

Memo regarding several amendments of the Constitutive Act on the agenda of the Extraordinary General Shareholders Meeting on 14 January 2021

On 20 December 2019, Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation (“**Law no. 243/2019**”) entered into force, on the basis of which, according to art. 78 paragraph (1), Fondul Proprietatea (“**Fondul**”) qualifies as alternative investment fund addressed to retail investors

Considering the new qualification, Fondul must adapt its documents of constitution and functioning and its activity to the provisions of Law no. 243/2019 and to request authorization in the new quality of diversified closed-ended alternative investment fund set up as a joint stock company addressed to retail investors - the application and documentation were submitted by Fondul on 22 July 2020.

The constitutive act is among the documents required to be updated.

Following the submission of the documentation, the Financial Supervisory Authority (the “**FSA**”), sent a series of recommendations to amend the constitutive act, through several letters sent in July, October and November 2020, which we present briefly in the following:

- 1 According to art. 8 paragraph (1) letter c) of Law no. 243/2019, the constitutive act of Fondul must expressly stipulate the duration of the fund, the date of liquidation of the fund, the fact that the fund units cannot be redeemed by investors before the beginning of the liquidation phase of the fund, directly or indirectly, from the F.I.A. assets;
- 2 According to art. 34 para. (3) of the Regulation of the Financial Supervisory Authority no. 7/2020 on the authorization and operation of alternative investment funds (“**FSA Regulation no. 7/2020**”), which entered into force on 16 April 2020, the constitutive act of the Fund must include mentions on the issue, holding and sale of shares.
- 3 A series of amendments concern the limitation of powers of the Board of Nominees.
- 4 Other recommendations refer to introducing provisions on the possibility to extend the duration of Fondul, amending the provisions regarding the quorum required for a GSM decision on share capital decrease, amending the provisions regarding shareholders’ representation in a GSM, mentioning the rules on manager remuneration and the size of administration fees, introducing provisions on Fondul’s dissolution and redemption of shares upon such dissolution, introducing provisions on investment policy and valuation rules, amending the provisions on the remuneration policy and the remuneration report, extending the provisions on the content of the convening notice, including provisions on the content of voting ballots, correspondence voting, content and publication of GSM resolutions, the possibility to appoint only one permanent representative, amending the provisions on the existence of an internal audit department within Fondul.

A part of the provisions necessary to be included in the constitutive act of Fondul were proposed on the agenda of the Annual Extraordinary General Shareholders Meeting of 28 April 2020 and that of 13 November 2020 and were approved by the shareholders.

All the amendments proposed by the FSA were the subject of a discussion between the FSA representatives and those of Fondul and subsequently, before convening a new EGSM, Fondul submitted to the FSA the proposals to amend the constitutive act, except those relating to reducing the powers of the Board of Nominees. The provisions regarding the powers of the Board of Nominees would have been on the agenda of another EGSM in view of the significant impact on this corporate body.

The FSA answered on 11 November 2020 expressly requesting that the provisions relating to the limitation of powers of the Board of Nominees be included on the agenda of the first EGSM to be convened.

Thus, all the requests of the FSA are proposed for the approval of the shareholders on the EGSM agenda on 14 January 2021, each of them being explained in the attached comparative table.

At the same time, the point of view of the Board of Nominees regarding the revision of its powers is available on the Fund's website, being submitted to the attention of the shareholders before the vote is exercised.

Franklin Templeton International Services S.À R.L., acting as Sole Director on behalf of FONDUL PROPRIETATEA S.A.

Johan Meyer

Permanent representative

COMPARATIVE TABLE ON THE PROPOSED CHANGES OF FONDUL PROPRIETATEA'S CONSTITUTIVE ACT ACCORDING TO FSA LETTER 5415.1 / 9 October 2020 and FSA LETTER 5415.6 / 11 November 2020
- 14 JANUARY 2021 EXTRAORDINARY SHAREHOLDERS' MEETING -

