

To: Fondul Proprietatea S.A. Ordinary General Shareholders' Meeting

2020 BUDGET FOR FONDUL PROPRIETATEA S.A.

The 2020 Budget of Income, Expenses and Capital Expenditure of Fondul Proprietatea S.A. ("the Fund" or "Fondul Proprietatea") was prepared in August 2019, based on the International Financial Reporting Standards as endorsed by the European Union ("IFRS").

The 2020 Budget was prepared using actual information available for the period up to 31 July 2019 and by considering the assumptions presented below.

This budget was approved by the Fund's Board of Nominees on 3 September 2019.

According to the main assumptions of the 2020 Budget, there are certain categories of income and expenses which cannot be budgeted. **The main unbudgeted categories** are the following:

- **Foreign exchange gains or losses** were not forecasted, as future exchange rates cannot be reasonably estimated.
- **Changes in fair value of financial instruments** were not forecasted, as future stock prices cannot be reasonably estimated.
- **Gains or losses from changes in portfolio** were not forecasted, as acquisitions, disposals, participation in share capital increases of portfolio companies cannot be reasonably estimated.

For presentation and comparability purposes, certain adjustments have been applied to the budgeted expenses related to third-party service providers and budgeted expenses related to commissions and fees. According to the accounting policy, the distribution fees related to buy-backs (included in third-party service providers' expenses) and other related costs, such as, brokerage fees and regulatory fees (included in commissions and fees) are recognised in other comprehensive income.

A detailed analysis of the 2020 budgeted items by comparison with the 2019 Budget is presented below:

<i>All amounts in RON</i>	Budget 2020	Budget 2019	Variance Amount	%
I. BUDGETED INCOME FROM CURRENT ACTIVITY	682,698,421	551,866,938	130,831,483	24%
Net dividend income	676,979,243	547,803,200	129,176,043	24%
BNY Mellon ¹ income	3,689,451	3,696,915	(7,464)	0%
Interest income	2,029,727	366,823	1,662,904	>100%
II. BUDGETED EXPENSES FROM CURRENT ACTIVITY	86,356,861	81,843,437	4,513,424	6%
Third-party service providers' expenses	67,630,468	63,166,922	4,463,546	7%
Commissions and fees (including FSA ² fees)	10,355,051	9,823,633	531,418	5%
Investor relations expenses	2,313,022	2,275,280	37,742	2%
Public relations expenses	1,613,512	1,534,660	78,852	5%

¹ The Bank of New York Mellon – the depositary bank in relation to the global depositary receipts ("GDR") facility

² Romanian Financial Supervisory Authority

<i>All amounts in RON</i>	Budget 2020	Budget 2019	Variance Amount	%
Board of Nominees remunerations ³	1,447,380	1,447,380	-	0%
Bank fees and distribution to shareholders fees (including depositary fees)	768,931	671,147	97,784	15%
Finance costs	73,200	640,000	(566,800)	-89%
Amortisation expenses	251,762	420,402	(168,640)	-40%
Insurance expenses	355,020	347,123	7,897	2%
Other expenses	1,548,515	1,516,890	31,625	2%
III. ADJUSTED GROSS PROFIT	596,341,560	470,023,501	126,318,059	27%
Distribution fee and other costs related to buy-backs - presentation adjustment	3,707,010	3,041,904	665,106	22%
IV. GROSS PROFIT	600,048,570	473,065,405	126,983,165	27%
Income tax	-	-	-	0%
V. NET PROFIT	600,048,570	473,065,405	126,983,165	27%
VI. CAPITAL EXPENDITURE	542,341	514,359	27,982	5%
Intangible assets	542,341	514,359	27,982	5%

³ The remunerations mentioned in the 2020 Budget include the taxation and all related contributions that were transferred from the employer to the employee starting with 1 January 2018.

