

***Memo regarding the appointment of two members in the Board of Nominees***

In accordance with the provisions of Fondul Proprietatea's Constitutive Act ("**the Constitutive Act**"), the Board of Nominees is composed of five members.

Due to the fact that two current mandates of the members of the Board of Nominees expire on 15 November 2023, respectively on 25 November 2023, we propose that the agenda of the Ordinary Shareholders' Meeting of 25 September 2023 to include the appointment of two mandates, as per Articles 12 and 15 of the Constitutive Act.

Please find below the procedure to be observed in this case for the election of the members of the Board of Nominees as follows.

Pursuant to the provisions of Article 16 (5) of the Constitutive Act: "*In case of vacancy arising for the position of one or more members of the Board of Nominees, the general meeting of shareholders shall be immediately summoned for the appointment of new members*". Furthermore, Article 15 (2) of the Articles of Association states that "*any shareholder will be entitled to submit his/her proposals for the members of the Board of Nominees.*"

The conditions that must be met simultaneously by the candidates for the position of member of the Board of Nominees are:

1. May be Fondul Proprietatea's shareholders, or
2. Any other persons appointed by the shareholders, and
3. Must have the adequate expertise and knowledge to receive the Fund Manager's and the advisers' reports and to make judgments based on the information received regarding Fondul Proprietatea's management, within the objectives and principles set out in the investment policy and also by the applicable laws and regulations, and
4. Must have the suitable qualification to decide (if necessary, with the help of an independent consultant) whether the transactions proposed by the Fund Manager, which require the approval of the Board of Nominees, are made for the benefit of the shareholders.

For submitting a candidate proposal for the position of member of the Board of Nominees:

1. The template of candidate proposal, available in the informative materials published on Fondul Proprietatea's website, together with all documents listed therein must be submitted to Fondul Proprietatea;
2. The candidate must personally fill in and sign the questionnaire regarding his/her independence, whose template is also available in the informative materials published on Fondul Proprietatea's website;
3. The candidate must submit a letter setting out the reasons supporting the candidacy (i.e. a statement from the candidate setting out the reasons why shareholders should support their election to the Board of Nominees);
4. The candidate must personally agree that his/her personal data be available on Fondul Proprietatea's website at least until the date of the Shareholders' Meeting, by filing in and signing the consent form and information note for the collection and processing of personal data in the recruitment process, whose template is also available in the informative materials published on Fondul Proprietatea's website;
5. Given the availability of two places for membership in the Board of Nominees, each candidate will have to opt for one vacancy. If a candidate opts for both vacancies, the candidature shall be

deemed to have been cast for the last seat chosen in respect of which the intention to be elected as a member of the Board of Nominees was expressed within the legal term;

**Please take into consideration that the seat available following the expiration of Mr. Ciprian Lăduncă's mandate requires the candidate for such seat to meet the relevant criteria set out in the ASPAAS Order No. 123/28.04.2022 on the composition of the audit committee, as subsequently amended and supplemented.**

6. The candidate proposal must be submitted to the Fondul Proprietatea's headquarters in Bucharest, 76-80 Buzești Street, 7<sup>th</sup> floor, 1<sup>st</sup> district, postal code 011017 or by e-mail at [agafp@fondulproprietatea.ro](mailto:agafp@fondulproprietatea.ro) by **6 September 2023, 5:00 PM (Romanian time)**.

The Nomination and Remuneration Committee will analyse the list of candidates and recommend the candidate(s) to the Board of Nominees, who will further issue a voting recommendation after the list will be final, the final decision belonging to the General Shareholders' Meeting.

The list of candidates will be published and updated on the Fund's official webpage on daily basis, mentioning also if they meet the independence criteria or not.

**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**