

[Translation from Romanian]

To

FRANKLIN TEMPLETON INTERNATIONAL SERVICES SARL

office@fondulproprietatea.ro

Dl. Johan Meyer - Branch Manager

[stamp: Financial Supervisory Authority; Incoming/Outgoing no. 1261; 28.01.2022]

[stamp: S.C. Fondul Proprietatea S.A.; Incoming no. 60; 28.01.2022]

Dear Sir,

In reply to your letter registered with F.S.A. under no. RG/20794/22.07.2020, supplemented with letters no. RG/25628/01.09.2020, no. RG/30465/20.10.2020, no. RG/31035/26.10.2020, no. RG/32540/06.11.2020, no. RG/33709/19.11.2020, no. RG/35251/10.12.2020, no. RG/1704/20.01.2021, no. RG/7087/08.03.2021, no. RG/8229/18.03.2021, no. RG/15000/07.05.2021, no. RG/15039/10.05.2021, no. RG/15064/10.05.2021, no. RG/22292/21.07.2021, no. RG/26111/23.08.2021, no. RG/29896/04.10.2021, no. RG/20843/12.10.2021, no. RG/33374/04.11.2021, no. RG/35913/06.12.2021, no. RG/36225/08.12.2021, no. RG/36358/09.12.2021 and no. RG/36507/10.12.2021, we remit to you enclosed F.S.A. Authorization no. 25/28.01.2022.

Also, in accordance with the Resolution of the Board of the Financial Supervisory Authority of 26.01.2022, we hereby kindly request you to reinclude on the following agenda of the General Extraordinary Meeting of the Shareholders of Fondul Proprietatea S.A. the proposals to amend the Constitutive Act requested by F.S.A. in letters no. SI- DRA/5415.1/09.10.2020 and no. SI-DRA/5415.6/11.11.2020, which were rejected by the shareholders during the General Meeting of Shareholders dated 14.01.2021.

Best considerations,

Vice-President

Gabriel GRĂDINESCU

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[stamp: Financial Supervisory Authority, S.I.I.F., Romania, Vice-President]

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AUTHORIZATION NO. 25/28.01.2022

Under the provisions of Article 2, paragraph (1), letter a) and letter d), Article 3, paragraph 1, letter a), Article 6, paragraph (1) and paragraph (3), Article 7, paragraph (2), Article (14) and of Article 27 of Government Emergency Ordinance no. 93/2012 on establishment, organisation and operation of the Financial Supervisory Authority, approved as amended and supplemented under Law no. 113/2013, as subsequently amended and supplemented,

Under the provisions of Article 4, paragraph (1), paragraph (3), paragraph (5) and paragraph (11), Article 17, paragraph (1), Article 18, paragraph (1), Article 20, Article 21, paragraphs (1) and (7), Article 22, paragraph (1), Article 23, paragraph (1), Article 25, paragraph (2), Article 31, letter a), Article 39, Article 78, paragraph (2), letter a), and Article (3), Article 79, paragraph (1), paragraph (3), letter a), and Article (4), and of Article 80, paragraph (1) of Law no. 243/2019 on the regulation of the alternative investment funds, and amendment and supplementation of regulatory acts,

Under Article 1, Article 33, Article 34, paragraph (1), paragraph (3), paragraph (4) and paragraph (5), Article 35, Article 72, paragraph (1) - (3) and of Article 73, paragraphs (2) and (3) of F.S.A. Regulation no. 7/2020 regarding the authorization and operation of alternative investment funds, as subsequently amended and supplemented,

In accordance with the provisions of Regulation (EU) no. 1286/2014 of the European Parliament and Council on key information documents on packaged retail and insurance-based investment products (PRIIP), as subsequently amended and supplemented,

In accordance with the provisions of Delegated Regulation no. 2019/980 supplementing Regulation (EU) no. 2017/1129,

Considering the provisions of Article 5, paragraph 9, Section 9 - Alternative Investment Funds, letter a), Subsection 1 - Alternative investment funds dedicated to retail investors and established in Romania (F.I.A.I.R.), and of Article 9, paragraph (2) of F.S.A. Regulation no. 15/2018 regarding the Public Register of Financial Supervisory Authority, as subsequently amended and supplemented,

Considering the provisions of Article 2, paragraph 1, letter e), paragraph 12, letter b) and paragraph 22, Article 4, paragraph 1, letter a), Article 6, paragraph (1) and paragraph (3), letters a), and Article 7, paragraph (1) of Regulation (EU) no. 2088/2019 on information regarding sustainability in the sector of financial services,

