

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

Current report according to Article 234 para. (1) letter d) and e) 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:

Resolutions of the Extraordinary and Ordinary General Meetings of Shareholders of Fondul Proprietatea S.A held on 27 September 2024

Franklin Templeton International Services S.À R.L, as alternative investment fund manager and sole director of Fondul Proprietatea SA ("**Fondul Proprietatea**" / the "**Fund**"), hereby, announces, that on 27 September 2024 were held at "**INTERCONTINENTAL ATHÉNÉE PALACE BUCHAREST**" Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, 1st District, Bucharest, 010292, Romania, the **Fund's Extraordinary General Shareholders Meeting ("EGM")** commencing 11:00 am (Romanian time) and **Ordinary General Shareholders Meeting ("OGM")** commencing 12:00 pm (Romanian time).

The meetings were chaired by Mr. Johan Meyer, the Permanent Representative of Franklin Templeton International Services S.à r.l., the Sole Director of the Fund.

The shareholders of the Fund decided the following with respect to:

A The agenda of the EGM.

➤ **To approve Item 1 on the EGM Agenda**, respectively, "The approval of the amendment of Article 19 par. (3) of the Constitutive Act of Fondul Proprietatea, which shall be read as follows:

"(3) The mandate of the AIFM shall not exceed 4 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."

➤ **To approve Item 2 on the EGM Agenda**, respectively, "The approval of the amendment of Article 20 of the Constitutive Act of Fondul Proprietatea, which shall be read as follows:

"The Alternative Investment Fund Manager shall appoint a natural person as its permanent representative. The Alternative Investment Fund Manager shall also appoint a natural person as the replacement for the permanent representative, to perform the duties of the permanent representative in case of inability to carry out his/her activities. The Alternative Investment Fund Manager can change the permanent representative and/or the replacement in accordance with the applicable law. All changes will be registered with the Trade Registry."

➤ **To approve Item 4 on the EGM Agenda**, respectively, "The approval of:

- (a) The date of **10 October 2024** as the **Ex - Date** in accordance with Article 176 paragraph (1), computed with the provisions of Article 2 paragraph (2) letter (I) of Regulation no. 5/2018; and of

The date of **11 October 2024** as the **Registration Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 87 paragraph (1) of Issuers' Law.

Report date:
27 September 2024
Name of the issuing entity:
Fondul Proprietatea S.A.

Registered office:
76-80 Buzesti Street
7th floor, 1st District,
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 1,849,342,164.28

Number of shares in issue and paid-up:
3,556,427,239

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

GDRs on London Stock Exchange

As they are not applicable to this EGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation and the payment date.

- (b) The empowerment, with authority to sub-delegate, of Johan Meyer to sign the shareholders' resolutions and the amended, renumbered and restated form of the Constitutive Act, if the case may be, 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."

Item 3 on the 27 September 2024 EGM Agenda was not approved.

Please recall that Item 3 on the EGM agenda refers to:

"Starting with the date when this Resolution of the extraordinary general meeting of shareholders is published in the Official Gazette of Romania, Part IV, the empowerment given by the Resolution of the extraordinary general meeting of shareholders no. 1/13.02.2024 on the approval of the authorization of the sole director to buy-back shares of Fondul Proprietatea, global depositary receipts or titles of interest corresponding to shares of Fondul Proprietatea, via trading on the regular market on which the shares, the global depositary receipts or titles of interest corresponding to the shares of Fondul Proprietatea are listed or public tender offers, in compliance with the applicable law, for a maximum number of 1,000,000,000 shares, shall be amended as follows: During the time frame remained until the end of the mandated granted to Franklin Templeton International Services S.a r.l., respectively 31 March 2025, the sole director shall not be entitled to buyback shares of Fondul Proprietatea, global depositary receipts or titles of interest corresponding to shares of Fondul Proprietatea."

