

To: **Bucharest Stock Exchange**
Financial Supervisory Authority
London Stock Exchange

Current report according to Article 234 para. (1) letter b) 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:

Request to Supplement the Convening notice of the Ordinary General Meeting of Shareholders of Fondul Proprietatea S.A. to be held on 26 March 2024

Franklin Templeton International Services S.Ă R.L., in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. ("**Fondul Proprietatea / FP**"), would like to inform shareholders that on 22 February 2024 it received from the shareholder Ministry of Finance, holding 6.54% of Fondul Proprietatea's share capital*, a request to supplement with new items the agenda of the Ordinary General Shareholders Meeting ("**OGSM**") Fondul Proprietatea convened for 26 March 2024.

Attached to this report is the Ministry of Finance's request to supplement the agenda of the OGSM Fondul Proprietatea convened for 26 March 2024.

Franklin Templeton International Services S.Ă R.L, in its capacity of alternative investment fund manager and sole director of FONDUL PROPRIETATEA S.A.

Johan MEYER
Permanent Representative

** in accordance with the shareholding structure and total number of voting rights at the level of Fondul Proprietatea as at 31 January 2024, as received from Depozitarul Central S.A.*

Report date:
23 February 2024

Name of the issuing entity:
Fondul Proprietatea S.A.

Registered office:
76-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017

Phone/fax number:
Tel.: + 40 21 200 96 00
Fax: +40 31 630 00 48

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 and paid-up share capital:
RON 2,947,779,186.56

Number of shares in issue and paid-up:
5,668,806,128

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

GDRs on London Stock Exchange

Unofficial translation from Romanian, for information purposes only

TO: FONDUL PROPRIETATEA

Address: 76-80 Buzești Street, Premium Point building, floors 7-8,
District 1, Postal Code 011843,
Bucharest, Romania

No. 768.640/22.02.2024

Dear Sirs,

In the context of the convening of the General Meeting of Shareholders of Fondul Proprietatea S.A. for 26.03.2024, we kindly request that, in accordance with the provisions of Article 117¹ of the Companies Law no. 31/1990, as amended, you take the necessary steps to complete the agenda of the Ordinary General Meeting of Shareholders with the following items:

1. *“Alternative to item 1 of the OGMS Convening Notice -*

The approval of the terms of, along with the execution of, the Management Agreement between Fondul Proprietatea and Franklin Templeton International Services S.à r.l. for a period of one (1) year starting 1 April 2024 and until 31 March 2025 in the form set out in the supporting documentation relating to OGMS agenda item 1, with a change in the base fee rate such that the base fee is 1.35%, subject to item 1 of the OGMS agenda not being approved by the OGMS.”

2. *“Alternative to item 2 of the OGMS Convening Notice -*

The approval of the Remuneration Policy of Fondul Proprietatea in force starting 1 April 2024, to reflect the provisions of the Management Agreement, in the form provided in the supporting documentation related to item 2 on the OGMS agenda with a change in the base commission rate so that the base commission is 1.35 %, subject to item 2 of the OGMS agenda not being approved by the OGMS.”

3. *“The approval of the Strategy of the Fund applicable to the mandate period 1 April 2024 to 31 March 2025 so that it includes the preservation of the current portfolio managed by Franklin Templeton International Services S.à r.l.”*

The justification for supplementing the agenda of the General Meeting of Shareholders on 26.03.2024 by the Ministry of Finance is the following:

- the supporting documentation for item 1 on the agenda contains a comparative analysis of the level of management fees charged by other closed-end private equity funds and investment trusts listed on the London Stock Exchange, which shows a weighted average management fee of 1.35%, and there is no justification for increasing the Base Fee rate to 200 basis points per annum when other funds of comparable size have an average fee of 1.35%;
- if the item on the agenda is approved in the form proposed by the Ministry of Finance, the form of the Remuneration Policy of Fondul Proprietatea in the supporting documentation should be amended to reflect the provisions of the

Management Agreement regarding the change of the base fee rate so that the base fee is 1.35%;

- in accordance with the OGMS resolution dated 25.09.2023 the mandate of Franklin Templeton International Services S.à r.l. was renewed for a period of 1 (one) year, starting on 1 April 2024 and ending on 31 March 2025, during which period the Board of Nominees is to conduct a transparent and competitive selection procedure for the appointment of the new director, meaning that the Fund's strategy applicable to the above-mentioned period must include the preservation of the current portfolio managed by Franklin Templeton International Services S.à r.l., so that the new director can develop a medium and long-term Fund strategy based on a sound portfolio.

In the context of the above, as well as of the provisions of Art. 105 para. (3) of Law no. 24/2017 on issuers of financial instruments and market operations, the draft resolution proposed for adoption by the ordinary general meeting of shareholders of Fondul Proprietatea is:

1. *“The approval of the terms of, along with the execution of, the Management Agreement between Fondul Proprietatea and Franklin Templeton International Services S.à r.l. for a period of one (1) year starting 1 April 2024 and until 31 March 2025 in the form set out in the supporting documentation relating to OGMS agenda item 1, with a change in the base fee rate such that the base fee is 1.35%, subject to item 1 of the OGMS agenda not being approved by the OGMS.”*

2. *“The approval of the Remuneration Policy of Fondul Proprietatea in force starting 1 April 2024, to reflect the provisions of the Management Agreement, in the form provided in the supporting documentation related to item 2 on the OGMS agenda with a change in the base commission rate so that the base commission is 1.35 %, subject to item 2 of the OGMS agenda not being approved by the OGMS.”*

3. *“The approval of the Strategy of the Fund applicable to the mandate period 1 April 2024 to 31 March 2025 so that it includes the preservation of the current portfolio managed by Franklin Templeton International Services S.à r.l.”*

We also enclose a copy of the proof of the Ministry of Finance's shareholder status in Fondul Proprietatea, issued by the Central Depository.

With special consideration,

Minister of Finance

Marcel-Ioan Boloş