Considering the request of Franklin Templeton International Services S.a.r.l., acting in the capacity of manager of Fondul Proprietatea S.A., registered with the Financial Supervisory Authority under no. RG/20794/22.07.2020, supplemented with letters no. RG/25628/01.09.2020, no. RG/30465/20.10.2020, no. RG 31035/26.10.2020, no. RG/32540/06.11.2020, no. RG/33709/19.11.2020, no. RG/35251/10.12.2020, no. RG/1704/20.01.2021, no. RG/7087/08.03.2021, no. RG/8229/18.03.2021, no. RG/15000/07.05.2021, no. RG/15039/10.05.2021, no. RG/15064/10.05.2021, no. RG/22292/21.07.2021, no. RG/26111/23.08.2021, no. RG/29896/04.10.2021, no. RG/20843/12.10.2021, no. RG/33374/04.11.2021, no. RG/35913/06.12.2021, no. RG/36225/08.12.2021, RG/36358/09.12.2021 and no. RG/36507/10.12.2021,

Based on the Note of General Directorate - Financial Instruments and Investments Sector, and on the decision of F.S.A. Council adopted in the meeting of 26.01.2022,

The Financial Supervisory Authority issues the following

AUTHORIZATION

Article 1. Fondul Proprietatea S.A. is authorized in the capacity of Alternative Investment Fund dedicated to retail investors (F.I.A.I.R.), having as depository BRD-Groupe Société Générale S.A., and being managed by Franklin Templeton International S.a.r.l., with the registered office in 8a, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg, registered with the Trade Registry of Luxembourg under no. B 36.979.

Article 2. The amendments made to the Constitutive Act of Fondul Proprietatea S.A. under the Resolution of the Extraordinary General Meeting of Shareholders no. 1 of 14.01.2021 are approved in the form provided in the Annex which is integral part of this authorization.

Article 3. Franklin Templeton International Services S.a.r.l., in the capacity of manager of Fondul Proprietatea S.A., is bound to provide the Financial Supervisory Authority with the copy of the Certificate of Recorded Amendments within maximum five days as of the date of registration with the Trade Registry Office of the Constitutive Act of Fondul Proprietatea S.A., updated, but no later than 90 days as of the date of this authorization.

Article 4. The simplified prospectus of Fondul Proprietatea S.A. is authorized, prepared in accordance with the legal provisions applicable to security issuers, with F.S.A. regulations issued for their enforcement, and with the provisions of Delegated Regulation (EU) no. 2019/980 supplementing Regulation (EU) no. 2017/1129, provided in letter registered with F.S.A. under no. RG/36507/10.12.2021.

Article 5. Fondul Proprietatea S.A. is registered with F.S.A. Register in Section 9 - Alternative Investment Funds, Subsection 1 - Alternative Investment Funds dedicated to retail investors established in Romania (F.I.A.I.R.) under no. PJR09FIAIR/400018.

Article 6. The capacity of Romanian closed-end investment company (S.I.I.R) of Fondul Proprietatea S.A., registered under no. PJR09SIIR/400006, is deregistered from F.S.A. Register.

Article 7. Authorization no. 25/28.01.2022 shall enter into force on the date of its communication to the manager of Fondul Proprietatea S.A., i.e. Franklin Templeton International S.a.r.l., and it shall be published in the electronic Bulletin of the Financial Supervisory Authority.

PRESIDENT

Nicu MARCU

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[stamp: Financial Supervisory Authority, Romania]

1. Article 4 is amended and it shall have the following content:

„(1) The duration of Fondul Proprietatea is until 31 December 2031.

(1) The duration may be extended by the Extraordinary General Meeting of Shareholders for additional periods of 5 years / each.”

2. Article 9, paragraph (1) is amended and it shall have the following content:

“(1) The shares of Fondul Proprietatea are nominative, of equal value, issued in dematerialized form, established by registration into the account, and grant equal rights to their holders under the conditions provided by Article 11. The existing fully paid-up ordinary shares of Fondul Proprietatea are admitted to trading on the regulated market operated by Bursa de Valori Bucuresti S.A., and may be admitted to trading on other markets, with the approval of the extraordinary general meeting of shareholders.”

