

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

Report date:
29 October 2015

Current report according to Article 99 letter (s) of the Rule book of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

Name of the issuing entity:
Fondul Proprietatea S.A.

Important events to be reported:

The resolutions of the Extraordinary and Ordinary General Shareholders Meetings of 29 October 2015

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch ("the Fund Manager"), in its capacity as Sole Administrator and Fund Manager of Fondul Proprietatea SA ("the Fund / the Company") hereby announces that on 29 October 2015 were held at Radisson Blu Hotel, in Bucharest, the Fund's Extraordinary General Shareholders Meeting ("EGM") commencing at 13:00 hours (Romanian time) and the Fund's Ordinary General Shareholders Meeting ("OGM") commencing at 14:00 hours (Romanian time).

Registered office:
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Sole Registration Code with the Trade Register Office:
18253260

Order number in the Trade Register:
J40/21901/2005

Subscribed share capital:
RON 10,074,080,745.90

Paid-up share capital:
RON 9,746,649,630.90

Number of shares in issue:
11,193,423,051

Number of paid shares:
10,829,610,701

Regulated market on which the issued securities are traded:
Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange

The meetings were chaired by Mr. Grzegorz Maciej Konieczny, the Legal Representative of the Fund Manager.

The shareholders of the Fund decided the following:

A. Extraordinary General Shareholders Meeting ("EGM"):

1. To approve the decrease of the subscribed share capital of Fondul Proprietatea S.A. as follows.

"The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 10,074,080,745.90 to RON 9,869,265,720.90 pursuant to the cancellation of 227,572,250 own shares acquired by the Company during the fifth buy-back. After the share capital decrease, the subscribed share capital of Fondul Proprietatea SA shall have a value of RON 9,869,265,720.90 being divided in 10,965,850,801 shares, each having a nominal value of RON 0.90 per share. The subscribed share capital decrease will take place on the basis of Article 207 paragraph 1 letter c) of Law no. 31/1990.

The first paragraph of Article 7 of the Constitutive Act after the share capital decrease will be changed as follows. "(1) *The subscribed share capital of Fondul Proprietatea is in amount of RON 9,869,265,720.90, divided in 10,965,850,801 ordinary, nominative shares, having a nominal value of RON 0.90 each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by Depozitarul Central SA*".

The subscribed share capital decrease herein will be effective after the following three conditions are met: (i) this resolution is published in the Official Gazette, Part IV for at least two months, (ii) Financial Supervisory Authority ("FSA") endorses the changing of first paragraph of Article 7 of the Constitutive Act, as modified based on this resolution, where required by applicable law or regulation, and (iii) the shareholder resolution for approving this share capital decrease is registered with the Trade Registry."

2. To approval the authorization of the Sole Administrator to buy-back

shares of Fondul Proprietatea S.A., global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A., via trading on the regular market on which the shares, the global depositary receipts or the depositary interests corresponding to the shares of Fondul Proprietatea S.A. are listed or public tender offers, in compliance with the applicable law, for a maximum number computed so that all the outstanding treasury shares (acquired during this programme and/or previous ones) will not exceed 10% of the issued share capital at the relevant time, starting with the date when the share capital decrease mentioned under point (1) herein is effective, for a maximum period of 18 months as of the date when this shareholders' resolution is published in the Official Gazette of Romania, Part IV. The buy-back shall be performed at a price that cannot be lower than RON 0.2 / share or higher than RON 2 / share. In case of acquisitions of global depositary receipts or depositary interests corresponding to shares of Fondul Proprietatea S.A., the calculation of shares in relation to the aforementioned thresholds shall be based on the number of Fondul Proprietatea SA shares underlying such instruments and their minimum and maximum acquisition price in the currency equivalent (at the relevant official exchange rate published by the National Bank of Romania valid for the date on which the instruments are purchased) shall be within the price limits applicable to the share buy-backs above-mentioned, and shall be calculated based on the number of shares represented by each global depositary receipts or depositary interests. The transaction can only have as object fully paid shares, global depositary receipts or depositary interests corresponding to the shares. The buy-back programme is aimed at the share capital decrease. The shareholders' resolution regarding the share capital decrease and the change of the Constitutive Act will be approved by the shareholders, with the observance of the provisions of the Constitutive Act, being agreed that the shareholders may approve one or more share capital decreases as the shares are being bought back and the shareholders are convened by the Sole Administrator. This buy-back programme implementation will be subject to the availability of the necessary cash.

3. To approve the amendment of the Investment Policy Statement.
4. To authorize the sole administrator to execute any disposal acts over any holdings in the portfolio companies of Fondul Proprietatea S.A., which either individually or cumulatively during 2015 or 2016 financial year, for each year separately, exceed 20% of the total value of the non-current assets, less receivables, in view of the provisions of Article 12 paragraph (3) letter (h) of the Constitutive Act and Article 241 paragraph (1) of Capital Market Law no. 297/2004, as follows.