Article	Current form	Proposed changes	FSA argumentation for recommendations	Comments
Amendment of Article 4	The duration of Fondul Proprietatea is unlimited.	(1) The duration of Fondul Proprietatea is until 31 December 2031 unlimited . (2) The duration may be extended by the extraordinary general meeting of shareholders, with additional periods of 5 years/each.	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: "According to provisions of Article 8, paragraph (1), letter c), corroborated with the provisions of Article 20, paragraph (2) and of Article 79, paragraph (1), letter a) of Law no. 243/2019 on the regulation of the alternative investment funds and amendment and supplementation of regulatory acts: "The tender document of the Alternative Investment Fund of Contractual Type (A.I.F.C.) and the rules of the fund set forth at least as follows: c) in the case of closed A.I.F.C., the fund's operating period, fund's liquidation date, the fact that the fund units cannot be redeemed by investors prior to the initiation of the fund's liquidation phase, whether directly or indirectly from A.I.F.C. assets". From the interpretation of the provisions of Article 1, paragraph (1) and paragraph (3) of EU Regulation no. 694/2014 and of Article 8, paragraph (1), letter c) of Law no. 243/2019, it results that an A.I.F.S. of closed type has a limited duration, but no less than one calendar year. We also state that the shareholders of an A.I.F.S. of closed type may subsequently decide to extend its duration in accordance with the provisions of Article 36, letter b) of FSA Regulation no. 7/2020."	The proposed change request by the FSA was made in the context of the authorisation process of Fondul Proprietatea S.A. as a closed-ended retail diversified alternative investment fund organised as a financial investment company, in accordance with the provisions of Law no. 243/2019 on the regulation of the alternative investment funds and amendment and supplementing certain regulatory acts ("Law no. 243/2019"). The request is to include a (limited) duration for Fondul Proprietatea (but not less than a year), with the possibility for the extraordinary general meeting of shareholders to decide an extension. The Fund Manager, having analysed the alternative investment funds throughout EU and UK, as well as having regard to Fondul Proprietatea medium and long term investment objectives and the structure of its portfolio, has proposed an initial duration until 31 December 2031, with the possibility of subsequent five-year extensions.
Amendment of Article 9 paragraph (1) and introduction of a new paragraph (1^1) to Article 9	(1) The shares of Fondul Proprietatea are nominative, of equal value, issued in dematerialized form, established by registration in the account, and grants equal rights to their holders under the conditions provided by art. 11.	(1) The shares of Fondul Proprietatea are nominative, of equal value, issued in dematerialized form, established by registration in the account, and grants equal rights to their holders under the conditions provided by art. 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	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: "In accordance with the provisions of Article 34, paragraph (3) of Regulation no. 7/2020: "Besides the minimum content provided by law no. 31/1990, the articles of incorporation of an A.I.F.S. administered	The proposed amendment addresses the FSA's comments on the opportunity of adding additional details on the trading of Fondul Proprietatea's financial instruments, also making the relevant reference to GDRs and to the fact that further trading venues may be added for Fondul Proprietatea shares/ GDRs.

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		<p>other markets, with the approval of the extraordinary general meeting of shareholders.</p> <p>(¹) Fondul Proprietatea's Global Depositary Receipts (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.</p>	<p>by an Alternative Investment Fund Administrator (A.I.F.A.) contain at least particulars concerning: share issuance, holding and sale". Taking into account the aforementioned legal provisions, we consider opportune the supplementation of the provisions of Article 9 of the constitutive act in the sense of mentioning the fact that the shares of Fondul Proprietatea S.A. are traded at Bucharest Stock Exchange."</p>	
<p>Amendment of Article 12 paragraph (2) letters f) and k)</p>	<p>(2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:</p> <p>f) to approve the remuneration policy applicable to the members of the Board of Nominees and to the Alternative Investment Fund Manager and to set the level of the remuneration of the financial auditor for financial audit services;¹</p> <p>(...)</p> <p>(k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea;</p>	<p>(2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:</p> <p>f) to approve the remuneration policy applicable to the members of the Board of Nominees and to the Alternative Investment Fund Manager, that includes the level of remuneration of the members of the Board of Nominees and of the Alternative Investment Fund Manager, and to set the level of the remuneration of the financial auditor for financial audit services;</p> <p>(...)</p> <p>(k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea, according to the legislation in force;</p>	<p>The proposed change of letter f) implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p>"With regard to the amendment of the provisions of Article 12, paragraph (2), letter f) and the proposal to insert a new letter, letter f¹) in this article, we bring to the forefront the provisions of Article 111, paragraph (2) of the Companies Act no. 31/1990 according to which:</p> <p>"Article 111. - (2) Besides the debate of other issues on the agenda, the general meeting shall be bound: c) to establish the proper remuneration for the members of the board of directors or of the supervisory board, and the censors, for the current year, unless it was settled under the articles of incorporation;"</p> <p>Considering the aforementioned legal provisions, we hereby inform you that the aforementioned proposals for the amendment of the articles of incorporation are not compliant with the valid legal framework.</p> <p>Also, by reviewing the articles of incorporation of Fondul Proprietatea S.A. provided to FSA with the abovementioned letters in order to support the requests for authorization from Fondul Proprietatea S.A., in the capacity of A.I.F. dedicated to retail investors, it was ascertained that amendments were made to adapt it to the</p>	<p>The current text of Article 12 paragraph (2) letter f) was approved by the Extraordinary General Meeting of Shareholders which took place on 13 November 2020, with the purpose of aligning the provisions of Fondul Proprietatea's Constitutive Act with those in art. 92¹ of Law 24/2017, newly enacted as a result of Law no. 158/2020 which implements the provisions of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (commonly referred to as the Second Shareholders Rights Directive).</p> <p>According to the aforementioned provision, the remuneration policy includes all the components of the remuneration granted to its management (in both executive and non-executive roles), effectively and transparently implementing the policy of shareholders' "say on pay".</p> <p>By yearly approving a remuneration policy and having a yearly advisory vote on a remuneration report, the shareholders effectively approve the remuneration of its management (in both executive and non-executive roles). Nevertheless, in order to ensure enhanced clarity of the provisions of Fondul Proprietatea's Constitutive Act and avoid any confusion as to how remuneration of the Fund Manager and of members of the Board of Nominees is approved, the proposed amendment aims to address FSA's comments on application of art. 111 paragraph (2) of the Companies Law.</p>

¹ This text was approved by shareholders during 13 November 2020 Extraordinary General Meeting of Shareholders. However, the text is not in force yet as is not endorsed by the FSA and is not registered with Trade Registry.