3. At Article 9, after paragraph (1), a new paragraph is inserted, i.e. paragraph (1[^]1) with the following content:

“(1[^]1) The Global Depositary Receipts of Fondul Proprietatea (i.e. GDRs), having the shares of Fondul Proprietatea as underlying securities, are listed on the Specialist Fund Market of London Stock Exchange, and may be admitted to trading on other markets, with the approval of the Extraordinary General Meeting of Shareholders.”

4. At Article 12, paragraph (2), letters f) and k) are amended and it shall have the following content:

“(2) The General Ordinary Meeting of Shareholders has the following competences, prerogatives and functions:

(...f) to approve the remuneration policy applicable to the members of the Board of Nominees and AIFM, including the remuneration of the members of the Board of Nominees and AIFM, and to establish the remuneration of the financial auditor for financial audit services;”

k), to decide upon the pledge, lease or setting-up of the movable securities or mortgages on the assets of Fondul Proprietatea according to the legislation in force;”

5. At paragraph (3) of Article 12, after letter k), a new letter is inserted, i.e. letter k[^]1 with the following content:

“(3) The Extraordinary General Meeting of Shareholders has the right to decide upon:

k[^]1) approval of: (i) the dissolution and liquidation of the Company; or (ii) the extension of the duration of the Company, in all cases according to the legislation in force;”

6. At Article 13, paragraph (7) is amended and it shall have the following content:

“(7) The calling notice shall include all the elements required according to legislation and regulations

in force.”

7. At Article 19, after paragraph (5), a new paragraph is inserted, i.e. paragraph (6) with the following content:

“(6) The rules of the Alternative Investment Fund Manager remuneration and the size of administration fees are included in the remuneration policy, and the remuneration policy is approved by the Ordinary General Meeting of Shareholders, at least once every four years. The annual size of the administration fees is included in the annual budget and approved by the Ordinary General Meeting of Shareholders according to the legislation in force.”

8. Article 20 is amended and it shall have the following content:

„The Alternative Investment Fund Manager shall appoint a natural person as its permanent representative. The Alternative Investment Fund Manager may change the permanent representative in accordance with the applicable law. All changes will be registered with the Trade Registry.”

9. At Article 24, paragraph (2) is amended and it shall have the following content:

“(2) The internal audit activity organised for Fondul Proprietatea shall be outsourced to a third party on a contractual basis, in accordance with the applicable legal provisions.”

10. At paragraph (1) of Article 31, letter c) is amended and it shall have the following content:

“(1) The dissolution of Fondul Proprietatea shall take place in the following cases:

(...)

c) by decision of the Extraordinary General Meeting of the Shareholders, in accordance with article 14;”

11. At paragraph (1) of Article 31, after letter f), a new letter is inserted, i.e. letter f¹) with the following content:

“(1) The dissolution of Fondul Proprietatea shall take place in the following cases:

(...)

f¹) expiry of the duration of Fondul Proprietatea, if the Extraordinary General Meeting of Shareholders of Fondul Proprietatea does not decide to extend the duration, in accordance with Article 4;”

12. Article 32 is amended and it shall have the following content:

“(1) The dissolution of Fondul Proprietatea has as consequence the initiation of the liquidation procedure and, irrespective of the reasons for dissolution of the Company, Fondul Proprietatea will be wound-up only after finalising the related procedures, in accordance with the law.

(2) The shareholders cannot, directly or indirectly, redeem their shares in the assets of the Company prior to the initiation of the liquidation procedure.

(3) The liquidation of Fondul Proprietatea and distribution of the patrimony shall be made in accordance with the law.”

13. Article 34 is amended and it shall have the following content:

Counterpart no. 1/3

“(1) The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitation provided by the legal provisions in force for a diversified closed-end alternative investment fund set up as a joint stock investment company addressed to retail investors, and of these Constitutive Act.

(2) The investment policy of Fondul Proprietatea shall comply with the investment restrictions, and Fondul Proprietatea may invest only in the categories of assets allowed according to the valid legal provisions applicable to a diversified closed-end alternative investment fund set up as a joint stock investment company addressed to retail investors according to legislation in force.

(3) Subject to the terms of these Constitutive Act, the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all the rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.

(4) Prudential rules concerning the investment policy shall be approved by the shareholders under the Investment Policy Statement.

(5) The detailed presentation of the investment policy and the rules for pricing the assets of the Company, drafted in line with Romanian and European legislation in force, are included in the rules of Fondul Proprietatea, and are published by the AIFM on the website of the Company.”