1. MAIN ASSUMPTIONS FOR THE 2020 BUDGET

1.1. Investment management related assumptions

Please note that the following assumptions used in the preparation of the 2020 Budget are not necessarily the intended future course of actions of the management of Fondul Proprietatea.

Acquisitions and disposals of equity investments

For simplicity purposes, the 2020 Budget was prepared without taking into consideration the financial impact of potential changes in the portfolio (i.e. acquisitions, disposals, participation in share capital increases of portfolio companies) during the period August 2019 to December 2020.

Franklin Templeton International Services S.à r.l. (“Fund Manager” or “FTIS”) is actively managing Fondul Proprietatea according to the Management Agreement (“MA”) and with the Investment Policy Statement in place. FTIS has delegated the role of investment manager, as well as certain administrative functions to Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch (“Investment Manager”).

However, the planning and execution of acquisitions and disposals of equity investments requires careful and timing preparation, taking into account the developments within the financial markets and extraneous circumstances. The high volatility of the Romanian capital market and the unpredictability of political and macroeconomic developments make it impossible to foresee with reliable certainty when or if certain transactions will occur within the period extending 17 months forward from the date of preparation of the 2020 Budget.

Nevertheless, given that the Fund Manager is pursuing an active investment strategy, opportunities over the year may arise to acquire or dispose of some investments. The execution of such transactions is likely to incur certain external third-party costs and, in case of disposals, would generate gains or losses on disposal.

It is our view that budget revisions with each transaction related to acquisitions or disposals of assets are impractical, inefficient and can negatively affect a potential transaction. Additionally, such transactions may be price sensitive and confidential. Given the highly competitive and dynamic nature of financial markets, any disclosure of planned transactions within the Fund’s portfolio may have a negative impact on the performance of the Fund and on the potential returns to its shareholders.

Consequently, we propose to shareholders to grant the Fund Manager and Investment Manager the power to incur on behalf of the Fund expenses related to the execution of acquisitions and disposals of equity investments and participation in share capital increases of portfolio companies, even if this will result in exceeding the total 2020 Budget. These expenses can include intermediary fees of brokers or investment banks, market authorities’ fees, lawyers, public notaries, other advisors’ costs, as well as other related expenses, commissions or fees.

Other investment assumptions

The 2020 Budget has been prepared based on the following assumptions:

- The 2020 dividend income was discussed and agreed with the investment management team and the conclusion was that the best approach was to budget at a similar level of annual and interim dividends as in 2019, and by taking into account actual disposals (for the 7 months ended 31 July 2019) and excluding special dividends;

- The collection of dividends from the portfolio companies during 2020 is expected to generally follow the previous year's collection pattern;
- The portfolio structure will remain constant from 31 July 2019 through 2020;
- All available cash will be invested in money market instruments at an average interest rate of 1.5% (based on the average interest rates of Fund's bank deposits and Government securities for the period January to July 2019);
- Valuation of unlisted portfolio holdings will remain constant based on the Net Asset Value ("NAV") as at 31 July 2019.

1.2. Buy-back programmes

For simplicity purposes, the 2020 Budget was prepared taking into consideration that there will be a buy-back programme ongoing during the period January – December 2020 and that no other buy-back programmes will take place during 2020 (except for the ones already approved or subject to shareholders approval), so no other expense related to such transactions will be included in the 2020 Budget.

The 2020 Budget includes the assumption that the tenth buy-back programme will be closed at the end of the year 2019, and a new buy-back programme will be subject of shareholders' approval. The cancellation of shares acquired during the tenth buy-back programme is expected to be on the agenda of the annual general meeting of shareholders and to be effective during 2020.

The 2020 Budget includes also the assumption regarding the eleventh buy-back programme which is subject to shareholders approval on 15 November 2019 and will refer to the acquisition of maximum 800,000,000 shares starting with 1 January 2020 and ending on 31 December 2020. This buy-back programme implementation will be subject to the availability of the necessary financing resources.