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			<p><i>requirements of A.I.F. legislation, still being necessary to supplement certain provisions in order to be in full accordance with the legislation applicable to this type of entity. Within the same respect, it is also required to update certain provisions of the constitutive act in accordance with the provisions of Law no. 31/1990.</i></p> <p>The proposed change of letter k) implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“with regard to the provisions of Article 12, paragraph (2), letter k), we assess as opportune the supplementation of its provisions as follows: “it decides with regard to pledging, leasing or setting-up securities or mortgaging the assets of Fondul Proprietatea under the valid law”.</i></p>	<p>The proposed amendment of letter k) addresses the FSA’s request and seeks to ensure that the relevant provision is clear (<i>i.e.</i>, that the applicable law may require certain such operations to be approved in another manner, e.g. by the extraordinary general meeting of shareholders).</p> <p>For the avoidance of doubt, Fondul Proprietatea has complied, at all times, with the applicable legal provisions in relation to such operations (their application being <i>de jure</i>, such compliance not being thus conditioned by having a specific provision included in the Constitutive Act).</p>
Introducing letter k¹) to paragraph (3) of Article 12		<p>(3) The extraordinary general meeting of the shareholders is entitled to decide on the following:</p> <p>k¹) 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;</p>	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“According to provisions of Article 113, letter e) of the Companies Act no. 31/1990, “The extraordinary general meeting shall gather whenever a decision is necessary to be made for: e) extending the company’s duration.” Considering the aforementioned legal provisions and FSA observations provided at Article 4, we consider opportune to review the supplementation of the provisions of Article 12, paragraph (3) of the constitutive act in the sense of mentioning the fact that the general extraordinary meeting of the shareholders is entitled to decide with regard to the extension of the company’s duration.”</i></p>	<p>The proposed amendment addresses the FSA’s request and seeks to ensure that provisions of the Constitutive Act are further clarified when it comes to role of the extraordinary general meeting of shareholders in approving the dissolution, liquidation and extension of duration of Fondul Proprietatea.</p> <p>For the avoidance of doubt, the legal provisions cited by FSA apply <i>de jure</i>, <i>i.e.</i> their application is not made conditional on having a specific provision included in the Constitutive Act (they apply even absent a specific provisions in the Constitutive Act).</p>
Amendment of Article 13 paragraph (1)	<p>(1) The general meeting of the shareholders is called by the Alternative Investment Fund Manager whenever required. Prior to the convocation of the general meeting of the shareholders, the Alternative Investment</p>	<p>(1) The general meeting of the shareholders is called by the Alternative Investment Fund Manager whenever required. Prior to the convocation of the general meeting of the shareholders, the Alternative Investment Fund</p>	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p>	<p>Following the receipt of FSA request, the Board of Nominees, with the assistance of legal professionals, has analyzed the relevant provision</p>

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	<p>Fund Manager shall communicate to the Board of Nominees the intention to call the general meeting and shall introduce on the list of matters for the meeting all matters requested by the Board of Nominees.</p>	<p>Manager shall communicate to the Board of Nominees the intention to call the general meeting and shall may introduce on the list of matters for the meeting all the matters requested proposed by the Board of Nominees.</p>	<p><i>“In accordance with provisions of Article 117, paragraph (1) and paragraph (6), and also of the provisions of Article 117¹ of Companies Act no. 31/1990:</i></p> <p><i>“Article 117. (1) The general meeting shall be convened by the board of directors or by the directorate wherever it is deemed necessary.</i></p> <p><i>(6) The convening notice shall include the place and the date when the meeting is to take place, as well as the agenda, explicitly indicating all the matters that will constitute the subject of the meeting's proceedings. In case the agenda includes the appointment of directors or of the members of the supervisory board, the convening notice shall mention the list including information with regard to the name, the locality of residence and the professional qualification of the persons proposed for the position of director shall be available to the shareholders, and it may be consulted and filled out by them.</i></p> <p><i>Art. 117¹ (1) One or more shareholders representing, individually or together, at least 5% of the share capital, shall be entitled to request that new points be introduced on the agenda.</i></p> <p><i>(2) The requests shall be forwarded to the board of directors or to the directorate, within maximum 15 days as of the publication of the convening notice, with a view to publishing them and bringing them to the knowledge of the other shareholders. In case the agenda includes the appointment of directors or of the members of the supervisory board, and the shareholders intend to formulate proposals for candidatures, the request shall include the information with regard to the name, the locality of residence and the professional qualification of the persons proposed for those positions.</i></p> <p><i>(3) The agenda supplemented by the points proposed by the shareholders, after the</i></p>	<p>of the Constitutive Act, as well as the critiques of the FSA concerning such provisions.</p> <p>Following such analysis, it is the Board of Nominees view that:</p> <ul style="list-style-type: none"> • The current provisions of the Constitutive Act are lawful and no amendment is necessary; they were lawful when the Constitutive Act was adopted, they were lawful when Fondul Proprietatea was listed in Bucharest and then in London and they continue to be lawful; • The powers of the Board of Nominees, as laid down in the Constitutive Act, are a mechanism for the protection of shareholders' interest, in the event the Fund Manager fails to introduce on the agenda of the general meeting of shareholders any points which are of interest to or should be subject to shareholder approval; • These powers create a more favourable mechanism, exclusively in the interest of shareholders, which is NOT prohibited by law; • The legal provisions regarding the convening of meetings (cited by the FSA) should be seen as a minimum standard that must be complied with by companies/issuers, and NOT as immutable provisions prohibiting a more robust shareholder protection; granting such powers to the Board of Nominees is natural - this body represents the shareholders in the relationship with the Fund Manager and has a permanent role in this regard, has representativity and is endowed with the tools for acting swiftly and efficiently. • The Constitutive Act would have been unlawful to the extent that there was an express prohibition on such enhanced powers and attributions which benefit the shareholders included in the relevant laws or as a result of an official interpretation issued by the Romanian Parliament or by