The sole administrator is empowered to take all the necessary measures which will be required for the disposal of the said holdings held by Fondul Proprietatea SA in any of its portfolio companies, including engaging brokers, advisors and legal consultants if needed.

The decision to sell or not, depending on the market conditions, as well as the targeted portfolio companies will be taken by decision of the sole administrator, acting discretionary.

The value of the transaction contemplated herein or of the

aggregated ones (if the case) performed within the term of this mandate, will not exceed in 2015 financial year 30% and in 2016 financial year 30% of the total value of the non-current assets, less receivables of Fondul Proprietatea S.A. This herein authorization expires on 31 December 2016.

5. To approve the AIFMD implementation plan for Fondul Proprietatea S.A. in view of the need to comply with the Directive 2011/61/EU on Alternative Investment Fund Managers and the related national implementation laws and regulations, as well as of the related waiver of any selection procedure for its implementation.
6. To approve the amendment of the Constitutive Act of Fondul Proprietatea as follows.

6.1. Article 1 paragraph (2) shall be amended and shall read as follows.

“(2) All invoices, offers, orders, tariffs, prospectuses and other documents used in business, issued by the Company shall indicate the name, the legal form, the registered office, the registration number with the Commercial Registry and the sole registration code (CUI), the subscribed share capital, and the paid share capital”.

6.2. Article 2 paragraph (3) shall be amended and shall read as follows.

“(3) Fondul Proprietatea is set up as an undertaking for collective investment (A.O.P.C.), of the closed-end-type, as defined by Art. 114 (1) letter b) of Law No. 297/2004, as further amended and completed and qualifies as an Alternative Investment Fund as defined by Law no. 74/2015 regarding the alternative investment fund managers that implemented in Romania Directive 2011/61/EU on alternative investment fund managers, as amended”.

6.3. Article 13 paragraph (7) shall be amended and shall read as follows.

“(7) The calling notice includes the place, hour and date of the general meeting of the shareholders, as well as the agenda, expressly mentioning all matters that will be subject to debate and all matters required by the applicable law”.

6.4. Article 17 paragraph (11) shall be amended and shall read as follows.

“(11) Monitors the following, based on information and reports received from the Fund Manager:

- the list of all portfolio investments and percentage breakdown by each investment type;*
- a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review;*
- the total profit of the portfolio and comparison of profit with the appropriate market benchmark;*
- comparison of the obtained profit with the initial objective;*
- the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out therein are achieved, as well as any variations and actions taken to achieve such objectives and improve investment results;*
- the performance evaluation report.*

The Board of Nominee shall draft and present to the general meeting of the shareholders an annual report regarding the monitoring activity performed or a monitoring report for another period agreed by the general meeting of shareholders".

6.5. Article 17 paragraph (20) shall be amended and shall read as follows.

"(20) Approves the delegation by the Fund Manager of certain activities. The delegation will be in force after the approval by or the notification to the FSA or any other competent authority, where required by legislation in force".

6.6. Article 19 paragraph (1) shall be amended and shall read as follows.

"(1) Fondul Proprietatea has appointed FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under Article 101-1 of the Luxembourg Act of 17 December 2010 concerning undertakings for collective investment, as amended from time to time, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, as its alternative investment fund manager, referred to throughout this document as the Fund Manager. In addition, FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L. is also Fondul Proprietatea's Sole Director and is represented in its capacity as sole director in Romania by the individuals as permanent representatives (in Romanian language "reprezentanți permanenti persoane fizice") appointed by FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., upon its appointment as Fund Manager by the shareholders, and in accordance with Article 153¹³ of Companies' Law no. 31/1990".

6.7. Article 20 shall be amended and shall read as follows.

"The Fund Manager shall appoint a natural person as its permanent representative. The Fund Manager can make changes of its permanent representatives (that are the legal representatives and managers of the Fund Manager), in accordance with the applicable law. All changes will be registered at Trade Register".

6.8. Article 21 shall be amended and shall read as follows.

"(1) The management of Fondul Proprietatea is ensured by the Fund Manager, which fulfills the necessary and useful operations for the fulfilment of the company's business object, except of the operations reserved by the law for the general meeting of the shareholders and has all the obligations attributed to it by the applicable law.

(2) The Fund Manager exercises its attributions under the control of the general meeting of the shareholders and the monitoring of the Board of Nominees, according to article 17.

(3) In addition to the duties provided by the applicable law, the Fund Manager shall propose for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the investment policy of Fondul Proprietatea and it is responsible for the

implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio. The Fund Manager undertakes to inform the Board of Nominees regularly, and as and when required by the Board of Nominees, about any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio.

