

To: Bucharest Stock Exchange  
Financial Supervisory Authority  
London Stock Exchange

Current report according to the provisions of Article 99 of the Code of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

**Important events to be reported:**

### Annual Cash Distribution Policy

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("the Investment Manager"), in its capacity as Investment Manager of Fondul Proprietatea SA ("the Fund"), hereby, would like to present the updated Annual Cash Distribution Policy that will be implemented in the interest of the shareholders of the Fund.

Thus, the Investment Manager remains committed to returning cash to shareholders on an annual basis (subject to applicable law and necessary approvals) and has amended the Fund's Annual Cash Distribution Policy as follows:

*In the absence of exceptional market conditions or circumstances, and subject to any restrictions under Romanian legal or tax regulations and subject to available funding, the Investment Manager intends to recommend a cash distribution related to each financial year equivalent to 100% of the sum of (i) the Fund's dividend income from portfolio companies, (ii) plus interest on cash balances, (iii) less expenses and taxation and (iv) less compulsory allocations to reserves according to the regulations in force, in each case for that year, but not less than RON 0.05 per share.*

*The cash distributions would be paid to shareholders in the form of a return of capital (by decreasing the nominal value per share) and / or in the form of dividends, in each case subject to any restrictions under Romanian legal or tax regulations. In the case of dividend distributions (where permitted by applicable law), the distributable amount will be assessed based on audited financial information. In the case of a return of capital, the distributable amount will be based on a best estimate according to the latest management accounts at the time of proposing the resolution. Unpaid and treasury shares will not be entitled to receive cash distributions.*

The Annual Cash Distribution Policy does not limit additional cash returns and share buy-backs that can be recommended by the Investment Manager separately, subject to available funding and depending on the discount level, in accordance with the Investment Policy Statement.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch acting as Investment Manager of FONDUL PROPRIETATEA S.A.

Grzegorz Maciej KONIECZNY  
Legal Representative

**Report date:**  
6 September 2016

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

**Registered office:**  
78-80 Buzesti St.,  
7<sup>th</sup> floor, district 1,  
Bucharest, postal code  
011017

**Phone/fax number:**  
Tel.: + 40 21 200 9600  
Fax: + 40 21 200 9631

**Sole Registration Code  
with the Trade Register  
Office:**  
18253260

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

**Subscribed share capital:**  
RON 9,320,973,180.85

**Paid-up share capital:**  
RON 9,011,732,683.35

**Number of shares in  
issue:**  
10,965,850,801

**Number of paid shares:**  
10,602,038,451

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

GDRs on London Stock Exchange