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			<p><i>convening, must be published in compliance with the requirements provided by the law and/or by the constitutive act for convening the general meeting, at least 10 days before the general meeting, on the date mentioned in the initial convening document.”</i></p> <p><i>Also, according to provisions of Article 92, paragraph 1, paragraph (3) and paragraph (5) of Law no. 24/2017 “The management board or the directorate, as applicable, shall call the general meeting within the timeframe provided for at Article 117, paragraph (2) of Law no. 31/1990. One or more shareholders representing, individually or together, at least 5% of the share capital, shall be entitled to: a) request that new points be entered on the agenda of the general meeting, provided that each point is accompanied by a justification or draft decision proposed to be adopted by the general meeting, and b) submit draft decisions for the points entered or proposed to be entered on the agenda of the general meeting. The shareholders may exercise their rights under paragraph (3) within 15 (fourteen) days as of the date of publishing the convening notice.”</i></p> <p><i>Considering the provisions of Article 117, paragraph (1) and paragraph (6) and of Article 117¹ of Companies Act no. 31/1990, and also the provisions of Article 92, paragraph 1, paragraph (3) and paragraph (5) of Law no. 24/2017, we kindly ask you to review the provisions of the constitutive act regarding the prerogatives of the Board of Nominees in order to correlate them with these legal provisions.”</i></p>	<p>the High Court of Cassation and Justice through an appeal in the interest of the law; NO such express prohibition exists;</p> <ul style="list-style-type: none"> Interpreting the relevant legal provisions as being prohibitive to any enhanced powers of the Board of Nominees may also lead to a potential limitation of the private property right (in this case, the shareholders’ right, as owners of Fondul Proprietatea, to decide on the establishment of corporate governance in Fondul Proprietatea and on the supervision of the Fund Manager), thus potentially leading to a serious breach of fundamental legal provisions at constitutional and supranational level which protect the private property right against restrictions which are not triggered by an objective of general interest being pursued. The enhanced supervisory powers of the Board of Nominees are in line with the growing requirements in the European Union markets for a more robust and effective supervision of the management of the companies whose shares are quoted on the regulated markets (thus ensuring compliance with the requirements set out in the corporate governance codes of both the Bucharest Stock Exchange and the London Stock Exchange, which contain provisions aimed at the effective supervision of the listed companies’ management).
<p>Amendment of Article 13 paragraph (6)</p>	<p>(6) The calling notice, any other matter added to the agenda at the request of the shareholders or of the Board of Nominees, the annual financial statements, the annual report of the Alternative Investment Fund Manager, the report of the Board of Nominees as well as the proposal to</p>	<p>(6) The calling notice, any other matter added to the agenda at the request of the shareholders or of proposed by the Board of Nominees, the annual financial statements, the annual report of the Alternative Investment Fund Manager, the report of the Board of Nominees as well as the proposal to distribute dividends are made available to the</p>	<p>Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.</p>	<p>In the Board of Nominees’ view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to</p>

