

## **Statement of the Board of Nominees**

### **on the discount management policy of Fondul Proprietatea S.A. (the “Fund”)**

The Board of Nominees considers that a discount management policy is necessary in order to ensure that the market price of the Fund’s shares does not trade at significantly lower levels than the net asset value per share.

The Board of Nominees believes that, for as long as there is an absence of portfolio investment opportunities offering better potential returns for shareholders, the Fund should use all, or at least a significant part, of the proceeds from dividends and disposals of portfolio companies to implement measures aimed at maximizing cash returns to shareholders and/or reducing the discount between the NAV/share and market price of the Fund’s shares. Discount control mechanisms could include (but not be limited to):

- ✓ Recommendation of buy-back programs of the Fund’s shares to shareholders for their approval, subject to compliance with the Constitutive Act and all applicable legislation,
- ✓ Reduction of the nominal value of share capital, accompanied by cash distributions to shareholders,
- ✓ Execution of buy-back programs via (i) purchases on the regular market on which the Fund’s shares are listed and (ii) public tender offers, in each case subject to available liquidity, compliance with the Constitutive Act and all applicable legislation, and receipt of all necessary regulatory approvals.
- ✓ Increasing investor demand for the shares, with the aim of increasing the market price, by:
  - Maintaining a transparent dividend policy,
  - Increasing the share of listed companies in the portfolio and their transparency,
  - Building good communication through active investor relations work.
  - Continuing to support initiatives to make the Romanian capital market more attractive for investors

The Board of Nominees considers that relevant proposed new provisions included in the Investment Policy Statement, which are aimed at reducing the discount between the NAV/share and the market price of the Fund’s shares, are consistent with the above discount management policy and recommends that the Fund’s shareholders support them.

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**The BoN will regularly review the effectiveness and relevance of the above discount management policy, having regard to shareholder expectations and what it considers to be the appropriate discount level for the Fund.**

**Mr. Sorin Mihai MÎNDRUȚESCU –** \_\_\_\_\_  
**Chairman**

**Mr. Julian Rupert Francis HEALY –** \_\_\_\_\_  
**Member**

**Mark Henry GITENSTEIN - Member** \_\_\_\_\_

**Mr. Steven Cornelis van GRONINGEN** \_\_\_\_\_  
**– Member**

**Mr. Piotr RYMASZEWSKI – Member** \_\_\_\_\_