

The Scope of the Duties and Activities of the Board of Nominees

The role of the Board of Nominees (the Board) and the scope of its duties and activities exceeds the norms and standards of the investment fund management industry. During the last 3 years, the Board had on the average 8 formal meetings a year. In 2015, to date, the Board has met formally on 6 occasions and has held 4 conference calls. In addition, in 2014 and 2015 the Board has spent a considerable amount of time negotiating the Investment Management Agreement and related documentation.

Activities of the Board:

Asset Management and Fund Management:

- The Board reviews and monitors the Fund Manager's overall strategy for the Fund and the strategy regarding portfolio companies and portfolio performance;
- The Board reviews and monitors the Fund's financial results on a monthly and quarterly basis;
- The Board holds a meeting of its Audit and Valuation Committee on a regular basis and at least once each quarter. The committee looks at and considers in detail reports from the internal and external auditors and makes recommendations as appropriate. The Committee considers the methodology and reasonableness of the carrying valuations of individual investments, particularly those of unlisted holdings and makes recommendations to the Fund Manager, as appropriate.
- The Board is responsible for monitoring the Fund Manager's performance of the Investment Management Agreement.
- The Board members participate in the formal meetings of shareholders and more informal meetings and communication with the Fund's shareholders.

Regulatory issues and government relations:

- The Board reviews the activities of the Fund Manager in the area of the regulatory environment and actively engages in promoting the interests of the Fund through direct interaction and dialogue with the regulatory authorities;
- The Board reviews, on an on-going basis, the area of government relations. Whenever required, the Board both initiates and offers the assistance of its members to support the actions of the Fund Manager. Members of the Board have frequent and regular contact and dialogue with senior individuals in government in order to support the Fund Manager and promote the interests of the Fund.

Reporting:

- Presentation to the General Meeting of Shareholders of an annual report regarding the monitoring activity of the Board;
- The Board is responsible for the review of the Fund Manager's Performance Report and issues a Review Report setting out its evaluation of Fund Manager's performance and the Performance Report for the relevant period.

Other formal Responsibilities (under the IMA and Article 17 of the Constitutive Act):

- Representation of the shareholders in negotiations (every two years) of the Investment Management Agreement between the Fund and the fund manager (two sets of negotiations during the last two years);

- Oversight of the DCM strategy (newly proposed under the draft IMA), with proactive involvement if the level of discount exceeds 15%;
- Approval of the EGM and OGM agendas;
- Quarterly review of the fee calculation by the Fund Manager;
- Review and approval of Fondul Proprietatea expenses;
- Review of and issuing of opinion on the investment policy of the Fund (as embodied by the Investment Policy Statement);
- Review of the reports of the internal and external auditors of the Fund.

For the purpose of reflecting the increase in its expanded workload and responsibilities we propose that the remuneration of the Board of Nominees to be increased from RON 15,000 gross/month to RON 20,000 gross/month (EUR 4,535 at EUR/RON 4.41 exchange rate) which represents an annual remuneration for each Board of Nominees member of RON 240,000 gross. This level of remuneration is inclusive of the work done by the Board members on the Audit and Valuation Committee.

Board of Nominees:

Mr. Sorin-Mihai MÎNDRUȚESCU - Chairman

Mr. Steven Cornelis van GRONINGEN - Member

Mr. Julian Rupert Francis HEALY- Member

Mr. Piotr RYMASZEWSKI- Member

Mr. Mark Henry GITENSTEIN- Member