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	distribute dividends are made available to the shareholders, at the headquarters of Fondul Proprietatea at the date of convocation of the general meeting, and are also published on the internet page, for free access to information by the shareholders. Upon request, copies of these documents shall be issued to the shareholders.	shareholders, at the headquarters of Fondul Proprietatea at the date of convocation of the general meeting, and are also published on the internet page, for free access to information by the shareholders. Upon request, copies of these documents shall be issued to the shareholders.		article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 13 paragraph (7)	(7) The calling notice includes the place, hour and date of the general meeting of the shareholders, as well as the agenda, expressly mentioning all matters that will be subject to debate and all matters required by the applicable law.	(7) The calling notice includes all elements required according to legislation and regulations in force the place, hour and date of the general meeting of the shareholders, as well as the agenda, expressly mentioning all matters that will be subject to debate and all matters required by the applicable law.	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: <i>“With regard to the provisions of Article 13, paragraph (7) of the constitutive act, we consider opportune to review the supplementation of its provisions in accordance with the provisions of Article 187 of Regulation no. 5/2018 regarding the minimum content of the notice to attend the General Meeting of the Shareholders”</i>	This amendment addresses the FSA recommendation “ <i>all elements required according to legislation and regulations in force</i> ”. The proposed amendment has been discussed and cleared with the FSA, following the Fund Manager expressing its concern that including the exact text of art. 187 of Regulation no. 5/2018 may not be opportune, as any amendment of the relevant provision will then require a formal amendment of the Constitutive Act (and, prior to such amendment, may lead to the application of a set of double standards applicable to Fondul Proprietatea - Constitutive Act and the legal requirements). For ease of reference, the exhaustive description of the content of a calling notice is always included in the GSM Procedure of Fondul Proprietatea, which is public and available for consultation on Fondul Proprietatea’s website.
Amendment of Article 13 paragraph (11)	(11) The Board of Nominees may request to the Alternative Investment Fund Manager the calling of the general meeting, and if the Fund Manager does not observe the written request of the Board of Nominees within 5 working days from receiving it, the Board of Nominees may call upon the general meeting of the shareholders by following the same procedures as set out in this Article.	(11) The Board of Nominees may requestpropose to the Alternative Investment Fund Manager the calling of the general meeting, and if the Fund Manager does not observegive a response to the written request of the Board of Nominees within 5 working days from receiving it, the Board of Nominees may call upon the general meeting of the shareholders by following the same procedures as set out in this Articleinform the shareholders, by means of a current report, that it considers necessary the convening of the general meeting of shareholders, while also indicating the topics that should be discussed.	Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.	The proposed amendment strips the Board of Nominees of the power to convene the general meeting of shareholders in case of a refusal by the Fund Manager to convene such meeting upon a proposal by the Board of Nominees. The proposed amendment establishes instead an information mechanism, giving the Board of Nominees the right to publish a current report informing shareholders on the need of calling a shareholder meeting (which may lead to a shareholder or a group of shareholders holding at least 5% of Fondul Proprietatea’s share capital to request the Fund Manager to call a shareholders meeting in line with Companies Law requirements or, in case of refusal by the Fund Manager, to request in court such calling of the general meeting of shareholders.

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				Nevertheless, in the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 13 paragraph (12)	(12) The chairperson of Board of Nominees may request to the Alternative Investment Fund Manager the calling of the general meeting according to article 16 paragraph (4) second sentence.	(12) The chairperson of Board of Nominees may request <u>propose</u> to the Alternative Investment Fund Manager the calling of the general meeting according to article 16 paragraph (4) second sentence.	Same comment as for changes introduced at article 13 paragraph (1).	In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 13 paragraph (15)	(15) In the situation provided by paragraphs (13) and (14), in case the Alternative Investment Fund Manager does not call the general meeting of shareholders, the shareholders who requested the calling of the general meeting may request the same to the Board of Nominees. Should the Board of Nominees is also not responding to their request in 10 working days from the receipt of the request, the court of law from the headquarters of Fondul Proprietatea, by summoning the Alternative Investment Fund Manager, may authorize the calling of the general meeting by the shareholders which formulated the request.	(15) In the situation provided by paragraphs (13) and (14), in case the Alternative Investment Fund Manager does not call the general meeting of shareholders, the shareholders who requested the calling of the general meeting may request the same to the Board of Nominees. Should the Board of Nominees is also not responding to their request in 10 working days from the receipt of the request, the court of law from the headquarters of Fondul Proprietatea, by summoning the Alternative Investment Fund Manager, <u>may authorize the calling of the general meeting by the shareholders which formulated the request, according to the legislation in force.</u>	Same comment as for changes introduced at article 13 paragraph (1).	In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 14 paragraph (5)	(5) For the validity of the deliberation of the extraordinary general meeting of shareholders regarding a share capital decrease, the attendance of the shareholders representing: (i) at least a fourth of the shares having voting rights upon the first convocation; and (ii) at least one fifth of the total number of the shares having voting rights, upon the second convocation is required.	(5) For the validity of the deliberation of the extraordinary general meeting of shareholders regarding a share capital decrease, the attendance of the shareholders representing: (i) at least 1/4 a fourth <u>1/4</u> of the shares having total number of <u>shares having total number of</u> voting rights upon the first convocation; and (ii) at least 1/5 one fifth <u>1/5</u> of the total number of shares having <u>shares having</u> voting rights, upon the second convocation is required.	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: <i>“According to provisions of Article 115, paragraph (1) of Companies Act no. 31/1990: “With a view to ensuring the validity of the deliberation of the extraordinary general meeting, one shall require the attendance of the shareholders which hold at least one fourth of the total number of voting rights, and in the future gatherings, the attendance of the</i>	The proposed amendment addresses the FSA's request and seeks to ensure that the relevant provision is clear (even if the current version has the same effect as the one set out in the Companies Law). For the avoidance of doubt, Fondul Proprietatea has complied, at all times, with the applicable legal provisions in relation to share capital decrease operations (their application being <i>de jure</i>).

