

Current report - Report date: 23 September 2014

Name of the issuing entity: Fondul Proprietatea S.A.
Registered office: 78-80 Buzesti St., 7th 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 12,861,183,036.65
Paid up share capital: RON 12,515,559,963.70
Regulated market on which the issued securities are traded: Bucharest Stock Exchange

The current report according to Art. 113 point A, paragraph (1) letter c) of the Romanian National Securities Commission Regulation no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and supplemented, as well as the provisions of Art. 99 of the Rulebook of the Bucharest Stock Exchange as Market Operator

Important events to be reported:

The resolutions of the Extraordinary and Ordinary General Shareholders Meetings of 23 September 2014

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("**the Fund Manager**"), in its capacity as Sole Administrator and Fund Manager of Fondul Proprietatea SA ("**the Fund**") hereby announces that on 23 September 2014 were held at Athenee Palace Hilton Hotel, in Bucharest, the Fund's Extraordinary General Shareholders Meeting commencing at 10.00 a.m. (Romanian time) and the Fund's Ordinary General Shareholders Meeting commencing at 11.00 a.m. (Romanian time).

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 EGM agenda.
2. To approve the amendment of the Constitutive Act of Fondul Proprietatea SA as follows:
 - a. Article 9 paragraph 2 will be read as follows: "*the nominal value of one share shall be RON 0.95*", as imposed by the Financial Supervisory Authority ("FSA") Decision no. 75/25.06.2014.
 - b. Article 12, paragraph 2 letter d), will be read as follows: "*d) to appoint the Fund Manager in accordance with the law and to cancel its appointment*".
 - c. Article 12, paragraph 2 letter f) will be read as follows: "*f) to set the level of the remuneration of the members of the Board of Nominees, the Fund Manager and of the financial auditor for financial audit services for the ongoing fiscal year*".
 - d. Article 13, paragraph 9 will be read as follows: "*(9) The notice for the first general meeting of the shareholders may provide also the day and hour of the second meeting, having the same agenda as the first, in order to cover the situation in which the first meeting cannot take place if the quorum is not being met*".
 - e. Article 34 paragraph 5 will be read as follows: "*(5) Fondul Proprietatea will not engage in any "raising of capital" activities, within the sense of Article 4 (1) (a) (i) of EU Directive 2011/61 as detailed by European Securities and Markets Authority's related guidelines and interpretations, save for the situation where such would be imposed under Article 10 para. (2) of Law no. 247/2005, with further amendments and supplements.*"
3. To approve the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 11,815,279,886.85 to RON 11,575,064,733.65, pursuant to the cancellation of 252,858,056 own shares acquired by the Company and the change of Article 7 of the Constitutive Act after the share capital decrease is effective.
4. To ratify and to approve all resolutions taken by the EGM and of all legal acts (including decisions and contracts) concluded, adopted and issued in the name of Fondul Proprietatea SA through Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, between 6 September 2010 and 22 September 2014 and to approve and to ratify any implementation acts, facts and operations based on such, including the management of the Company under an unitary system.
5. To approve 15 October 2014 as the registration date, in accordance with the provisions of Article 238 para. (1) of Law no. 297/2004.
6. 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.

Please note that the following points of the EGM agenda were not approved by the Fund's shareholders:

Point 2.2. - The amendment of Article 12, paragraph 2 letter d), as imposed by the FSA through Decision no. 3/17.04.2014, as follows: "*d) to appoint the Fund Manager, on the basis of the outcome of the selection made subsequent to a tender for appointing the Fund Manager, and to cancel its appointment*".

Point 2.6. - The amendment of Article 34 paragraph 53 of the Constitutive Act of Fondul Proprietatea S.A. as imposed by the FSA through Decision no. 75/25.06.2014, as follows: "*(5) Fondul Proprietatea will not engage in any "raising of capital" activities, within the sense of Article 4 (1) (a) (i) of EU Directive 2011/61 as detailed by European Securities and Markets Authority's related guidelines and interpretations, save for the situation provided by Article 10 para. (2) of Law no. 247/2005, with further amendments and supplements.*".

B. Ordinary General Shareholders Meeting ("OGM"):

1. To approve the OGM agenda;
2. To approve the renewal of the mandate of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Sole Administrator and Fund Manager of Fondul Proprietatea SA for a duration of 2 years starting with 30 September 2014.
3. To approve Addendum no. 1 to the Investment Management Agreement no. 45 signed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea SA on 29 April 2014 ("IMA"), reflecting the changes imposed by Decision no. 111/4 August 2014 issued by FSA.
4. To approve Addendum no. 2 to the Investment Management Agreement, targeting the reinstatement of the provisions of the IMA approved by shareholders in April 2014 and not endorsed by the FSA, and clarification regarding the date on which the distribution fee applies. The Addendum no. 2 shall be effective from the latest of the following dates: (i) the date of the endorsement by the FSA of such; and (ii) 15 October 2014.
5. To approve the execution of Addendum no. 2 to the audit contract concluded between Fondul Proprietatea SA and Deloitte Audit S.R.L in accordance with OGM Resolution no. 13/22 November 2013.
6. To ratify and to approve all OGM decisions and all legal acts (including decisions 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 any management/administration measures adopted and/or implemented by it, approved or concluded between 6 September 2010 and 22 September 2014; to ratify the appointment of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch as Sole Administrator of Fondul Proprietatea SA and as Fund Manager pursuant to Law no. 297/2004 and according to the IMA signed on 25 February 2010 and the IMA signed on 29 April 2014 and to ratify and approve the IMA signed on 25 February 2010 including all amendments thereto and the IMA signed on 29 April 2014.
7. To approve 15 October 2014 as the registration date, in accordance with the provisions of Article 238 para. (1) of Law no. 297/2004.
8. 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.

Please note that Point 2 of the OGM agenda regarding the approval of some amendments of the Investment Management Agreement signed between Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch and Fondul Proprietatea SA on 25 February 2010, as imposed by FSA's Decision no. 70/19 June 2014, was not approved by the Fund's shareholders, namely:

- the amendment of Article 9 paragraph (1) as follows: "*The Fund Manager's remuneration for its services under this Management Agreement is established according to the requirements in the Regulation for Organizing the International Tender, the Tender Book and the final offer formulated following the negotiations and the annexes to this present Contract, endorsed by CNVM*".
- the amendment of Article 9.2 letter r) as follows: "*expenses related to the additional valuation of unlisted portfolio holdings by independent valuers, performed at the specific request of the shareholders, with the prior approval of the BoN, other than the ones falling under the obligation of the Fund Manager as portfolio manager of the UCITS in accordance with the legal provisions*".

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

Oana Valentina TRUȚA

Legal Representative