

**Resolution no. 1 / 28 April 2020  
of the Shareholders' Extraordinary General Meeting of  
FONDUL PROPRIETATEA S.A.**

Headquarters: 78-80 Buzești Street, 7<sup>th</sup> floor, sector 1, Bucharest, Romania,  
Registered with the Trade Registry under number J40/21901/2005, fiscal registration code 18253260

Today, 28 April 2020, 11:00 o'clock (Romanian time), was adopted the current resolution of the Shareholders' Extraordinary General Meeting ("EGM") of Fondul Proprietatea S.A. (the "Fund" or "Fondul Proprietatea"), at its first summoning, held at Fondul Proprietatea headquarters 78-80 Buzesti Street, 7th floor, Bucharest 1st district, postal code 011017, Romania , the EGM being opened by its Chairman, namely Mr. Johan Meyer, in his capacity of permanent representative of Franklin Templeton International Services S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016, in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A..

Whereas:

- The convening notice of the EGM was published on the Fund's website ([www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)) on 2 March 2020, in the Official Gazette of Romania, Part IV, number 814 of 2 March 2020 and in "Adevărul" newspaper number 8291 of 2 March 2020;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (Companies' Law no. 31/1990);
- The provisions of Article 21 of CNVM Regulation no. 4/2010 on the registration with CNVM and the operation of the company "Fondul Proprietatea" S.A., as well as on trading the shares issued by this company;
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004;
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts;
- The provisions of Law no. 24/2017 on issuers of financial instruments and market operations (Issuers' Law);

The provisions of Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations (Regulation no. 5/2018);

- The provisions of Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation (Law no. 243/2019);
- The provisions of Regulation of the Financial Supervisory Authority no. 5/2020 for taking certain measures referring to the carry out of general meetings of issuers during the state of emergency caused by COVID-19,

there are met the quorum for holding this meeting and the majority required to decide legally, under the legally required majority (according to art. 115 paragraphs (1)-(2) of the Companies' Law no. 31/1990 and art. 14 I paragraph (3) letter (a) of the Fund's Constitutive Act).

Thus, it was decided as follows:

I. The approval of the following amendments to the Constitutive Act of Fondul Proprietatea:

**(a) The amendment of Article 2, as follows:**

- “(1) "Fondul Proprietatea" - S.A., hereinafter referred to as Fondul Proprietatea, is a Romanian legal person, set up as a joint-stock company.*
- (2) Fondul Proprietatea is organized, operates and ceases its activity under the legal provisions in force .*
- (3) Fondul Proprietatea is set up as an alternative investment fund (F.I.A), addressed to retail investors, constituted as investment company of the closed-end-type”.*

**(b) The amendment of Article 3, as follows:**

- “(1) The registered office of Fondul Proprietatea is located in Bucharest, 78-80 Buzesti Street, floor 7th, Sector 1; the headquarters may be changed to any other location in Romania, by decision of the asset management company (Alternative Investment Fund Manager), according to article 21 paragraph (4) xii).*
- (2) The Company may set up secondary headquarters such as branches, representative offices, working points or other units with no legal personality, under the terms provided by law”.*

**(c) The amendment of Article 8 paragraph (2), as follows:**

- “(2) The share capital may be increased, in accordance with the provisions of the law:*
  - a) by issuing new shares in exchange for cash contributions;*
  - b) by incorporating reserves, except for the legal reserves and of the reserves created out of the re-evaluation of the patrimony, as well as of the benefits and issuing premiums”.*

**(d) The amendment of Article 12, as follows:**

- “(1) The general meeting of the shareholders may be ordinary and extraordinary.*
- (2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:*
  - a) to discuss, approve and amend the annual financial statements after reviewing the reports of the Alternative Investment Fund Manager and financial auditor;*