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			<p>shareholders which hold at least one fifth of the total number of voting rights.”</p> <p>Considering the aforementioned legal provisions, it is required to amend the provisions of Article 14, paragraph (5), letter (i) of the constitutive act, according to the provisions of article 115, paragraph (1) of Companies Act no. 31/1990 in the sense of mentioning the fact that, in order to validate the deliberation of the general extraordinary meeting of the shareholders regarding the decrease of the share capital, the presence of the shareholders representing at least 1/4 of the total shareholders with voting right is necessary. With regard to the provisions of Article 14, paragraph (15) and paragraph (19), we consider opportune to review the amendment of its provisions in accordance with the provisions of Article 208 and Article 209 of Regulation no. 5/2018.”</p>	
<p>Amendment of paragraphs (13) and (14) and deletion of paragraph (15) of Article 14</p>	<p>(13) Considering the extremely large number of shareholders of Fondul Proprietatea the shareholders may participate in person, by proxy with a special power of attorney or may express their voting right by correspondence or by electronic voting; the procedures and forms for the proxy, correspondence and electronic voting shall be set by the Alternative Investment Fund Manager, in accordance with the applicable legislation and are made available to the shareholders at least by the date of publishing of convening notice for general meeting of shareholders.</p> <p>(14) Considering the introduction of the voting right by correspondence, which right may be exercised and it is recommended to be exercised by any of the shareholders, the statutory quorum that needs to be met for the valid holding of any type of general meeting of the shareholders is calculated by including the votes deemed validly sent by</p>	<p>(13) Considering the extremely large number of shareholders of Fondul Proprietatea the shareholders may participate in person, by proxy with a special power of attorney or may express their voting right by correspondence or by electronic voting, <u>according to legislation and regulations in force, according to applicable legislation and regulations in force.</u> The procedures and forms for the proxy, correspondence and electronic voting shall be set by the Alternative Investment Fund Manager, in accordance with the applicable legislation and are made available to the shareholders at least by the date of publishing of convening notice for general meeting of shareholders.</p> <p>(14) Considering the introduction of the voting right by correspondence, which right may be exercised and it is recommended to be exercised by any of the shareholders. The statutory quorum that needs to be met for the valid holding of any type of general meeting of the shareholders is calculated by including the votes deemed validly</p>	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p>“According to provisions of Article 115, paragraph (1) of Companies Act no. 31/1990: “With a view to ensuring the validity of the deliberation of the extraordinary general meeting, one shall require the attendance of the shareholders which hold at least one fourth of the total number of voting rights, and in the future gatherings, the attendance of the shareholders which hold at least one fifth of the total number of voting rights.”</p> <p>Considering the aforementioned legal provisions, it is required to amend the provisions of Article 14, paragraph (5), letter (i) of the articles of incorporation, according to the provisions of article 115, paragraph (1) of Companies Act no. 31/1990 in the sense of mentioning the fact that, in order to validate the deliberation of the general extraordinary meeting of the</p>	<p>This amendment addresses the FSA recommendation, covered by reference to “applicable legislation and regulations in force”.</p> <p>The proposed amendment has been discussed and cleared with the FSA, following the Fund Manager expressing its concern that including extensive text extracted from article 115 paragraph (1) of Companies Law and from articles 208 and 209 of Regulation no. 5/2018 may not be opportune, as any amendment of the relevant provision will then require a formal amendment of the Constitutive Act (and, prior to such amendment, may lead to the application of a set of double standards applicable to Fondul Proprietatea - Constitutive Act and legal requirements).</p> <p>For ease of reference, the exhaustive description of the voting procedure is always included in the GSM Procedure of Fondul Proprietatea, which is public and available for consultation on Fondul Proprietatea’s website.</p>