Any buy-back programme of the Fund's shares and their subsequent cancellation may have an impact on the Fund's expenses and equity, such as FTIS fees for distributions, depositary trade settlement fees, other related fees and costs and profit tax expenses (if applicable).

Based on the current assumptions used in the budget preparation, the estimated costs (brokerage fees, regulatory fees, distribution fees and other related costs) regarding the eleventh buy-back programme may amount up to RON 10 million.

Due to the fact that it is impossible to estimate reasonably these types of expenses in a period extending 17 months forward from the date of preparation of the 2020 Budget, and it is impractical to continually update the 2020 Budget, we propose to shareholders to grant the Fund Manager and Investment Manager the power to incur any costs related to any buy-back programmes approved by shareholders, even if this will result in exceeding the total expenses approved in the 2020 Budget. This includes the impact of any potential Tender offer that may be organised during the period.

1.3. Borrowings

For simplicity purposes, the 2020 Budget was prepared without taking into consideration the financial impact of potential bank loans/ credit facility utilisations that the Fund would contract in the period 2019 – 2020 for purposes other than investments (except the impact of the commitment fee payable by the Fund for the existing credit facility).

Any bank loan/ credit facility utilisation by the Fund would have an impact on the Fund's expenses, such as interest expenses, or other related fees and expenses. The current loan agreement is available until 29 June 2020 and for the remaining year of 2020, it is assumed that an addendum will be concluded for extending the credit facility for at least one additional year.

Furthermore, on 25 July 2019 the Fund decided to partially waive the existing credit facility from BRD – Groupe Societe Generale SA reducing the maximum committed amount from RON 400,000,000 to RON 45,000,000 while the rest of the conditions remain the same (commitment fee rate 0.16% per year). The new limit of the credit facility was effective starting 19 August 2019 impacting the commitment fee payable by the Fund.

Due to the fact that it is impossible to estimate reasonably these types of expenses in a period extending 17 months forward from the date of preparation of the 2020 Budget, and it is impractical to continually update the 2020 Budget, we propose to shareholders to grant the Fund Manager and Investment Manager the power to incur any expenses related to bank loans/ credit facilities contracted by the Fund with Board of Nominees approval, even if this will result in exceeding the total expenses approved in the 2020 Budget.

1.4. Distributions to shareholders

According with the Fund's Annual Cash Distribution Policy, the Fund Manager remains committed to returning cash to shareholders on an annual basis according with the Investment Policy Statement (subject to applicable laws and necessary approvals).

For the 2020 Budget, one distribution to the Fund's shareholders is assumed to take place at a minimum amount of RON 0.05 per share in accordance with the Annual Cash Distribution Policy published on the Fund's website at www.fondulproprietea.ro.

1.5. Fund Manager's fees

For estimating the *Base fee* payable to the Fund Manager, the fee rate used was 60 basis points per year and the Fund's closing share price as at 31 July 2019 was used as an estimate for the Fund's average share price during 2020. For estimating the *Distribution fee* relating to distributions made by the Fund to shareholders in 2020 (repurchases of Fund shares, repurchases of Fund GDRs and/or Depositary Interests, dividends and returns of share capital), a fee of 100 basis points of the total distributions' value was used.

If the Fund's actual average share price during 2020 exceeds the price used for the 2020 Budget or if additional distributions take place during 2020, the Fund Manager's fees will be higher than budgeted.

Due to the fact that it is difficult, if not impossible, to estimate reasonably these expenses, and it is impractical to continually update the 2020 Budget, we propose that shareholders grant the Fund Manager and Investment Manager the power to exceed the expenses budgeted for investment management and administration fees, even if this will result in exceeding the total expenses approved in the 2020 Budget.

1.6. Other assumptions

- **FSA and Depositary bank fees**

For estimating the monthly FSA regulator's fee (0.0936% per year, i.e. 0.0078% per month, based on NAV) and the depositary bank fee for certifying monthly NAV calculations, the average NAV during 2019 (until 31 July 2019) has been used as an estimate for the average NAV during 2020.