(4) In excess of the duties provided by the applicable law, the Fund Manager shall be liable to:

- i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;*
- ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining the prior approval of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;*
- iii) ensure that, if requested by any of the shareholders, a copy of or extract of the minutes of the general meeting shall be given to them and also, after the announcement of the ordinary annual general meeting of the shareholders is published, make available to the shareholders the financial statements of the company and the reports of the Fund Manager and of the company's financial auditors,*
- iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;*
- v) manages the relationship with the Central Depository with regard to its shareholders register functions,*
- vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;*
- vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;*
- viii) approve the outsourcing of certain activities, within the limits of the approved budget; respectively delegating the execution of certain activities, with the prior notification or endorsement of the FSA or of any competent authority, where required by applicable legislation;*
- ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of the shareholders any agreement / document which may create binding obligations to Fondul Proprietatea, including but not limited to the purchase, sale, conversion or encumbrance of the non-current assets of Fondul Proprietatea whose value exceeds, either individually or cumulatively during a financial year, 20% of the total value of the non-current assets, less any receivables;*
- x) to enter into any agreement / document which may create binding obligations to Fondul Proprietatea, including the purchase, sale,*

conversion or encumbrance of the non-current assets of Fondul Proprietatea whose value does not exceed, either individually or cumulated, during a financial year, 20% of the total value of the non-current assets, less any receivables, without the approval of the ordinary or extraordinary general shareholders meeting;

xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;

xii) decide the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;

xiii) make available to the Board of Nominees the reports, as well as other necessary documents for exercising the monitoring duties, in accordance with art. 17 paragraph (11);

xiv) inform at once the Board of Nominees of any litigation or infringement of legislation regarding Fund Manager, any operation which might be an infringement to the investment policy and about the plans/ correction measures for approaching these matters;

xv) ask for the calling of the general meeting which shall decide properly whenever an issue appears on which the Board of Nominees has a disagreement with the Fund Manager, which cannot be resolved amiably;

xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration , when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea.

(5) For the avoidance of any doubt, in fulfilling the obligations listed under paragraph (4) of this Article 21, the Fund Manager acts mainly in its capacity as sole director according to the applicable Romanian legislation”.

6.9. Article 23 paragraph (2) shall be amended and shall read as follows.

“(2) The Fund Manager may delegate the representative powers in accordance with the applicable law”.

6.10. Article 34 paragraph (5) shall be deleted.

6.11. Article 35 paragraph (2) shall be amended and shall read as follows.

“(2) The deposit agreement shall mandatorily include clauses related to the replacement of the depository and rules for ensuring shareholders’ protection in such situations, as well as other mandatory clauses in accordance with the applicable regulations”.

6.12. Article 36 paragraph (2) shall be amended and shall read as follows.

“(2) Fund Manager means the Alternative Investment Fund Manager authorised to perform all investment management functions and all other required functions for the purpose of managing Fondul Proprietatea in accordance with the applicable

law".

Following the reorganization of the National Securities Commission into FSA, the empowerment of the Sole Administrator to update throughout the Constitutive Act the phrase of "National Securities Commission" or any of its abbreviation therein with the term of "Financial Supervisory Authority" or "FSA".

The above amendments will be effective starting with 1 April 2016, subject to their prior endorsement by the FSA, where required by applicable law or regulation.

7. To ratify and to approve all EGM resolutions and of legal acts (including resolutions, decisions, notices for convening all EGM and contracts) concluded, adopted and issued in the name of Fondul Proprietatea S.A. through Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, between 6 September 2010 and 28 October 2015 and to approve and ratify any implementation acts, facts and operations based on such, including the management of the Company under an unitary system, as well as to approve all the changes to the Constitutive Act approved by all the extraordinary general meetings of shareholders between 6 September 2010 and 28 October 2015, as endorsed by FSA and reflected in the in force Constitutive Act attached as an Annex to the Convening Notice.
8. In accordance with Article 129² of Regulation no. 1/2006, to approve **18 November 2015** as the **Ex – Date**, computed in accordance with the provisions of Article 2 (2) letter f¹) of Regulation no. 1/2006 and **19 November 2015** as the **Registration Date**, computed in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004; as no payments to the shareholders shall be triggered by the EGM's decisions herein, shareholders did not decide upon the Payment Date, as it is defined by Article 2 letter g) of Regulation no. 6/2009.
9. To empower, with authority to be substituted, Grzegorz Maciej KONIECZNY, as legal representative of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, to sign the shareholders' resolutions and the amended and restated form of the Constitutive Act, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders' resolutions, including formalities for publication and registration thereof with the Trade Register or with any other public institution.