(Item added on the agenda at the request of the shareholder Ministry of Finance)

B. The Agenda of the OGM.

➤ **To approve Item 1 on the OGM Agenda**, respectively, "The approval of 2024 revised budget of Fondul Proprietatea, in accordance with the supporting materials."

➤ Regarding **Item 2 on the OGM Agenda**, respectively

"The appointment for a period of three (3) years of two (2) members of the Board of Nominees of Fondul Proprietatea following (i) the expiration of the mandate of Mr. Nicholas Paris on 6 April 2024 and (ii) the resignation of Mr. Martin Bernstein which became effective on 12 July 2024. The mandate of each new member in the Board of Nominees shall start on the date the respective candidate appointed by the OGM accepts such appointment. (*secret vote*)",

please be informed that only one (1) candidate obtained the statutory majority provided by the Fund's Constitutive Act for being elected as member of the Board of Nominees, the other seat remaining vacant.

Mrs. Ileana-Lăcrămioara Isărescu was appointed as member of the Board of Nominees of Fondul Proprietatea for a period of three (3) years.

➤ **To approve Item 3 on the OGM Agenda**, respectively "The appointment of Ernst & Young Assurance Services SRL, with its headquarters in Bucharest, 15 - 17 Ion Mihalache Blvd., Tower Center Building, 22nd Floor, 1st District, 011171, Romania, registered with the Trade Registry under no. J40/5964/1999, Sole Registration Number 11909783, as the financial auditor of Fondul Proprietatea, setting the duration of the financial audit agreement for the period starting with 1 September 2025 to 31 August 2026, and revocation and deregistration from the Trade Registry of Deloitte Audit SRL; and setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea for the financial year ended 31 December 2025, to be prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and setting the level of its remuneration for the financial audit services described above at a maximum level (without VAT) of EUR 115,235/year." (*secret vote*)

➤ **To approve Item 4 on the OGM Agenda**, respectively, "The approval of the following selection criteria, as prepared and proposed by the Board of Nominees on the basis of the advice received by the Board of Nominees from Numis Securities Limited, member of Deutsche Bank Group, and based on which the Board of Nominees shall select the alternative investment fund manager ("**AIFM**") of Fondul Proprietatea:

a. Established investment management entity operating to global standards in asset management, client servicing, compliance, financial reporting, investor relations, and risk management, and with experience and expertise in mandates invested in Romania and/or similar markets.

b. Proposal for Fondul Proprietatea's investment mandate which should predominantly be focused on continued investment in domestic entities, including state-owned enterprises, and which may involve further direct or indirect investment in unquoted entities.

c. Regulatory authorisation necessary to implement Fondul Proprietatea's investment mandate, specifically an AIFM authorised as an alternative investment fund manager by the Romanian Financial Supervisory Authority or an EU-authorised AIFM with a credible basis for seeking a passport to operate in Romania.

d. Internal resources necessary to implement Fondul Proprietatea's investment mandate including operational capacity in Romania (or credible basis for establishing a Romanian office) (or credible proposal to put resources in place which may involve an outsourcing model).

e. Remuneration structure aligned with interests of shareholders as a whole in the long-term delivery of Fondul Proprietatea's investment mandate."

➤ **To approve Item 5 on the OGM Agenda**, respectively, "The appointment, following selection by the Board of Nominees, of Numis Securities Limited, member of Deutsche Bank Group, with its head-office at 45 Gresham Street, London, United Kingdom ("**Deutsche Numis**"), as selection advisor assisting Fondul Proprietatea through the members of the Board of Nominees. Deutsche Numis shall provide services related to the selection of the potential AIFM, assisting the members of the Board of Nominees in drafting the request for proposals to be sent to potential candidates, selection and analysis of the offers received, project management of the selection process and assistance during negotiation of the new terms of the management agreement to be negotiated with the selected candidate(s)."

