

Sole Director's Proposal for the decrease of the legal reserves

In accordance with Article 183 of the Companies Law, Fondul must annually allocate at least 5% of the profit as reserve fund (i.e., the legal reserve), until it reaches at least 20% of the share capital. Based on the audited financial statements of Fondul for the year ended 31 December 2021, the legal reserve represented 20% of the Fund's share capital.

On 19 October 2022, the cancellation of the treasury shares acquired during 2021 was finalized and the share capital of Fondul was decreased by the corresponding amount. Consequently, the legal reserve represented 20.63% of the Fund's share capital as at 31 December 2022.

Based on the analysis performed, the Sole Director did not identify any regulatory provisions that would prevent the decrease of the legal reserve to 20% of the share capital of Fondul and does not see any benefit in maintaining a higher level of the legal reserve compared to the threshold imposed by the law.

Therefore, the Sole Director proposes to shareholders to decrease the legal reserves by RON 20,214,661.57 from RON 666,868,484.57 representing 20.63% of the share capital to RON 646,653,823.00 representing 20.00% of the share capital. Following the decrease, the corresponding amount will be transferred to retained earnings and remain available for future use by shareholders.

The Sole Director's decrease of the legal reserves proposal above is subject to shareholders' approval on point 3 on the 21 April 2023 Extraordinary General Shareholders' Meeting.

Franklin Templeton International Services S.à r.L, in its capacity of Sole Director and alternative investment fund manager of FONDUL PROPRIETATEA S.A.

Johan Meyer

Permanent Representative