- b) to establish the distribution of the net profit and to establish the dividends;*
  - c) to appoint the members of the Board of Nominees (“BoN”) and to cancel their appointment;*
  - d) to appoint the Alternative Investment Fund Manager in accordance with the law and to cancel its appointment;*
  - e) to appoint and cancel the appointment of the financial auditor and to set the minimum duration of the financial audit agreement;*
  - f) to set the level of the remuneration of the members of the Board of Nominees, the Alternative Investment Fund Manager and of the financial auditor for financial audit services for the ongoing fiscal year;*
  - g) to rule over the management of the Alternative Investment Fund Manager and to evaluate his/her performances and to discharge him/her from its management,*
  - h) to decide on the action in a court of law against the Alternative Investment Fund Manager or, as the case may be, against the financial audit, for damages caused to Fondul Proprietatea;*
  - i) to approve the strategies and the development policies of Fondul Proprietatea;*
  - j) to establish the annual income and expenditure budget for the following financial year;*
  - k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea;*
  - l) to approve significant related parties’ transactions, if their value is greater than 5% of the net asset value, at the proposal of the AIFM;*
  - m) to decide on any other aspects regarding Fondul Proprietatea, according to the legal duties.*
- (3) The extraordinary general meeting of the shareholders is entitled to decide on the following:*
- a) set-up or closing of some secondary units: branches, agencies, representative offices or other such units with no legal personality;*
  - b) share capital increase;*
  - c) share capital decrease or re-completion thereof by issuing new shares;*
  - d) conversion of shares from one category to another;*
  - e) conversion of a category of bonds to another category or to shares;*
  - f) issue new bonds;*
  - g) approves the admission for trading and nominates the regulated market on which the shares of Fondul Proprietatea will be traded;*
  - h) the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;*
  - i) change of the management system of Fondul Proprietatea;*
  - j) limitation or cancellation of the preference right of the shareholders;*
  - k) approves the Investment Policy Statement;*
  - l) any other amendment of the constitutive act or any other resolution requiring the approval of the extraordinary general meeting of the shareholders, according to applicable law or to this Constitutive Act”.*

**(e) The amendment of Article 14 paragraphs (1), (2) and (7), as follows:**

*“(1) Upon the first calling, for the validity of the deliberations of the ordinary general meeting of the shareholders it is required that the shareholders representing at least a fourth of the total shares*

*with right to vote to attend. The decisions of the ordinary general meeting of the shareholders are taken with majority of votes held by the shareholders attending or being represented.*

*(2) In case the ordinary general meeting of the shareholders cannot operate due to lack of quorum under paragraph (1), the meeting that will meet upon a second convocation may deliberate on the items included in the agenda of the first meeting, irrespective of the met quorum, taking decision by majority of votes held by the shareholders attending or being represented.*

.....

*(7) On the day and hour established in the convocation, the general meeting of the shareholders shall be opened by the permanent representative of the Alternative Investment Fund Manager or, in its absence, by the one holding its place. A permanent representative of the Alternative Investment Fund Manager or a person appointed by it shall be the chairman of the meeting. The members of the Board of Nominees shall participate at the meetings, as well”.*

**(f) The amendment of Article 15 paragraph (2), as follows:**

*“(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. The nomination will be accompanied by the questionnaire regarding the independence of the candidate, completed and signed by the candidate, whose template shall be available in the informative materials, following that, this questionnaire will be brought to the attention of the shareholders. The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the Alternative Investment Fund Manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by the investment policy as well as by the applicable laws and regulations. Also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Alternative Investment Fund Manager needing the approval of the Board of Nominees are made to the advantage of the shareholders”.*

**(g) The amendment of Article 17 paragraphs (11) and (21), as follows:**

*“(11) Monitors the following, based on information and reports received from the Alternative Investment Fund Manager:*

- *the list of all portfolio investments and percentage breakdown by each investment type;*
- *a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review;*
- *the total profit of the portfolio companies and comparison with the appropriate market benchmark;*
- *comparison of the obtained profit with the initial objective;*
- *the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out therein are achieved, as well as any variations and actions taken to achieve such objectives and improve investment results;*
- *the performance evaluation report.*

*The Board of Nominees shall draft and present to the general meeting of the shareholders an annual report regarding the monitoring activity performed or a monitoring report for another period agreed by the general meeting of shareholders.*

.....

