

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

Report date:

4 April 2019

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

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7th floor, district 1,
Bucharest, 011017

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Internet:

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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 4,733,020,898.32

Paid-up share capital:

RON 4,543,838,476.32

**Number of shares in
issue:**

9,101,963,266

Number of paid shares:

8,738,150,916

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

Current report according to Article 234 para. (1) letter d) and e) of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of Article 99 letter a) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Important events to be reported:

The resolutions of the Extraordinary and Ordinary General Shareholders' Meetings of Fondul Proprietatea SA held on 4 April 2019

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea SA ("**Fondul Proprietatea / the Company**"), hereby, announces that on **4 April 2019**, were held at "Radisson Blu" Hotel, in Bucharest, the **Fund's Extraordinary General Shareholders Meeting ("EGM")** commencing 11:00 hours (Romanian time) and the **Fund's Ordinary General Shareholders Meeting** commencing 12:00 hours (Romanian time) ("**OGM**").

The meetings were chaired by Mr. Johan Meyer, the Permanent Representative of Franklin Templeton International Services S.à r.l., the Sole Director of the Fund.

The shareholders of the Fund decided the following with respect to:

A. The agenda of the EGM:

1. To approve the following amendments to the Constitutive Act of Fondul Proprietatea S.A.:

(a) The deletion of the following phrase from Article 7 paragraph (1):

"The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by Depozitarul Central S.A."

(b) Introduction of a new paragraph (3) at Article 7 having the following content:

"(3) The capacity of shareholder of Fondul Proprietatea, as well as, in the case of legal persons or entities without legal personality, the capacity of legal representative of that respective shareholder is established on the basis of the list of shareholders from the reference/registration date received by Fondul Proprietatea from Depozitarul Central S.A. or, as the case may be, for dates different from the reference/registration date, on the basis of the following documents submitted to Fondul Proprietatea by the shareholder and issued by Depozitarul Central S.A. or by the participants as defined by the applicable laws and regulations, which provides custody services: a) the statement of account showing the capacity of shareholder and the number of shares held; b) documents evidencing the registration of the information on the legal representative with Depozitarul Central S.A./respective participants".

(c) Article 9 paragraph (6) shall be amended and shall read as follows:

“(6) The right to dividends are held by the shareholders registered in the shareholders’ register, according to the applicable legal and/or regulatory provisions”.

(d) Article 19 paragraph (1) shall be supplemented 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 Alternative Investment 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 “reprezentanti 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. For the avoidance of any doubt, FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l. may carry out its mandate as alternative investment fund manager and sole director of Fondul Proprietatea cross-border and/or through its Romanian branch, FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L. LUXEMBOURG, SUCURSALA BUCURESTI, registered with the Bucharest Trade Registry under the number J40/16822/2018, and sole identification number 40198471”.

(e) Article 24 paragraph (2) shall be amended and shall read as follows:

“(2) An internal audit department shall be organised within Fondul Proprietatea, having attributions of objective examinations of the company’s aggregate business, for the purpose of providing an independent evaluation of the risk management, control and leading development of the company. The Alternative Investment Fund Manager can decide that internal audit work can be outsourced, in which case it will run it on a contractual basis, in accordance with the applicable legal provisions”.

2. 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 S.A. from RON 4,733,020,898.32 to RON 3,959,264,762.44

pursuant to the cancellation of 1,487,992,569 own shares acquired by Fondul Proprietatea S.A. during the ninth buy-back programme.

After the share capital decrease, the subscribed share capital of Fondul Proprietatea S.A. shall have a value of RON 3,959,264,762.44 being divided in 7,613,970,697 shares, each having a nominal value of RON 0.52 per share.

The first paragraph of Article 7 of the Constitutive Act of Fondul Proprietatea S.A. after the share capital decrease will be changed as follows.

“(1) The subscribed share capital of Fondul Proprietatea is in the amount of RON 3,959,264,762.44, divided in 7,613,970,697 ordinary, nominative shares, having a nominal value of RON 0.52 each”.

The 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 EGM Resolution is published in the Official Gazette of Romania, Part IV for at least two months;
- (ii) Financial Supervisory Authority endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea S.A. as approved by shareholders during this meeting, where required by applicable law or regulation;
- (iii) the shareholders' resolution for approving this share capital decrease is registered with the Trade Registry.”

3. In accordance with Article 176 paragraph (1) of Regulation no. 5/2018, to approve:

- (i) **7 June 2019** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter (I) of Regulation no. 5/2018, and
- (ii) **10 June 2019** as the **Registration Date**, computed in accordance with the provisions of Article 86 paragraph (1) of Issuers' Law.

As they are not applicable to this EGM, the shareholders did not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation and the payment date.

4. To empower, with authority to be substituted, Mr. Johan Meyer 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 Registry or with any other public institution.

B. The agenda of the OGM

1. To approve the Annual Activity Report of the Sole Director of Fondul Proprietatea S.A. for the financial year 2018, including the financial statements for the year ended on 31 December 2018 prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and applying the Financial Supervisory Authority Norm no. 39/ 28 December 2015, to approve the auditor's report (all as presented in the OGM supporting documentation), to ratify all legal acts concluded, adopted or issued on behalf of Fondul Proprietatea S.A., as well as any management/administration measures adopted, implemented, approved or concluded during 2018 financial year, along with the discharge of the Sole Director's for any liability for its administration during 2018 financial year.
2. To approve the coverage of the negative reserves incurred in 2018 financial year derived from the cancelation of treasury shares, in accordance with the OGM supporting materials.
3. To approve the net profit allocation, and to approve the value of the gross dividend of RON 0.0903 per share corresponding to the 2018 financial year profit, all in accordance with the OGM supporting documentation. The shareholders further approved that the payment of the dividends to start on the Payment Date of this OGM (as defined at point 7 on the agenda of this OGM) to the persons registered as shareholders of Fondul Proprietatea S.A. on the Registration Date (as defined at point 7 on the agenda of this OGM). Unpaid shares and treasury shares do not constitute dividend entitlement.
4. In accordance with Article 9.7 of the Management Agreement signed on 14 February 2018 between Fondul Proprietatea and Franklin Templeton International Services S.À R.L. ("Management Agreement"), the shareholders decided:
 - 4.1. To approve the continuation of the current mandate of Franklin Templeton International Services S.À R.L. as Fondul Proprietatea's alternative investment fund manager and sole director.
 - 4.2. Not to approve:
 - (a) the simultaneous termination of the mandate of Franklin Templeton International Services S.À R.L. as the alternative investment fund manager and sole director of Fondul Proprietatea S.A., and of the Management Agreement, beginning with the earliest of (i) the appointment of a new alternative investment fund manager and sole director of Fondul Proprietatea S.A. in accordance with the terms of the Management Agreement and (ii) 1 November 2019, and
 - (b) the procedure to be observed for the selection of a new

alternative investment fund manager and sole director of Fondul Proprietatea S.A., as described in the supporting materials.

5. In accordance with Article 176 paragraph (1) of Regulation no. 5/2018, to approve:
 - (a) **7 June 2019** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter (l) of Regulation no. 5/2018;
 - (b) **10 June 2019** as the **Registration Date**, computed in accordance with the provisions of Article 86 paragraph (1) of Issuers' Law;
 - (c) **1 July 2019 as the Payment Date**, computed in accordance with the provisions of Article 178 paragraph (2) of Regulation no. 5/2018.

As they are not applicable to this OGM, the shareholders did not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation.

6. To empower, with authority to be substituted, Mr. Johan Meyer 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 Registry or with any other public institution.

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

Johan MEYER
Legal Representative