

CODE OF ETHICS AND BUSINESS CONDUCT OF FONDUL PROPRIETATEA SA

This Code of Ethics and Business Conduct (the “**Code**”) of Fondul Proprietatea SA, a joint-stock company incorporated under the laws of Romania, qualifying as an alternative investment fund under Law no. 74/2015 on alternative investment fund managers, Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts and as an issuer under Law no. 24/2017 on issuers of financial instruments and market operations, an entity supervised by the Financial Supervisory Authority (“**Fondul Proprietatea**” or the “**Fund**”), has been adopted by the Board of Nominees of Fondul Proprietatea SA (the “**BoN**”) in connection with its oversight of the management and business affairs.

Given that (i) Fondul Proprietatea does not have its own staff, (ii) the Fund is managed by Franklin International Services S.à r.l., as Sole Director and Alternative Investment Fund Manager (the “**AIFM**”), (iii) the AIFM appointed a person as permanent representative to represent it in Romania in accordance with Article 153¹³ of Companies’ Law no. 31/1990 (the “**Permanent Representative**”), (iv) the AIFM appointed several individuals to substitute the Permanent Representative when he is in an impossibility to perform his prerogatives and duties as permanent representative (hereinafter referred to as collectively the “**Substitutes**” and individually the “**Substitute**”), this Code mainly reflects the principles already agreed within the AIFM Code of Ethics and Business Conduct¹ and the commitments of the Fund in relation to shareholders and business partners.

1. Purpose and Overview. General Principles

- 1.1. The Fund is committed to conduct its business in accordance with the highest business, ethical, moral and legal standards, in good faith, with due care and in the long-term best interests of the company and its stakeholders, while also considering environmental, society and individual values.
- 1.2. The Code summarizes the ethical business practices, values and principles that govern the business conduct of the Fund, being applicable to all persons involved in the activities related to Fondul Proprietatea SA, including members of the BoN, Permanent Representative, Substitutes and AIFM of Fondul Proprietatea (each, a “**Covered Person**”).
- 1.3. The Code is a guide regarding the professional conduct and how to solve business ethics issues and provides a set of basic principles to guide the Covered Persons regarding the minimum ethical requirements expected of them.
- 1.4. The Code is mandatory and applies to all the corporate structures of the Fund at any time in relation to the business partners, civil society, local community or other interested parties.

¹ The Code of Ethics and Business Conduct of Franklin Resources, Inc. applicable for all Franklin Templeton employees is available at: <https://franklintempletonprod.widen.net/s/tnqlgnvz92/code-of-ethics>

- 1.5. It is the responsibility of the Covered Persons to conduct themselves accordingly and seek to avoid even the appearance of an improper behaviour. The Fund requires the Covered Persons to conduct themselves in a lawful, honest and ethical manner in all the Fund's business practices, acting with honesty, fairness and professional diligence, in order to safeguard the interests of the Fund's shareholders and market integrity.

2. Compliance with the Laws, Rules and Regulations

- 2.1. This Code is complementary to, and subject to, the Fund's Constitutive Act and other internal rules and policies. This Code is complementary to The Code of Ethics and Business Conduct of Franklin Resources, Inc for the Covered Persons that are employees of the AIFM having responsibilities with regard to Fondul Proprietatea.
- 2.2. All Covered Persons are required to comply with all of the Romanian applicable laws, rules and regulations and to permanently meet the requirements of good reputation, honesty and integrity, according to the relevant regulations. In case of a criminal investigation against a Covered Person the person investigated should be suspended from all roles referring to Fondul Proprietatea.
- 2.3. Such legal framework may in some instances be less restrictive than the principles set forth in this Code. In these situations, the Covered Persons should comply with the Code, even if the conduct would otherwise be legal under other applicable laws. On the other hand, if the laws are more restrictive than the Code, Covered Persons should comply with the applicable laws.
- 2.4. In the eventuality the Code becomes contrary to the legal framework, it should be adapted in order to comply with the legal requirements.

3. Insider Trading

- 3.1. This Code should be read in conjunction with Current Reports Procedure applicable to of Fondul Proprietatea. Where the Code contains contrary provisions to those established in the Policy, Current Reports Procedure applicable to Fondul Proprietatea shall prevail.
- 3.2. The Fund has established a firm rule prohibiting the Covered Persons who have access to inside information from making use of such information in trading in the Fund's securities before such information has been fully disclosed to the public and a reasonable period of time for dissemination of the information has passed.

3.3. Inside Information

- 3.3.1. The information should be regarded as being "inside" if that information, whether positive or negative, could reasonably be expected to affect the price of the securities issued by the Fund ("**Inside Information**").
- 3.3.2. The AIFM will determine which information is "inside" according to the legal requirements and will bear responsibility for compliance with the timely disclosure obligations under applicable securities laws and requirements of any stock exchange on which the securities of the Fund are listed.

