

**Resolution no. 4 / 21 April 2023
of the Shareholders' Ordinary General Meeting of
FONDUL PROPRIETATEA S.A.**

Headquarters: 76-80 Buzești Street, 7th floor, 1st district, Bucharest, Romania,
Registered with the Trade Registry under number J40/21901/2005, fiscal registration code
18253260

Today, 21 April 2023, 12:00 PM (Romanian time), the shareholders of Fondul Proprietatea S.A. (the “**Fund**” or “**Fondul Proprietatea**”) have met during the Shareholders' Ordinary General Meeting (“**OGM**”) of the Fund, at its first summoning, at “**INTERCONTINENTAL ATHÉNÉE PALACE BUCHAREST**” Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, Sector 1, Bucharest, 010292, Romania, the OGM being opened by its Chairman, namely Mr. Johan MEYER, in his capacity of permanent representative of Franklin Templeton International Services S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016, in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. (“**Sole Director**”).

Whereas:

- The convening notice of the OGM was published on the Fund's website (www.fondulproprietatea.ro) on 28 February 2023 and subsequently republished on 8 March 2023 and in the Official Gazette of Romania, Part IV, number 984 of 1 March 2023 and no. 1144 of 9 March 2023 and in “Adevărul” newspaper number 8897 of 1 March 2023 and no. 8902 of 9 March 2023;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (Companies' Law no. 31/1990);
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004;
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts;
- The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, with its subsequent amendments and supplementations (Issuers' Law);

- The provisions of Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations (Regulation no. 5/2018);
- The provisions of Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation (Law no. 243/2019);
- The provisions of Regulation of the Financial Supervisory Authority no. 7/2020 on the authorization and operation of alternative investment funds (Regulation no. 7/2020);
- The provisions of COMMISSION IMPLEMENTING REGULATION (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights (CE Regulation 1212/2018),

it is necessary to have a number of shareholders holding 25% of the total voting shares in order to meet the quorum conditions, in the present OGM, manifesting their vote 106 shareholders, which represents a number of 2,751,915,813 voting rights (i.e. 50.5804% of the total voting rights at the reference date 23 March 2023, i.e. 5,440,671,757; i.e. 44.2584% of the total number of shares in issue at the reference date 23 March 2023, i.e. 6,217,825,213),

there are met the quorum for holding this meeting and the majority for shareholders to decide legally, under the legally required majority (according to art. 112 paragraph (1) of the Companies' Law no. 31/1990 and art. 14 I paragraph (1) of the Fund's Constitutive Act).

Following debates, the Fund's shareholders decide as follows.

- I. The approval of the remaining net accounting profit allocation, including the approval of the value of the gross annual dividend of RON 0.05 per share corresponding to the 2022 financial year profit, in accordance with the supporting documentation and as annexed to this resolution. The shareholders approve that the payment of the dividends to start on the Payment Date of this OGM (as defined at point 5 of this OGM) to the persons registered as shareholders of Fondul Proprietatea on the Registration Date (as defined at point 5 of this OGM). Treasury shares do not constitute dividend entitlement.

This item is approved with 2,745,317,956 votes, representing 99.7602% of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 2,745,317,956 votes „for”;
- 1,811,825 votes „against”;
- 306,323 abstentions;
- 4,479,709 votes „not given”;
- 518,306 votes annulled from correspondence;
- no votes annulled in the OGM meeting.

II. The approval of:

- (a) The date of **11 May 2023** 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 **12 May 2023** 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; and of

The date of **6 June 2023** as the **Payment Date**, in accordance with Article 178 paragraph (2) of Regulation no. 5/2018, computed with the provisions of Article 87 paragraph (2) 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 date of the guaranteed participation.

- (b) The empowerment, with authority to be substituted, 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.

This item is approved with 2,739,825,857 votes, representing 99.5607 % of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 2,739,825,857 votes „for”;
- no votes „against”;
- 306,323 abstentions;
- 11,783,633 votes „not given”;
- 518,306 votes annulled from correspondence;
- no votes annulled in the OGM meeting.

This OGM Resolution no. **4** is drafted on behalf of the shareholders today, 21 April 2023, in 3 original counterparts by:

Johan MEYER
Chairman

Ionuț IOANCĂ
Meeting secretary

Radu ROPOTĂ
Technical secretary

Annex – The approval of the remaining net accounting profit allocation, including the approval of the value of the gross annual dividend of RON 0.05 per share corresponding to the 2022 financial year profit, in accordance with the supporting materials and in the Shareholders’ Ordinary General Meeting of Fondul Proprietatea S.A. of 21 April 2023

Sole Director’s Proposal for 2022 Profit Allocation

Overview

Fondul Proprietatea S.A. (“**Fondul Proprietatea**” or the “**Fund**”) reported an audited net profit of RON 2,769,448,871 in the financial statements for the year ended 31 December 2022, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) and applying the Financial Supervisory Authority’s (“**FSA**”) Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorised, regulated and supervised by the FSA – Financial Investments and Instruments Sector, as subsequently amended (“**Norm 39/2015**”).

According to Article 28 (7) of the Romanian Accounting Law (“**Law 82/1991**”) and to Article 23 (1) of Annex 1 from Norm 39/2015, the annual financial statements must be published together with the proposal to allocate the profit or cover the losses.

