

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 and Extraordinary General Meetings of Shareholders of Fondul Proprietatea S.A. to be held on 25 September 2023

Franklin Templeton International Services S.À 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 6 September 2023 it received from the Ministry of Finance, holding 5.96% of Fondul Proprietatea's share capital*, a request to supplement with a new item the agenda of the Ordinary ("**OGSM**") and Extraordinary ("**EGSM**") General Shareholders Meeting Fondul Proprietatea convened for 25 September 2023.

Attached to this report is the Ministry of Finance's request to supplement the agenda of the OGSM Fondul Proprietatea agenda convened for 25 September 2023.

Franklin Templeton International Services S.À 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 3 August 2023 as received from Depozitarul Central S.A.*

Report date:
7 September 2023

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 3,233,269,110.76

Number of shares in issue and paid-up:
6,217,825,213

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

GDRs on London Stock Exchange



MINISTERUL FINANTELOR

CABINET MINISTRU

TO: FONDUL PROPRIETATEA

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

No. 773.252 / 06.09.2023

Dear Sirs,

In the context of the convening of the General Meeting of Shareholders of Fondul Proprietatea S.A. for 25.09.2023, 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:

I. Ordinary General Meeting of Shareholders with the following items:

1. "Alternative to item 1 of the OGMS Convening Notice -

*Approval of the renewal of the mandate of Franklin Templeton International Services S.a.r.l., a société à responsabilité limitée whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, as sole director of Fondul Proprietatea that acts also as the alternative investment fund manager of Fondul Proprietatea, for a period of 1 (one) year, starting on 1 April 2024 and ending on 31 March 2025, **subject to point 1 of the OGM agenda not being approved by the OGM.**"*

(vot secret)

2. " Alternative to item 2 of the OGM Convening Notice -

*" Approval to launch a transparent and competitive selection procedure for the appointment of a new sole director based on investment expertise and experience for a mandate not exceeding four (4) years from 1 April 2024, in accordance with the legal provisions in force, **subject to point 2 of the OGM agenda not being approved by the OGM "***

The Board of Nominees is empowered to initiate, organise the transparent selection procedure for a new Fund Manager and to establish new objectives, performance criteria

and remuneration conditions realigned with these objectives and present them for approval by the GSM"

3. " The amendment of the conditions of evaluation and remuneration of the Fund Manager in line with the new objectives and in accordance with international best practices.

The Board of Nominees is empowered to establish new terms and conditions for the evaluation and remuneration of the manager of the Fund corresponding to the new objectives, in line with international best practices and present them for approval by the GSM"

II. Extraordinary General Meeting of Shareholders with the following item:

1. " Alternatively to item 1 of the EGMS Convening Notice -

Approval of the amendment of Article 19 paragraph (3) of the Constitutive Act of Fondul Proprietatea, which shall be read as follows:

(3) The mandate of the AIFM shall not exceed 2 years, with the possibility of re-election. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of the mandate of AIFM and will ensure that the agenda of the ordinary general shareholders meeting will include points granting the options to (i) approve the renewal of the AIFM's mandate, (ii) appoint 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 investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment"

The rationale behind our request is to put Fondul Proprietatea back on a medium and long term investment track, aligned with Romania's economic development priorities. This realignment can be achieved by establishing a new mandate for the Fund Manager and by modifying the performance evaluation and remuneration indicators.

Fondul Proprietatea can respond to a real need for financial market development - the (partial) coverage of the local contribution to private equity funds co-financed by the PNRR. In this area, Romania aims to create up to 20 Funds, with European funding of EUR 400 million and a corresponding need for local co-financing of at least EUR 200 million. In perspective, the development of this ecosystem of Private Equity Funds will provide the Romanian industry with a broad, competitive, sophisticated and deep palette of investors.

Given that the current manager's mandate expires on 01.04.2024 and that a selection procedure can be completed within a reasonable period of 1 (one) year, it is necessary to ensure the management of the Fondul Proprietatea during the selection procedure.

Taking into account the fact that the constitutive act of Fondul Proprietatea provides for a 2-year mandate of the director, it is necessary to amend the constitutive act, giving the shareholders the possibility to appoint a new director for a period not

exceeding 2 years, depending on the strategy presented by the new director.

In the context of the above, as well as 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:

I. The ordinary general meeting of shareholders of Fondul Proprietatea is:

1. *" It is hereby approved to renew the mandate of Franklin Templeton International Services S.a.r.l., a société à responsabilité limitée whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, as sole director of Fondul Proprietatea that acts also as the alternative investment fund manager of Fondul Proprietatea, for a period of 1 (one) year, starting on 1 April 2024 and ending on 31 March 2025."*

2. *"It is hereby approved to organize a transparent and competitive selection procedure for the appointment of a new sole director based on based on investment expertise and experience in industrial companies in Romania for a term of office not exceeding 2 (two) years starting on 1 April 2024 and ending on 31 March 2028, inclusively, in accordance with the legal provisions in force, **subject to point 1 and 2 of the OGM agenda not being approved by the OGM.**"*

The Board of Nominees is empowered to initiate, organise the transparent selection process for a new manager of the Fund and to establish new objectives, performance criteria and remuneration conditions realigned with these objectives and present them for approval by the GSM"

3. *" It is hereby approved to modify the Fund Manager's evaluation and remuneration conditions in line with the new objectives and in line with international best practices.*

The Board of Nominees is empowered to establish new terms and conditions for the evaluation and remuneration of the Fund Manager corresponding to the new objectives, in line with international best practice, and to submit them for approval by the GSM."

II. The Extraordinary General Meeting of Shareholders of Fondul Proprietatea is:

1. *" It is hereby approved to amend Article 19 paragraph 3 of the Constitutive Act of Fondul Proprietatea, which shall read as follows:*

(3) The mandate of the AIFM shall not exceed 2 years, with the possibility of re-election. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of the mandate of AIFM and will ensure that the agenda of the ordinary general shareholders meeting will include points granting the options to (i) approve the renewal of the AIFM's mandate, (ii) appoint 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 investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment."

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,

Ministry of Finance

Marcel – Ioan BOLOȘ

[Illegible signature]

[Illegible stamp]