➤ **To approve Item 6 on the OGM Agenda**, respectively, "The approval of a maximum advisory budget of RON 3,8 million, including all applicable taxes and out-of-pocket expenses, to be used by the members of the Board of Nominees, for the payment of the services to be provided by Deutsche Numis pursuant to any appointment in accordance with a resolution adopted by the OGM following a favourable vote on item 5 of this OGM agenda, as well as for any other services related to the selection of an AIFM, including financial advisory services and legal services required for this purpose."

➤ **To approve Item 7 on the OGM Agenda**, respectively, "The approval of the authorisation of the Chairperson of the Board of Nominees (with authority to be substituted by another member of the Board of Nominees), with the signature of such person being binding upon and mandatory for the Fund, to take the following actions and to act in the name of and on behalf of the Fund (the "**Authorisation**"): "

a. to select and appoint any advisors (without prejudice to any appointment pursuant to an OGM resolution approving point 5 on this OGM agenda) to assist Fondul Proprietatea and the Board of Nominees in relation to the AIFM selection process which has been commenced by the Board of Nominees following the OGSM Resolution no. 9 of 25 September 2023 (the "**Selection Process**");

b. to negotiate and agree, as the case may be, in the name and on behalf of Fondul Proprietatea, any documents (as well as any amendments thereto) regarding the Selection Process; and

c. to sign, execute and deliver all agreements with advisors, written instruments and all other documents, which are necessary, desirable and/or appropriate in order to fulfil the Authorisation granted hereby."

➤ **To approve Item 8 on the OGM Agenda**, respectively, "The approval of (i) the extension of the mandate of Franklin Templeton International Services S.à r.l., a société à responsabilité limitée, whose registered office is located at 8A rue Albert Borschette, L1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979, as the sole director of Fondul Proprietatea that acts also as the alternative investment fund manager of Fondul Proprietatea, for a period of one (1) year starting with 1 April 2025 and until 31 March 2026, inclusive and (ii) the corresponding extension of the terms of the management agreement executed between Fondul Proprietatea and Franklin Templeton International Services S.à r.l. on 29 March 2024, as approved by the OGSM Resolution no. 9 of 22 March 2024, (the

2024, as approved by the OGSM Resolution no. 2 of 26 March 2024 (the "**Management Agreement**") until 31 March 2026, inclusive (with the corresponding amendments to the provisions linked to the duration of the Management Agreement), in accordance with the addendum to the Management Agreement in the form set out in the supporting documentation (the "**Addendum**"), with all the other provisions of the Management Agreement remaining unchanged. The extended mandate and the corresponding Addendum will enter into force only to the extent that by 31 March 2025 (a) the OGSM does not appoint a new AIFM (who shall also act as sole director), pursuant to the AIFM selection process which has been commenced by the Board of Nominees following the OGSM Resolution no. 9 of 25 September 2023 (the "**Appointment**") and (b) such appointment does not enter into force by the aforementioned date (i.e. 31 March 2025).

Mrs. Ilinca von Derenthall, the Chairperson of the Board of Nominees is empowered (with authority to be substituted by another member of the Board of Nominees) to execute the Addendum and to perform/sign any related necessary, useful and/or opportune legal acts and deeds for and on behalf of Fondul Proprietatea." (secret vote)

➤ **To approve Item 11 on the OGM Agenda**, respectively, "The approval of:

- (a) The date of **10 October 2024** as the **Ex - Date**, in accordance with Article 176 paragraph (1), computed with the provisions of Article 2 paragraph (2) letter (l) of Regulation no. 5/2018;

The date of **11 October 2024** as the **Registration Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 87 paragraph (1) of Issuers' Law.

As they are not applicable to this OGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as the payment date and the date of the guaranteed participation.

- (b) The empowerment, with authority to sub-delegate, of Johan Meyer to sign the shareholders' resolutions, 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' resolution, including formalities for publication and registration thereof with the Trade Registry or with any other public institution."

Item 9 on the 27 September OGM Agenda was not put to vote because no candidacy proposals were submitted until the expiration of the deadline, respectively 30 August 2024, 5:00 PM (Romanian time).