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	<p>correspondence, according to legislation in force.</p> <p>(15) Also in the case of the vote by correspondence, each shareholder is entitled to pronounce himself in writing, with respect to the issues included in the agenda, casting a vote "for", "against" or "abstained". The expressed votes that are not cancelled are considered.</p>	<p>sent by correspondence, according to legislation in force.</p> <p>(15) Also in the case of the vote by correspondence, each shareholder is entitled to pronounce himself in writing, with respect to the issues included in the agenda, casting a vote "for", "against" or "abstained". The expressed votes that are not cancelled are considered.</p>	<p><i>shareholders regarding the decrease of the share capital, the presence of the shareholders representing at least 1/4 of the total shareholders with voting right is necessary. With regard to the provisions of Article 14, paragraph (15) and paragraph (19), we consider opportune to review the amendment of its provisions in accordance with the provisions of Article 208 and Article 209 of Regulation no. 5/2018."</i></p>	
Amendment of Article 14 paragraph (17)	<p>(17) In order to ensure the effective and real possibility of all shareholders to be informed on the contents of the documents and the proposals of the ones requiring the organization of the general meeting of the shareholders, by care of the Alternative Investment Fund Manager, such will be available, at the headquarters of Fondul Proprietatea, as well as on the internet page of Fondul Proprietatea, at least 30 days prior to the date provided for holding the meeting. In the case the calling of the general meeting is made by the Board of Nominees, the Alternative Investment Fund Manager has the obligation to fulfil all the above-mentioned formalities at the request of the Board of Nominees. In case the communication with the shareholder is not realized in this way, for objective reasons, the Board of Nominees may announce in the calling notice a different address than the registered address of Fondul Proprietatea, where the above-mentioned documents will be made public on the website of Fondul Proprietatea, in accordance with the applicable legislation.</p>	<p>(17) In order to ensure the effective and real possibility of all shareholders to be informed on the contents of the documents and the proposals of the ones requiring the organization of the general meeting of the shareholders, by care of the Alternative Investment Fund Manager, such will be available, at the headquarters of Fondul Proprietatea, as well as on the internet page of Fondul Proprietatea, at least 30 days prior to the date provided for holding the meeting. In the case the calling of the general meeting is made by the Board of Nominees, the Alternative Investment Fund Manager has the obligation to fulfil all the above-mentioned formalities at the request of the Board of Nominees. In case the communication with the shareholder is not realized in this way, for objective reasons, the Board of Nominees may announce in the calling notice a different address than the registered address of Fondul Proprietatea, where the above-mentioned documents will be made public on the website of Fondul Proprietatea, in accordance with the applicable legislation.</p>	<p>Same comment as for changes introduced at article 13 paragraph (1).</p>	<p>In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.</p>
Amendment of Article 14 paragraph (18)	<p>(18) In the ads informing on the convocation of the general meeting of shareholders of Fondul Proprietatea it will be indicated, by the Alternative Investment Fund Manager the reference date in relation to which the shareholders will be entitled to participate and vote. Also, the date by when the shareholders may send their votes, as well as the procedure for voting by correspondence,</p>	<p>(18) In the ads informing on the convocation of the general meeting of shareholders of Fondul Proprietatea it will be indicated, by the Alternative Investment Fund Manager the reference date in relation to which the shareholders will be entitled to participate and vote. Also, the date by when the shareholders may send their votes, as well as the procedure for voting by correspondence, regarding any of the issues subject to approval shall also be</p>	<p>Same comment as for changes introduced at article 13 paragraph (1).</p>	<p>In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.</p>

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	<p>regarding any of the issues subject to approval shall also be set. If the calling of the general meeting is made at the request of the Board of Nominees the above mentioned duties shall be fulfilled by the Board of Nominees. The deadline by when votes by correspondence may be registered at least 5 working days subsequent to the date of publication of the informative material and is prior to the convocation date of the general meeting of the shareholder by at least 48 hours.</p>	<p>set. If the calling of the general meeting is made at the request of the Board of Nominees the above mentioned duties shall be fulfilled by the Board of Nominees.—The deadline by when votes by correspondence may be registered at least 5 working days subsequent to the date of publication of the informative material and is prior to the convocation date of the general meeting of the shareholder by at least 48 hours.</p>		
<p>Deletion of paragraph (19) of Article 14</p>	<p>(19) The votes of the shareholders will be sent electronically or by letter to the headquarters of Fondul Proprietatea, in a clear and precise form, noting "for", "against" or "abstained" in relation to each issue subject to approval for which the shareholder intends to cast a vote.</p>	<p>(19) The votes of the shareholders will be sent electronically or by letter to the headquarters of Fondul Proprietatea, in a clear and precise form, noting "for", "against" or "abstained" in relation to each issue subject to approval for which the shareholder intends to cast a vote.</p>	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“According to provisions of Article 115, paragraph (1) of Companies Act no. 31/1990: “With a view to ensuring the validity of the deliberation of the extraordinary general meeting, one shall require the attendance of the shareholders which hold at least one fourth of the total number of voting rights, and in the future gatherings, the attendance of the shareholders which hold at least one fifth of the total number of voting rights.”</i></p> <p><i>Considering the aforementioned legal provisions, it is required to amend the provisions of Article 14, paragraph (5), letter (i) of the articles of incorporation, according to the provisions of article 115, paragraph (1) of Companies Act no. 31/1990 in the sense of mentioning the fact that, in order to validate the deliberation of the general extraordinary meeting of the shareholders regarding the decrease of the share capital, the presence of the shareholders representing at least 1/4 of the total shareholders with voting right is necessary. With regard to the provisions of Article 14, paragraph (15) and paragraph (19), we consider opportune to review the amendment of its provisions in accordance with the provisions of Article 208 and Article 209 of Regulation no. 5/2018.”</i></p>	<p>This amendment addresses the FSA recommendation “<i>all elements required according to legislation and regulations in force</i>” (please refer to the comments made in connection with the proposed amendment of paragraphs (13) and (14) and deletion of paragraph (15) Article 14 of the Constitutive Act – please see above).</p> <p>The proposed amendment has been discussed and cleared with the FSA, following the Fund Manager expressing its concern that including extensive text extracted from article 115 paragraph (1) of Companies Law and from articles 208 and 209 of Regulation 5/2018 may not be opportune, as any amendment of the relevant provision will then require a formal amendment of the Constitutive Act (and, prior to such amendment, may lead to the application of a set of double standards applicable to Fondul Proprietatea - Constitutive Act and legal requirements).</p> <p>For ease of reference, the exhaustive description of the voting procedure is always included in the GSM Procedure of Fondul Proprietatea, which is public and available for consultation on Fondul Proprietatea’s website.</p>