3.4. Prohibition on unlawful disclosure of information

- 3.4.1. No Covered Person shall disclose Inside Information to any other person or company, other than as may be necessary in the ordinary course of business.
- 3.4.2. Unless specifically authorized by the AIFM, the Inside Information shall be maintained in strict confidence.
- 3.4.3. For avoiding the disclosure any confidential information that may be considered Inside Information the Covered Person should have public statements or discussions with stakeholders only after the subjects are discussed with legal and communication teams of the AIFM.

3.5. Prohibition on Insider Trading

- 3.5.1. No dealing in Fund's securities is allowed during blackout periods (the "Blackout Periods")². Outside the Blackout Periods, no dealing is allowed when having Inside Information.
- 3.5.2. To facilitate compliance with trading regulations, the Fund is establishing Blackout Periods closely related to the Fund's financial information, during which no trading with Fund's securities is permitted.
- 3.5.3. In general, Covered Persons shall not conduct any transaction on their own account or for the account of a third party, directly or indirectly, related to the Fund's securities during a closed period of 30 calendar days before the release to the public of an interim financial report, a year-end report, a quarterly report or of a half yearly report.
- 3.5.4. As such, any Covered Person who either possess or has access to Inside Information is prohibited from:
 - (i) using the Inside Information to purchase or sell or intend to purchase or sell, on own behalf or account to a third party, directly or indirectly, the securities to which this information is related;
 - (ii) disclosing Inside Information to any other person, unless such disclosure is made in the normal course of the exercise of his employment, profession or duties;
 - (iii) recommending to other persons, based on the Inside Information, to purchase or sell the financial instruments to which this information is related.

3.6. Restraining from acts of market manipulation

- 3.6.1. It is strictly prohibited for any person to get engaged in acts of market manipulation.
- 3.6.2. The market manipulation shall comprise the following activities:
 - (a) entering into a transaction, placing an order to trade or any other behaviour which:
 - (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot

² The Blackout Period is established in order to eliminate any existing risk or risk perceived as such by the investors that a person working for the Fund should abuse from any inside information during the period between collating the periodical results and communicating the same to the relevant Stock Exchanges.

commodity contract or an auctioned product based on emission allowances; or

- (ii) secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level,

unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with an accepted market place;

- (b) entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances, which employs a fictitious device or any other form of deception or contrivance;
- (c) disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances or secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;
- (d) transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

3.6.3. The following behaviour shall, *inter alia*, be considered as market manipulation:

- (a) the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;
- (b) the buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;
- (c) the placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading

strategies, and which has one of the effects referred to in paragraph 1 (a) or (b), by:

- (i) disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so;
 - (ii) making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilization of the order book; or
 - (iii) creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend.
- (d) the taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;
- (e) the buying or selling on the secondary market of emission allowances or related derivatives prior to the auction held pursuant to Regulation (EU) No 1031/2010 with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

4. Conflicts of Interest

- 4.1. This Code provides ethical and professional standards, aiming at determining a professional and responsible behavior at the level of the Fund in order to prevent conflicts of interest.
- 4.2. Covered Persons are required to observe the provisions of this Code, to act with due diligence and to conduct themselves in a manner and with such ethics and integrity so as to avoid a conflict of interest, either real or apparent.
- 4.3. A “conflict of interest” represents that situation or circumstance that may arise in the operational or decision-making process, where the private interest, directly or indirectly, of a person holding a key position within the Fund interposes with the interests of the Fund and affects or could affect her/his independence and impartiality in decision-making, professional reasoning or the timely and objective performance of duties or that could affect, by its nature, the integrity or stability of Fondul Proprietatea and the financial market. In this respect, Covered Persons should avoid activities, interests and other relationships that might be opposed to the interests of the Fund or might cause a conflict with the performance of their duties.

- 4.4. At least the following aspects should be taken into consideration for determining a potential or real conflict of interest:
- (a) the potential conflict of interest arises when there are clues of the existence of personal interests which, if a decision were to be taken, could lead to one of the following situations:
 - (i) the Covered Person, her/his close relatives or persons with whom she/he is in close contact could obtain a financial gain or avoid a financial loss, as a result of the position in the Fund structure, including by using the legal resources of the Fund for personal purposes;
 - (ii) the Covered Person or a close person may have an interest in the outcome of a service or activity provided to the Fund or another customer or in a transaction performed on behalf of the Fund or another customer, which is different from the interest of the Fund in that outcome;
 - (iii) the Covered Person or a close person could benefit from a financial or other incentive to favor a company, at the expense of the Fund.
 - (b) the real conflict of interests results from the participation in making a decision regarding which there is a personal interest that led to the appearance of one of the situations provided under paragraph (a) above.