Please recall that Item 9 on the 27 September OGM Agenda refers to:

*"The approval of the appointment of a new sole director of Fondul Proprietatea that will act as alternative investment fund manager for a mandate of two (2) years starting with 1 April 2025 (provided that all the legal requirements related to the appointment of the new sole director of Fondul Proprietatea that will act as alternative investment fund manager are finalized by 31 March 2025, inclusive) and until 31 March 2027, inclusive, according to legal provisions in force, **subject to point 8 of this OGM agenda not being approved by the OGM.** The approval of this item on the OGM agenda leads to the revocation of the OGSM Resolution no. 9 of 25 September 2023 and of the OGSM Resolutions approving the selection criteria, the appointment of Deutsche Numis, the budget, and Authorisation for the selection of a new fund manager, as outlined under items 4, 5, 6 and 7 of this OGM agenda. The Board of Nominees is hereby empowered (i) to negotiate the draft of the management agreement which shall be subject to the approval by the ordinary general meeting of shareholders; and (ii) to implement all relevant formalities for authorizing and finalizing the appointment as per this item." (secret vote)*

Item 10 on the 27 September OGM Agenda was not approved.

Please recall that Item 10 on the OGM agenda refers to:

"Alternative to item 8 of the OGMS convening notice -

Approval of the (i) extension of the empowerment of Franklin Templeton International Services S.a r.l., a limited liability company with the registered office in rue Albert Borschette no. 8A, L-1246 Luxembourg, registered with the Register of Trade and Companies of Luxembourg under number B 36.979, as sole director of Fondul Proprietatea, acting as manager of alternative investment fund of Fondul Proprietatea, for a period of one (1) year from 1 April 2025 to 31 March 2026 inclusively and (ii) corresponding extension of the

2023 to 31 March 2025, inclusively and (ii) corresponding extension of the terms of the management agreement concluded between Fondul Proprietatea and Franklin Templeton International Services S.a r.l. on 29 March 2024, as approved by the Resolution of the OGMS no. 2 of 26 March 2024 (hereinafter referred to as the "**Management Agreement**") until 31 March 2026, inclusively (with the corresponding amendments of the provisions on the term of the Management Agreement), according to the Addendum to the Management Agreement in the form provided in the supporting documents (hereinafter the "**Addendum**"), all the other provisions of the Management Agreement remaining unchanged. The extended mandate and the corresponding Addendum shall enter into effect only to the extent that, by 31 March 2025 (a) the OGMS does not appoint a new Manager of the AIF (also acting as sole director) according to the AIFM selection process initiated by the Board of Nominees following the Resolution of the OGMS no. 9 of 25 September 2023 (the "**Appointment**") and (b) such appointment shall not produce effects until the above-mentioned date (i.e. 31 March 2025).

The extension of the mandate of Franklin Templeton International Services S.a r.l. for the management of Fondul Proprietatea is granted strictly subject to the compliance with the obligations below related to the management strategy, for the period 31 March - 31 March 2026, which will be fulfilled and carried out by the sole director:

a. preservation of the current portfolio of Fondul Proprietatea, with the sale of the company's portfolio holdings being prohibited; any offers received for the sale of some of Fondul Proprietatea holdings will be analysed by the Board of Nominees and will be subject to the approval of the OGMS;

b. prohibition of share buy-backs and the retention/use of cash held by the company exclusively for the management of the current portfolio and/or for investments, which will be approved in advance by the Board of Nominees.

Mrs. Ilinca von Derenthall, Chairperson of the Board of Nominees, is empowered (with the possibility of being replaced by another member of the Board of Nominees) to sign the Addendum and to fulfil/sign any and all necessary, useful and/or appropriate legal acts and deeds for and on behalf of Fondul Proprietatea. (secret vote)

This item is approved on condition of non-approval by the OGMS of item 8 on the agenda of the OGMS."

(Item added on the agenda at the request of the shareholder Ministry of Finance)

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

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