For estimating the depositary bank custody fee, the Fund's portfolio structure as at 31 July 2019 has been used as the basis for the Fund's structure during 2020.

If the Fund's actual NAV, value of assets under custody and/ or trades in the Fund's portfolio in 2020 exceed the ones assumed for the 2020 Budget, these commissions and fees will be greater than budgeted.

Due to the fact that it is difficult, if not impossible, to estimate reasonably this type of expenses, and it is impractical to continually update the 2020 Budget, we propose that shareholders grant the Fund Manager and Investment Manager the power to exceed the expenses budgeted for other commissions and fees (FSA fees and Depositary bank fees), to the extent that these arise from the Fund's actual NAV, value of assets under custody and/ or trades in Fund's portfolio or additional buy-backs in 2020 being higher than those assumed in the 2020 Budget, even if this will result in exceeding the total expenses approved in the 2020 Budget.

- **Foreign exchange rate**

The average EUR/RON exchange rate used in the preparation of the 2020 Budget is RON 4.7336 per 1 EUR, being the National Bank of Romania official exchange rate as at 31 July 2019.

- **Taxation**

All taxes, contribution rates, and computation methodologies are based on the laws in force as at 31 July 2019. This budget was prepared based on a profit tax rate of 16%, dividend withholding tax rate of 5% and a VAT rate of 19%, in accordance with the Fiscal Code in force as at 31 July 2019 and under the assumption that these tax rates will also be in force for the year 2020.

Generally, expenses incurred by the Fund are subject to Romanian VAT, unless a VAT exemption may be applied. As the activity of the Fund is VAT exempt, the amount of VAT paid is not recoverable.

2. DETAILED ANALYSIS OF THE BUDGETED INCOME, EXPENSES AND CAPITAL EXPENDITURES

2.1. Income from current activity

Net dividend income. The main component of income from current activity in the 2020 Budget is dividend income (representing 99% of the total budgeted income). The 2020 dividend income is assumed at a similar level with the actual amounts collected by the Fund during 2019.

In the 2020 Budget, the increase of dividend income as compared to the 2019 Budget (by 24%) is mainly due to the higher level of dividends approved for distribution by the Fund's portfolio companies in 2019 compared to 2018.

Portfolio company	Budget 2020 Net dividends	Budget 2019 Net dividends	Variance	Reason for variance
<i>All amounts in RON</i>				
Hidroelectrica SA	358,726,907	226,245,815	132,481,092	Increase of dividends due to the higher level of collected dividends in 2019 (higher actual profit in 2018).
OMV Petrom SA	145,270,008	107,607,413	37,662,595	Increase of dividends due to the higher level of collected dividends in 2019 (higher actual profit in 2018).
CN Aeroporturi Bucuresti SA	68,014,798	61,193,113	6,821,685	Increase of dividends due to the higher level of collected dividends in 2019 (higher actual profit in 2018).
Societatea Nationala a Sarii SA	37,428,150	23,618,980	13,809,170	Increase of dividends due to the lower level of dividends budgeted in the 2019 Budget (estimated based on the company's budgeted profit which was lower than the actual profit for 2018).
Nuclearelectrica SA	25,391,669	18,478,987	6,912,682	Increase of dividends due to the higher level of collected dividends in 2019 (higher actual profit in 2018).
Alro SA	20,714,212	39,010,085	(18,295,873)	Decrease of dividends due to the lower level of collected dividends in 2019 (lower actual profit in 2018).
ENGIE Romania SA	16,411,668	20,232,567	(3,820,899)	Decrease of dividends due to the lower level of collected dividends in 2019 (lower pay-out ratio for dividends distributed in 2019).
BRD – Groupe Societe Generale SA	-	34,499,006	(34,499,006)	The total shares held in the company have been sold during March – June 2019.
Other	5,021,831	16,917,233	(11,895,402)	The "Other" category includes other portfolio companies where the 2020 dividend income is slightly lower due to lower level of actual profit in 2018 or the 2020 dividend income is null as in 2018 the portfolio companies recorded a loss (E-Distributie Banat SA and E-Distributie Dobrogea SA).
TOTAL	676,979,243	547,803,200	129,176,043	

BNY Mellon income. This represents the second major component of income in the 2020 Budget (approximately 1% of the estimated total income for the year 2020).