*(21) Is responsible for monitoring the Alternative Investment Fund Manager performance of the Management Agreement”.*

**(h) The amendment of Article 19, as follows:**

*“(1) Shareholders of Fondul Proprietatea designate the Alternative Investment Fund Manager (AIFM) for the purpose of managing it. The AIFM has also the sole director role.*

*(2) The Alternative Investment Fund Manager is elected by the general meeting of the shareholders, with the observance of the legal provisions and of this constitutive act.*

*(3) The mandate of the AIFM is for 2 years. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of its mandate and will ensure that the agenda for such meeting will include the renewal of the AIFM’s mandate. If such point is rejected, the AIFM or the Board of Nominees will immediately convene an Ordinary General Meeting of Shareholders for the appointment of a new AIFM in accordance with the legal provisions in force, with the shareholders being granted the opportunity to propose candidates for such position; the agenda will also include provisions for the authorization of the negotiation and execution of the relevant management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment.*

*(4) The AIFM must expressly accept such position, by executing the management agreement and must have in place professional liability insurance.*

*(5) The Management Agreement can be modified or replaced in accordance with articles 12 and 14, with the approval of the shareholders. Any replacement document or addendum of the Management Agreement will be signed on behalf of Fondul Proprietatea by the chairman of the Board of Nominees or by a member of the Board of Nominees empowered by the chairman”.*

**(i) The amendment of Article 21 paragraph (4), as follows:**

*“(4) In excess of the duties provided by the applicable law, the Alternative Investment Fund Manager shall be liable to:*

*i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;*

*ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining the prior approval of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;*

*iii) ensure that, if requested by any of the shareholders, a copy of or extract of the minutes of the general meeting shall be given to them and also, after the announcement of the ordinary annual general meeting of the shareholders is published, make available to the shareholders the financial statements of the company and the reports of the AIFM and of the company’s financial auditors;*

*iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors’ report, present them to the Board of Nominees before submitting such*



*documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;*

*v) manages the relationship with the Depozitarul Central SA with regard to its shareholders register functions;*

*vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;*

*vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;*

*viii) approves the outsourcing of certain activities, within the limits of the approved budget, respectively the delegation of the performance of certain activities, subject to the observance of the applicable legislation;*

*ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;*

*x) execute contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value does not exceed, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables, without the approval of the ordinary or extraordinary general shareholders' meeting;*

*xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;*

*xii) decide the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;*

*xiii) make available to the Board of Nominees the reports, as well as other necessary documents for exercising the monitoring duties, in accordance with art. 17 paragraph (11);*

*xiv) inform at once the Board of Nominees of any litigation or infringement of legislation regarding Alternative Investment Fund Manager, any operation which might be an infringement to the investment policy and about the plans/ correction measures for approaching these matters;*

*xv) ask for the calling of the general meeting which shall decide properly whenever an issue appears on which the Board of Nominees has a disagreement with the Alternative Investment Fund Manager, which cannot be resolved amiably;*

*xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration, when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea;*

*xvii) approve any related parties transactions, and, if the related parties transactions' value is greater than 0.25% of the net asset value, to ask for the Board of Nominees' approval, and, if the related parties transactions' value is greater than 5% of the net asset value, to convene the GSM”.*

**(j) The amendment of Article 24 paragraphs (1) and (10), as follows:**

*“(1) The financial statements of Fondul Proprietatea are subject to financial audit in accordance with the applicable laws and regulations. Also, Fondul Proprietatea shall organise its internal audit in accordance with the legal provisions in force.*

.....

