, the Bidder intends to cancel the GDRs purchased in the Tender Offer in exchange for the underlying Shares and subsequently cancel all the purchased Shares (whether initially purchased in the form of Shares or GDRs) and decrease its share capital by the corresponding nominal value of such cancelled Shares.

**16.2 Availability of the Tender Offer Document**

The Tender Offer Document shall be made available to the public free of charge, as follows:

- (a) in hard copy, at the Bidder's registered office, 78-80 Buzesti Street (7th floor), District 1, Postal Code 011017, Bucharest, Romania, telephone +4021.200.96.00, starting with the date of publication of the Tender Offer announcement; and

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- (b) in electronic form, on the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)), as well as on the Bidder's website ([www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)).

**16.3 Intermediary**

The Bidder has entered into an intermediation agreement dated 15 December 2017 with the Intermediary for the purposes of the Tender Offer. Institutional Investors tendering Shares pursuant to the Tender Offer will be required to tender Shares through the Intermediary or any Eligible Participant, while Retail Investors tendering Shares will be required to tender Shares through any Eligible Participant.

**16.4 GDR Tender Agent**

The Bidder has entered into a GDR tender agent agreement dated on or around the date of this Tender Offer Document with The Bank of New York Mellon for the purposes of the Tender Offer. Investors tendering GDRs pursuant to this Tender Offer will be required to tender GDRs to The Bank of New York Mellon in its capacity as GDR Tender Agent.

**16.5 Dealer Managers**

The Bidder has engaged Jefferies and WOOD & Co. to act as Dealer Managers. The Bidder has entered into a dealer manager agreement dated on or around the date of this Tender Offer Document with the Dealer Managers.

The Dealer Managers and their respective affiliates may contact and communicate with Institutional Investors regarding the Tender Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Tender Offer Document and related materials to such Institutional Investors.

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**Bidder**

**Intermediary**

**Fondul Proprietatea S.A.**

**WOOD & Company Financial Services a.s.**

**Johan MEYER**

**Bogdan Campianu**

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**Franklin Templeton International Services  
S.Ă R.L., as sole director of FONDUL  
PROPRIETATEA S.A.**