This income represents the amount that will be reimbursed by The Bank of New York Mellon from the fees collected from GDR holders for the 2019 distribution.

Interest income. This represents the third component of income in the 2020 Budget and was estimated based on the estimated available cash which will be invested in money market instruments.

It is important to note that these estimates may differ substantially from actual values depending on the changes in the asset allocation of the portfolio, investment and buy-backs activity and trends in the money markets during 2020.

2.2. Expenses from current activity

Overall expenses from current activity are budgeted to increase by 6% in 2020 as compared to the 2019 Budget, mainly due to the increase of the third-party service providers' expenses.

Third-party service providers' expenses (increase by 7% as compared to the 2019 Budget). This category of expenses is the main component of expenses in the Fund's 2020 Budget, representing approximately 78% of the total budgeted expenses from current activity.

The table below presents the main categories:

<i>All amounts in RON</i>	Note	Budget 2020	Budget 2019	Variance Amount	%
Third-party service providers' expenses:		67,630,468	63,166,922	4,463,546	7%
Investment management and administration fees	<i>a</i>	50,272,539	45,533,969	4,738,570	10%
Legal and litigation assistance (including stamp duty expenses for litigations)	<i>b</i>	8,973,838	8,970,567	3,271	0%
Portfolio holdings valuation	<i>c</i>	1,694,965	1,833,270	(138,305)	-8%
General Shareholders Meetings organisation	<i>d</i>	1,071,000	1,071,000	-	0%
Tax compliance and tax advisory	<i>e</i>	554,850	641,644	(86,794)	-14%
Software maintenance and support fees	<i>f</i>	296,935	440,702	(143,767)	-33%
External audit		507,489	524,888	(17,399)	-3%
Trade Register and Official Gazette expenses	<i>g</i>	261,800	261,800	-	0%
Internal audit		187,425	187,425	-	0%
Other third-party service expenses	<i>h</i>	3,809,627	3,701,657	107,970	3%

The main changes compared to the 2019 Budget for each sub-category are explained below:

a) *Investment management and administration fees (increased by 10% compared to the 2019 Budget).* This is the Fund's main expense, representing approximately 58% of the total budgeted expenses from current activity:

- Base fees payable to the Fund Manager (0.6% per year) are higher in the 2020 Budget compared with the 2019 Budget due to:
 - The increase in the estimated Fund's share price, upon which these fees are based: the average share price used in the 2020 Budget is RON 1.0900 per share, while the average share price used in the 2019 Budget is RON 0.9230 per share, partially offset by the decrease

of the Fund's capitalisation as a result of the buy-backs performed during 2019 and estimated to be performed in the period 1 August 2019 – 31 December 2020.

- Distribution fee (for distributions made by the Fund to shareholders) is 1% of total distributions made available up to 31 December 2020.
 - The increase of the distribution fee is due to the slightly higher average share price used in the 2020 Budget for buy-backs, as described above.

