

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

Report date:
30 May 2019
Name of the issuing entity:
Fondul Proprietatea S.A.
Registered office:
78-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017
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

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:

The Financial Supervisory Authority Endorsement of the amendments to the Constitutive Act of Fondul Proprietatea SA

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("the Investment Manager"), in its capacity as investment manager of Fondul Proprietatea SA ("the Fund"), would like to inform shareholders that the Financial Supervisory Authority issued Endorsement no. 176 / 30 May 2019 (the "FSA Endorsement"), whereby it endorsed the amendments to the Fund's Constitutive Act, as approved by the Fund's Extraordinary General Shareholders' Meeting Resolution no. 1 of 4 April 2019, except for the proposed amendments brought to Article 19 para (1).

Further, we would like to remind the shareholders that a new General Shareholders Meeting was convened for 28 June 2019, having on the agenda, among others, a new wording proposed for Article 19 para (1) of the Fund's Constitutive Act, following FSA's comments communicated in the past, as published on the Fund's website: <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/gsm-documentation/2019/28%20June/Calling%20notice.pdf>

Please find the English translation of the FSA Endorsement enclosed in the Annex to this report. Also, please note that the Fund's Constitutive Act in force can be accessed on the Fund's webpage, at: <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/corporate-governance/Constitutive%20Act%20in%20force%20updated%20as%20at%2030%20May%202019.pdf>

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of FONDUL PROPRIETATEA S.A.

Johan Meyer
Legal representative

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Financial Supervisory Authority

FINANCIAL SUPERVISORY AUTHORITY

ENDORSEMENT NO. 176 / 30 May 2019

Based upon the provisions of Art. 2 paragraph (1) letters a) and d), Art. 3 paragraph (1) letter a), Art. 6 paragraphs (1) and (3), Art. 8, Art. 14, Art. 27 and Art. 28 of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and operation of the Financial Supervisory Authority, approved with amendments and supplementing by Law no. 113/2013, with the further amendments and supplementing,

According to the provisions of Art. 6 paragraph (1) of Title VII, Chapter II of Law no. 247/2005 with the further amendments and supplementing,

Considering the provisions of Art. 14 paragraph (1) letter b), paragraph (2) and paragraph (3) letters a, b and j and Article 15 paragraphs (1) and (3) of Regulation no. 4/2010 on the registration with the National Securities Commission and operation of the trade company “Fondul Proprietatea” SA and the trading of its shares issued thereof, with further amendments and supplementing,

Considering the fact that the proposed amendment of Article 19 paragraph (1) of the Constitutive Act subject to endorsement, whereby *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*, is contrary to the legal provisions in force, namely to the provisions of Art. 33 paragraph (1) of the Directive 2011/61/EC and to the provisions of Art. 34 paragraph (1) of Law no. 74/2015, as the legislator clearly stipulates that an AIFM authorized in the EU cannot manage an AIF at the same time both directly and through a branch, but it can only manage AIF established in another Member State whether directly, or through a branch.

Considering Franklin Templeton International S.a.r.l's request registered with the FSA under no. RG/14393/07 May 2019 to endorse the amendment of the documentation considered when Fondul Proprietatea was registered,

On the basis of the analysis of the specialty division and on the decision adopted during the meeting on 29 May 2019, the Board of the Financial Supervisory Authority has decided on the issuance of the following individual document.

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ENDORSEMENT

Art. 1. The amendments of the Constitutive Act of **FONDUL PROPRIETATEA** sent to the FSA through the address dated 19 April 2019, in accordance with the Extraordinary General Shareholders Meeting Resolution no. 1/ 4 April 2019, are hereby endorsed, except for the amendments of Art. 19 paragraph (1).

Art. 2. FRANKLIN TEMPLETON INTERNATIONAL S.A.R.L has the obligation to inform the shareholder during the following Extraordinary General Shareholders Meeting about the FSA declination to endorse the amendments of Art. 19 paragraph (1) of the company's Constitutive Act.

Art. 3. This Endorsement becomes effective on the date it is communication to the manager of Fondul Proprietatea and shall be published in the Bulletin of the Financial Supervisory Authority in electronic form.

CHAIRMAN
Leonardo BADEA
Illegible signature
FSA Stamp applied