Annual Cash Distribution Policy (“ACDP”) and net accounting profit allocation

The ACDP mainly provides for the following principles:

“In accordance with the Investment Policy Statement, the Sole Director may propose cash distributions for shareholders’ approvals. The level of such cash distributions is proposed by the Sole Director by applying the Fund’s Annual Cash Distribution Policy (published on the Fund’s website) in correlation with the other on-going Discount Control Mechanism measures (e.g. buy-backs).

The Sole Director intends to recommend to shareholders for their approval a cash distribution of at least RON 0.05 per share in cash, on an annual basis, subject to applicable law and necessary approvals, to any restrictions under Romanian legal or tax regulations and subject to available financing sources.

Under exceptional market conditions or circumstances (e.g. events that may significantly impact the discount), the Sole Director may propose a change of the mix of cash distribution and share buy-backs to allocate more of the distributable cash towards share buy-backs, if it considers this to be in the best interest of the Fund’s shareholders to enhance shareholder value.

In the absence of exceptional market conditions or circumstances, and subject to any restrictions under Romanian legal or tax regulations and subject to available financing sources, in case of dividend distributions (where permitted by applicable law), the distributable amount is calculated by the Sole Director as the sum of (i) the Fund’s annual dividend income from portfolio companies, except special cash distributions, (ii) plus interest on cash balances, (iii) less operating and financing expenses and taxation and (iv) less compulsory allocations to reserves according to the regulations in force.”

By applying the principles above-mentioned to the audited net profit for 2022, the calculation of the distributable amount would be as follows:

Audited Statement of Comprehensive Income for the Year ended 31 Dec 2022	Reported amounts, out of which: (RON)	Distributable amounts (RON)	Distributable amounts under exceptional conditions (RON)
Gross dividend income, <i>out of which:</i>	934,898,400	659,098,161	275,800,239
- <i>annual dividend distributions from portfolio companies</i>	659,098,161	659,098,161	
- <i>special dividends received from portfolio companies</i>	275,800,239		275,800,239
Net gain from equity investments at fair value through profit or loss	1,843,756,081		1,843,756,081
Interest income	25,065,131	25,065,131	
Other income, net	3,721,768		3,721,768
Net gain from other financial instruments at fair value through profit or loss	250,186,726		250,186,726
Net realized loss from non-current assets held for sale	(156,975,000)		(156,975,000)
Net foreign exchange gain	752,624	752,624	
Net operating income	2,901,405,730	684,915,916	2,216,489,814
Operating expenses	(125,241,401)	(125,241,401)	
Finance costs	(37,250)	(37,250)	
Profit before income tax	2,776,127,079	559,637,265	2,216,489,814
Withholding tax on the dividend income	(6,678,208)	(6,678,208)	
Net audited profit for 2022	2,769,448,871	552,959,057	2,216,489,814

The Sole Director may propose the dividend level up to the amount computed as above.

Considering the ACDP provisions, the available cash balance, and the ongoing Discount Control Mechanism measures (approval of the public buy-back tender offer on 2 February 2023), **the Fund Manager proposes to shareholders for their approval a cash distribution of RON 0.05 per share.**

The table below details the calculation of the gross dividend amount:

Number of issued paid shares as at 31 Dec 2022		6,217,825,213
Less treasury shares in balance as at 31 Dec 2022		(549,019,085)
Number of shares entitled to receive dividends¹	(1)	5,668,806,128
Proposed gross dividend per share (RON)	(2)	0.05
Total Proposed dividend (RON)	(3)=(1)*(2)	283,440,306

The total dividend amount payable to shareholders (respectively the approved gross dividend per share multiplied by the number of shares entitled to receive dividends) if the dividend proposal is approved by the general shareholders meeting may be different compared to the amount stated above due to the fact that between 31 December 2022 and the record date of the distribution, additional treasury shares will be acquired by the Fund under the current buy-back programme (including in the public tender offer approved on 2 February 2023). These treasury shares are not entitled to cash distribution and consequently will be

¹ Computed as the number of the fully paid shares less treasury shares as at 31 December 2022

deducted from the number of shares included in the distribution calculation above (i.e. the balance as at 31 December 2022). Any difference arising in the total distribution amount will remain available to the Fund under the retained earnings caption.

The Sole Director's dividend proposal above is subject to shareholders' approval on point 4.2 on the 21 April 2023 Ordinary General Shareholders' Meeting

Sole Director's proposal for profit allocation - summary

Considering all the above, the Fund Manager's proposal for the allocation of the 2022 audited profit in amount of RON 2,769,448,871 is the following:

- RON 283,440,306 to dividends.
- RON 908,845,064 to other reserves (to be used to cover the negative reserves estimated to arise from cancellation of shares acquired during the 13th buy-back programme);
- RON 1,577,163,501 unallocated profit that remains available to the Fund's shareholders.

The Sole Director intends to use any cash inflows related to portfolio events occurring during 2023 to further implement the Discount Control Mechanism techniques set out in the Fund's Investment Policy Statement such as by funding the buyback programme, as approved by the Fund's shareholders and/or by proposing the payment of a potential dividend or potential dividends to the Fund's shareholders (subject to market conditions and any restrictions under Romanian legal or tax regulations and to required shareholders' approval).

The above-mentioned Discount Control Mechanism techniques will be separate from any distributions resulted from the ongoing listing projects.