The table below presents additional details regarding the investment management and administration fees and the applicable accounting policy:

<i>All amounts in RON</i>	Budget 2020	Budget 2019	Variance Amount	%
Recognised in profit or loss	46,989,459	42,753,893	4,235,566	10%
Base fee	43,651,768	39,209,906	4,441,862	11%
Distribution fee for distributions to shareholders	3,337,691	3,543,987	(206,296)	-6%
Recognised in other comprehensive income	3,283,080	2,780,076	503,004	18%
Distribution fee for buy-back programmes	3,283,080	2,780,076	503,004	18%
Total investment management and administration fees	50,272,539	45,533,969	4,738,570	10%

- b) Legal and litigation assistance expenses (including stamp duty expenses for litigations). These expenses, representing 10% of the total budgeted expenses from current activity, include legal services provided by external legal advisors, as well as legal representation expenses for litigations and stamp taxes payable for litigation actions in which the Fund is involved to defend its interests.
- c) Portfolio valuation expenses. These expenses, representing 2% of the total budgeted expenses, are related to the valuation of certain unlisted equity investments of the Fund performed with the assistance of external valuers, for IFRS reporting and NAV reporting purposes.
- d) General Shareholders Meetings organisation expenses. This category includes expenses for the organisation of General Shareholder Meetings, such as hiring a venue, advertisement, copying documents, fees for registration of share capital changes and other organisational costs.
- e) Tax compliance and tax advisory expenses. The budgeted amount includes tax compliance services relating to tax return filings and tax advisory services for specific, one-off or complex tax issues.
- f) Software maintenance and support fees. Maintenance and support fees in the 2020 Budget relate to the Fund's accounting and reporting software and the Fund's website, and to other technical assistance.
- g) Trade Register and Official Gazette expenses are related to the fees charged by these institutions, for various actions/ publications required by law.
- h) Other third-party service expenses (increased by 3% compared to the 2019 Budget). In the 2020 Budget, the other expenses included in this category are related to brokerage services, professional typesetter and printer for the annual report, notices required by legislation to be published in newspapers, payroll services, translations, professional services to be provided by Big4 companies, voting by correspondence and other portfolio related expenses.

Commissions and fees (increased by 5% compared to the 2019 Budget). This category represents 12% of the Fund's budgeted expenses from current activity and includes mainly FSA monthly fees estimated based on NAV (0.0936% of NAV per year). The increase as compared to the 2019 budgeted amount is mainly due

to the increase in NAV in 2020 (RON 10,243,341,433) compared to the one used for the 2019 Budget (RON 9,888,597,477).

Investor relations expenses. Investor relations expenses represent approximately 3% of the 2020 estimated expenses from current activity. Budgeted investor relations expenses include mainly estimated costs related to mailing and printing for shareholder communication and promotional activities, road-shows for promoting the Fund in key financial centres in Europe, United States and Asia, organisation of quarterly earnings announcement events, Investor Days in Bucharest, New York and London, special events to promote the Fund, marketing and promotional materials and certain website related expenses.

Board of Nominees remuneration. For the 2020 Budget, these expenses represent the gross remuneration for the Board of Nominees members which includes the social security, health fund and other contributions payable by the Fund in the name of the Board of Nominees' members. The contributions and the income tax, in respect of the remuneration of the Board of Nominees, were estimated according to the regulations in force.

Public relations expenses. Public relations expenses, representing approximately 2% of the 2020 estimated expenses from current activity, include mainly estimated costs related to PR agencies, media coverage monitoring services, press conferences, other press events and private or public events on topics relevant to Fondul Proprietatea, advisor's costs, and workshops for journalists' costs.

Bank fees and distributions to shareholders fees. This category consists of all bank charges, including the depositary bank fees and all fees related to distributions to shareholders.

Amortisation expenses. Amortisation costs in the 2020 Budget are related to the Fund's accounting and reporting software (both existing and planned developments) and Fund's website.

Insurance expenses. This category includes expenses related to the mandatory liability insurance for the members of the Board of Nominees.

Income tax expense. Income tax expense mainly comprises the current tax expense and the deferred tax expense.