B. The agenda of the OGM is as follows.

1. To approve Addendum no. 3 to the Investment Management Agreement signed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea SA on 29 April 2014 ("Investment Management Agreement"), reflecting the changes imposed by Decision no. 88 / 20 March 2015 issued by FSA.

2. To approve Addendum no. 4 to the Investment Management Agreement dated 29 April 2014 between FONDUL PROPRIETATEA S.A. and FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED as proposed by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch. Addendum no. 4 will be effective subject to its prior endorsement by the FSA, where required by applicable law or regulation.
3. To approve the continuation of the current mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Fondul Proprietatea's fund manager and sole director in accordance with Article 9.6 of the Investment Management Agreement of 29 April 2014.
4. To approve the replacement of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch with another group entity in view of complying with the Directive 2011/61/EU on Alternative Investment Fund Managers and the related national implementation laws and regulations, as well as the waiver of any selection procedure as the change is made to comply with legal requirements as follows.
 - 4.1. Revocation, starting with **1 April 2016**, 00:00 am (last day of mandate being 31 March 2016), of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch from the position of sole director and fund manager of Fondul Proprietatea SA, and termination of the Investment Management Agreement signed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea SA as a result of the mutual consent of the both parties. The approval of Addendum no. 5 to the Investment Management Agreement dated 29 April 2014 between FONDUL PROPRIETATEA S.A. and FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED as proposed by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch. Addendum no. 5 will be effective subject to its prior endorsement by the FSA, where required by applicable law or regulation. The approval of termination is effective and conditional upon (i) the approval of the appointment of FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., as sole director and fund manager by the shareholders of Fondul Proprietatea and (ii) FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L accepting its mandate and being duly authorized by all competent authorities to perform its duties as sole director, fund manager and external Alternative Investment Fund Manager starting with 1 April 2016.
 - 4.2. Appointment of FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., a société à responsabilité limitée, qualifying as an alternative investment fund manager under Article 101-1 of the Luxembourg Act of 17 December 2010 concerning undertakings for collective investment, as amended from time to time, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, **as the alternative investment fund manager of Fondul Proprietatea SA and as the sole director of Fondul Proprietatea SA, for a**

mandate of two years starting with 1 April 2016. The approval and the execution of the Management Agreement between FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À.R.L. and Fondul Proprietatea SA, as negotiated between FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L. and the Board of Nominees, and the empowerment of the Chairman of the Board of Nominees to execute it on behalf of Fondul Proprietatea SA. The Management Agreement shall be effective from 1 April 2016.

5. To approve the increase of the gross monthly remuneration for each member of the Board of Nominees to RON 20,000/month, starting with 1 November 2015.
6. To approve 2016 budget of Fondul Proprietatea SA.
7. To appoint DELOITTE AUDIT S.R.L. as the financial auditor of Fondul Proprietatea SA, setting the duration of the financial audit agreement for the period starting with the date of approval of the decision and 31 August 2016; setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea SA for the year that will end 31 December 2015, (the financial statements prepared in accordance with Romanian Accounting Standards and the financial statements prepared in accordance with IFRS) and setting the level of remuneration for the financial auditor for the current financial year.
8. To ratify and to approve all OGM resolutions and all legal acts (including resolutions, decisions, notices for convening all OGM and contracts) concluded, adopted or issued on behalf of Fondul Proprietatea S.A. by Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, as well as of any management/administration measures adopted and/or implemented by it, approved or concluded between 6 September 2010 and 28 October 2015. To approve the appointment of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Sole Administrator of Fondul Proprietatea S.A. and as Fund Manager pursuant to Law no. 297/2004 and according to the Investment Management Agreement signed on 25 February 2010 and the Investment Management Agreement signed on 29 April 2014 and the ratification of the Investment Management Agreement signed on 25 February 2010 including all amendments thereto and the Investment Management Agreement signed on 29 April 2014 including all amendments thereto.
9. In accordance with Article 129² of Regulation no. 1/2006, to approve **18 November 2015 as the Ex – Date**, computed in accordance with the provisions of Article 2 (2) letter f¹) of Regulation no. 1/2006 and **19 November 2015 as the Registration Date**, computed in accordance with the provisions of Article 238 (1) of Capital Market Law no. 297/2004; as no payments to the shareholders shall be triggered by the OGM's decisions herein, shareholders did not decide upon the Payment Date, as it is defined by Article 2 letter g) of Regulation no. 6/2009.
10. To empower, with authority to be substituted, Grzegorz Maciej KONIECZNY, as legal representative of Franklin Templeton

Investment Management Limited United Kingdom Bucharest Branch, to sign the shareholders' resolutions, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders' resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as Sole Administrator on behalf of FONDUL PROPRIETATEA S.A.

Oana Valentina TRUȚA

Legal Representative