*(10) The internal audit shall present periodical reports to the Board of Nominees of Fondul Proprietatea and the Alternative Investment Fund Manager regarding the purpose of the internal audit activity, authority, responsibility and performance according to its internal audit plan. The reports shall include also the significant risks and aspects of the control and management, as well as other necessary problems or as requested by the Board of Nominees and the Alternative Investment Fund Manager”.*

**(k) The amendment of Article 27, as follows:**

*“(1) The accounting is kept in Romanian language and in national currency.  
(2) Fondul Proprietatea must draft the annual financial statements according to legal provisions in force and to the applicable accounting and financial reporting standards”.*

**(l) The amendment of Article 28, as follows:**

*“(1) The result of the financial year is determined at the end of the year and represents the final balance of the profit and loss account.  
(2) The accounting profit of Fondul Proprietatea as reflected in the audited financial statements shall be distributed by applying the Annual Cash Distribution Policy and according to the decision of the general meeting of the shareholders and to the legal provisions in force.  
(3) Fondul Proprietatea must record the legal reserves and any other reserves, pursuant to the law.  
(4) The payment of dividends owed to the shareholders is made by Fondul Proprietatea, according to the law.  
(5) The dividends are distributed between the shareholders proportional with the number of paid shares held at the relevant registration date.  
(6) In case of loss of the net asset, the general meeting of the shareholders shall analyse the causes and decide properly, according to the law”.*

**(m) The amendment of Article 29, as follows:**

*“Fondul Proprietatea shall maintain, by care of the Alternative Investment Fund Manager, all registries provided by the law. The shareholders registry is kept by Depozitarul Central SA”.*

**(n) The amendment of Article 31 paragraph (1), as follows:**

*“(1) The dissolution of Fondul Proprietatea shall take place in the following cases:  
a) impossibility of performing the company’s business object;  
b) declaring the company’s nullity;  
c) by decision of the extraordinary general meeting of the shareholders, in accordance with article 14 paragraphs (4) and (5);  
d) as consequence of losses, if the net asset value, determined as difference between the total asset and company’s debts as reflected in the audited financial statements, represents less than half*

*of the value of the subscribed share capital and if, not later than the termination of the financial year subsequent to the one during which the losses have been ascertained, the general meeting of the shareholders fails to decrease the share capital with an amount at least equal with the one of losses which could not be covered from reserves or to reconstitute the company's net asset up to the value at least equal with half of the subscribed share capital;*

*e) opening of the bankruptcy procedure;*

*f) the number of shareholders reduces under the legal minimum;*

*g) other causes provided by the law or by this constitutive act”.*

**(o) The amendment of Article 32, as follows:**

*“(1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure.*

*(2) Without being set a certain date for liquidation of Fondul Proprietatea, the liquidation of Fondul Proprietatea and distribution of the patrimony are made in accordance with the law”.*

**(p) The amendment of Article 34, as follows:**

*“(1) The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitation provided by the legal provisions in force and of this Constitutive Act.*

*(2) Fondul Proprietatea shall be subject to the investment restrictions provided under Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation as well as any other applicable law or regulation.*

*(3) Subject to the terms of this Constitutive Act, of the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.*

*(4) Prudential rules concerning the investment policy will be approved by the shareholders through Investment Policy Statement”.*

This item is adopted with 3,159,571,210 votes, representing 99.4127% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 3,159,571,210 votes „for”;
- 0 votes „against”;
- 18,666,750 abstentions;
- 0 votes „not given”.

- II. In accordance with Article 176 paragraph (1) of Regulation no. 5/2018, the approval of **9 June 2020** as the **Ex – Date**, computed in accordance with the provisions of Article 2 paragraph (2) letter (1) of Regulation no. 5/2018, and **10 June 2020** 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, shareholders do not decide on other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018, such as the date of the guaranteed participation and the payment date.

This item is adopted with 3,159,571,210 votes, representing 99.4127% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 3,159,571,210 votes „for”;
- 1,000,000 votes „against”;
- 17,666,750 abstentions;
- 0 votes „not given”.

III. The approval of the empowerment, with authority to be substituted, of 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.

This item is adopted with 3,159,571,210 votes, representing 99.4127% of the total votes held by the present or represented shareholders, in accordance with Article 14 (3) letter (a), second paragraph of the Constitutive Act corroborated with Article 115 (2), first paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 3,159,571,210 votes „for”;
- 0 votes „against”;
- 18,666,750 abstentions;
- 0 votes „not given”.

This decision is drafted on behalf of the shareholders today, 28 April 2020, by:

---

**Johan MEYER**  
Chairman

---

**Valeria NISTOR**  
Technical secretary