In the 2020 Budget the current tax expense is estimated to be nil as budgeted tax-deductible expenses are higher than budgeted taxable revenues for profit tax purposes. This is based on the assumption that the majority of revenues will arise from dividends received from portfolio companies, which are tax exempt. Should actual taxable revenues exceed budgeted, or actual tax-deductible expenses be lower than budgeted, to the extent that taxable profits will arise (after the utilisation of the fiscal loss carried forward from FY15), a profit tax liability of 16% will be incurred.

Deferred tax expenses were not budgeted.

The estimated withholding tax generated by the dividends from portfolio companies for which Fondul Proprietatea holds below 10% is included in the Net dividend income category.

In preparing the 2020 Budget expenses chargeable to the Fund, the Fund Manager has analysed the provisions of the MA, which set out the expenses chargeable to the Fund and has considered the rules and best practices followed by Franklin Templeton and other global fund management firms for funds generally. The expenses chargeable to Fondul Proprietatea that are not explicitly specified in the MA, but are reasonably allocated to the Fund, being exclusively for the benefit of the Fund and its shareholders and/ or for protecting their interests, are, according to the MA, only chargeable following the approval of the Board of Nominees.

3. CAPITAL EXPENDITURE BUDGET

The 2020 Capital expenditure budget mainly includes the allowance for any changes needed for the Fund's software developments in 2020 and for any changes and developments for the Fund's website (hosting, maintenance, new enhancements, and data feed for GDR prices and Bucharest Stock Exchange share price of the Fund).

Special Note

Among the expense categories, reclassifications/ reallocations may take place during the year with the condition that the total of these expenses (excluding non-budgeted expenses such as: net change in fair value of financial instruments, foreign exchange losses, losses on disposal of equity investments, expenses with provisions and impairment adjustments, expenses with disposal of financial assets) will meet the overall budgetary limits approved by the General Shareholders Meeting, with the below exceptions.

As presented above, in the section “MAIN ASSUMPTIONS FOR THE 2020 BUDGET”, due to the fact that it is difficult, if not impossible, to estimate reasonably certain types of expenses, and it is impractical to continually update the 2020 Budget, we propose that shareholders grant the Fund Manager the power to:

- *exceed the expenses budgeted for investment management and administration fees;*
- *exceed the expenses budgeted for commissions and fees (FSA fees and Depository bank fees), to the extent arising from the Fund’s actual average NAV, the value of assets under custody and/ or volume of portfolio and buy-backs trades in 2020 being higher than the ones assumed in the 2020 Budget;*
- *incur on behalf of the Fund all expenses necessary (e.g. intermediary fees of brokers or investment banks, market authorities’ fees, lawyers, public notaries, other advisors’ costs, as well as other related expenses, commissions or fees) related to the execution of acquisitions and disposals of equity investments or participation in share capital increases of portfolio companies;*
- *incur on behalf of the Fund all expenses related to the buy-back of the Fund’s shares or the equivalent global depository receipts corresponding to shares of the Fund and their subsequent cancellation (after the approval by shareholders), under any buy-back programme approved by shareholders;*
- *incur on behalf of the Fund any expenses related to bank loans/ credit facilities contracted by the Fund, with Board of Nominees approval;*
- *incur on behalf of the Fund any expenses related to the potential change of the Fund Manager and Sole Administrator of the Fund (expense incurred by the Board of Nominees);*
- *incur on behalf of the Fund any expenses resulting from the implementation of any regulation applicable to the Fund.*

even if this will result in exceeding the total expenses approved in the 2020 Budget.

On a quarterly basis, the Board of Nominees will monitor the progress of the actual expenses against the budget.

Details on such expenses incurred will be provided on a retrospective basis, as part of the Fund’s periodical reporting and in the annual report of the Fund Manager.

For the 2020 Budget, no expenses have been estimated for the potential implications triggered by Brexit. These expenses may include legal expenses, other advisors’ expenses, as well as other expenses.

Consequently, we propose to shareholders to grant the Fund Manager and Investment Manager the power to incur on behalf of Fondul Proprietatea expenses resulted from potential implications triggered by Brexit.