

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

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

Events to be reported:

Voting recommendations and supporting materials related to the 4 April 2019 shareholders' meetings

Franklin Templeton International Services S.À R.L., in its capacity as alternative investment fund manager and sole director (the “**Fund Manager**”) of Fondul Proprietatea S.A. (the “**Fund**”), would like to remind shareholders that the Fund Manager has summoned the Fund’s Extraordinary (“**EGM**”) and Ordinary (“**OGM**”) General Shareholders’ Meetings for 4 April 2019 at “Radisson Blu” Hotel, 63-81 Calea Victoriei Street, Atlas Room, 1st District, Bucharest, 010065, Romania, starting at 11 a.m. (Romanian time) for EGM, and 12 p.m. (Romanian time) for the OGM.

The entire EGM and OGM supporting documentation is available for the shareholders’ reference at <https://www.fondulproprietatea.ro/home/investor-relations/gsm-information/gsm-documentation/gsm-documentation-13.html>.

The Fund Manager recommends that shareholders **vote in favour of all the points on the EGM’s and OGM’s agenda, except for point 6 letter (b) of the OGM agenda** (i.e. 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 the Fund, and of the Management Agreement signed between Franklin Templeton International Services S.à r.l. and the Fund), **for which we recommend a vote “against”**.

Our recommendation for a vote against this point of the agenda is based on the fact that the Fund Manager has taken all reasonable actions within its powers to narrow the trading discount, but the evolution of the trading discount is independent from the Fund Manager. For details regarding the measures taken to reduce the discount, as well as the significant challenges encountered, please refer to the Performance Report, which is available on the Fund’s webpage above-mentioned, as part of the supporting documentation for the OGM.

The Fund Manager’s voting recommendations contained herein are not binding in any way and should not be deemed under any circumstances as a supporting documentation/argument for substantiating one’s vote. The Fund Manager will

Report date:
7 March 2019
Name of the issuing entity:
Fondul Proprietatea S.A.
Registered office:
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Phone/fax number:
Tel.: + 40 21 200 9600 Fax: + 40 21 200 9631
Email:
office@fondulproprietatea.ro
Internet:
www.fondulproprietatea.ro
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

implement and will comply with all the decisions taken by the Fund's shareholders, irrespective of its recommendations herein, subject to compliance with law and regulation.

Franklin Templeton International Services S.A R.L., in its capacity of Sole Director of FONDUL PROPRIETATEA S.A.

Johan Meyer
Permanent representative