5. Corporate Opportunities

- 5.1. The Covered Persons are prohibited from:
- (a) competing with the Fund or with a company in which the Fund holds shares;
 - (b) taking from themselves personally opportunities that are discovered or made available through the use or the share of the Fund's property, information or position;
 - (c) using Fund's property, information or position for improper personal gain.

6. Anti-Corruption. Gifts and Gratuities

- 6.1. Bribery means any benefit or value that it is offered, promised or given to a person, directly or indirectly, to influence the behaviour of a person, usually by inducing the person to do abuse of public or private office in order to ensure an inappropriate advantage or a favourable decision.
- 6.2. All Covered Persons are strictly prohibited from offering gifts to business partners or others in order to improperly influence them. Covered Persons shall also not promise, pay or provide to others valuable items or accept such an object for the purpose of influencing civil servants (or to create the impression of such an influence) in order to generate an unfair advantage in business.
- 6.3. To the same extent, Covered Persons shall not solicit any third party for any gift, gratuity, entertainment or any other item regardless of its value.
- 6.4. Value items include financial or other advantages such as – in addition to cash – gifts, credit/loan, guarantees, discounts, entertainment, services, benefits etc. It shall not have a minimum quality or limit value that it should be exceeded in order for these

activities to be in conflict with the provisions of the Code. Circumstances which may create the impression/suspicion of such facts shall be avoided.

7. Confidential Information Obligations

- 7.1. As a result of their duties, Covered Persons may produce, receive or become acquainted with the confidential information or trade secrets of the Fund, information that the Fund received from others that Fondul Proprietatea is bound to keep confidential including information related to the Fund's shareholders, business partners or other investors or other commercially sensitive information regarding the privacy, confidentiality and secrecy of which is valued by the Fund ("**Confidential Information**").
- 7.2. Covered Persons shall not disclose confidential information and business secrets of Fondul Proprietatea to which they have access. This obligation shall also be incident after the end of the mandate.
- 7.3. Covered Persons are responsible for maintaining the confidentiality of information entrusted to them as a result of their roles with the Fund, except when disclosure is authorized or legally mandated. The sensitive nature of the investment business requires that Covered Persons be continuously aware of the confidential nature of the information to which they may have access.
- 7.4. Confidential information may include, among others, (i) financial information, debt arrangements, investors, purchasing and sales data; (ii) marketing strategies and methods, business plans, strategies, templates, models, policies and procedures; (iii) software, database, hardware configurations, or other technology or tools created, developed or compiled by the Fund; (iv) discoveries, inventions, designs, improvements, concepts and ideas; (v) any confidential and privileged legal advice given to the Fund, which legal privilege belongs to the Fund; (vi) any information that may be subject to non-disclosure or confidentiality agreements between the Fund and third parties; (vii) investments/divestments to be performed by the Fund.
- 7.5. Confidential Information shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of the Fund, the Fund's business partners, shareholders or investors.
- 7.6. The Covered Persons are also expected to sign an agreement or acknowledgement regarding the confidentiality terms they need to respect which may be amended from time to time as the Fund may amend its provisions.

8. Transparency and non-discrimination

- 8.1. The Covered Persons responsible with the communication with shareholders are engaged in an open and constructive dialogue with all stakeholders, a dialogue based on transparency, respect and professionalism.
- 8.2. The Covered Persons will not discriminate against anyone regardless of race, gender, religion, sexual orientation, political affiliation or any other criteria that may form the basis of discrimination.

9. Advising and Reporting the Ethical Issues

- 9.1. As a general matter, if a Covered Person needs support/explanations about compliance with the provisions of the Code, including whether a particular situation constitutes a conflict of interest, or if they wish to communicate a violation of the provisions of the Code, he/she shall submit a request/referral to the Chairman of the Board of Nominees. For Franklin Templeton employees the reporting will be done according to internal procedures in force.
- 9.2. In order to achieve an immediate and complete settlement, each request/referral shall contain concrete identification details of the claim which represents/may represent a violation of the requirements of the Code, date/period, person(s) involved, supporting documents etc.
- 9.3. If a Covered Person does not feel comfortable stating his/her name, the request/referral may be made anonymously.
- 9.4. The Legal Manager or the Compliance Officer should register the request/referral in a special Register that will contain the abovementioned identification details.
- 9.5. This procedure is generally applicable for addressing ethical issues that may arise. Every request/referral regarding the violation of the provisions of the Code are strictly confidential.

10. Application of the Code

- 10.1. The Code is intended solely for the internal use by the Fund and does not constitute an admission, by or on behalf of the Fund, as to any fact, circumstance, or legal conclusion.