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Amendment of Article 14 paragraph (21)	(21) The shareholders may be represented in each general meeting by other shareholders or by third parties subject to evidence that voting authority has been delegated by the shareholder for that particular general meeting.	(21) The shareholders may be represented in each general meeting by other shareholders or by third parties, according to the legislation in force subject to evidence that voting authority has been delegated by the shareholder for that particular general meeting.	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: “ <i>In accordance with provisions of Article 125, paragraph (1) of Companies Act no. 31/1990: “The shareholders can participate and vote in general meetings by representation, based on a special proxy granted for such general meeting.” Also, according to the provisions of Article 92, paragraph (10) and paragraph (11) of Law no. 24/2017: “The shareholders may also be represented in the general meeting of the shareholders by persons other than the shareholders based on a special or general proxy. In case a shareholder is represented by a credit institution which provides custody services, it may vote in the general meeting of the shareholders based on the voting instructions received by electronic means of communication, without being for a special or general proxy to be prepared by the shareholder. The custodian votes in the general meeting of the shareholders exclusively in accordance with and within the limits of the instructions received from its clients having the capacity of shareholders on the date of reference.” Given the aforementioned legal provisions, we consider opportune to review the supplementation of the provisions of Article 14, paragraph (21) of the constitutive act according to the provisions of article 125, paragraph (1) of Companies Act no. 31/1990 and of the provisions of Article 92, paragraph (10) and paragraph (11) of Law no. 24/2017.”</i> ”	In order to address the FSA’s comments made in connection with the application of art. 125 paragraph (1) of the Companies Law and art. 92 paragraph (10) and (11) of Law no. 24/2017, the proposal is to insert a reference to “ <i>legislation in force</i> ”. For ease of reference, specific guidance as to representation on the basis of general or special powers of attorney is always included in the GSM Procedure of Fondul Proprietatea, which is public and available for consultation on Fondul Proprietatea’s website.
Amendment of Article 14 paragraph (23)	(23) Only the shareholders registered in the company shareholders’ register at the reference date established by the Alternative Investment Fund Manager or the Board of Nominees, as the case may be, when calling the general meeting of the shareholders shall	(23) Only the shareholders registered in the company shareholders’ register at the reference date established by the Alternative Investment Fund Manager or the Board of Nominees, as the case may be , when calling the general meeting of the shareholders shall be entitled to participate to the meeting and vote after proving their identity.	Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.	In the Board of Nominees’ view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to

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	be entitled to participate to the meeting and vote after proving their identity.			article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 15 paragraph (2)	(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. The nomination will be accompanied by the questionnaire regarding the independence of the candidate, completed and signed by the candidate, whose template shall be available in the informative materials, following that, this questionnaire will be brought to the attention of the shareholders. The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the Alternative Investment Fund Manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by the investment policy as well as by the applicable laws and regulations. Also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Alternative Investment Fund Manager needing the approval of the Board of Nominees are made to the advantage of the shareholders.	(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. The nomination will be accompanied by the questionnaire regarding the independence of the candidate, completed and signed by the candidate, whose template shall be available in the informative materials, following that, this questionnaire will be brought to the attention of the shareholders. The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the Alternative Investment Fund Manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by the investment policy as well as by the applicable laws and regulations. Also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Alternative Investment Fund Manager needing the approval of to be analysed by the Board of Nominees are made to the advantage of the shareholders.	Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.	In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 16 paragraph (4)	(4) If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision, the chairperson of the Board of Nominees shall give notice for a second meeting of Board of Nominees, having the same agenda as the first, in order to discuss this agenda. If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision for three consecutive times, the chairperson of the Board of Nominees shall ask the Alternative Investment Fund Manager to convoke the general meeting of the shareholders in order to properly decide on the respective	(4) If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision, the chairperson of the Board of Nominees shall give notice for a second meeting of Board of Nominees, having the same agenda as the first, in order to discuss this agenda. If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision for three consecutive times, the chairperson of the Board of Nominees shall ask the Alternative Investment Fund Manager to convoke the general meeting of the shareholders in order to properly decide on the respective decisions; in case that the Alternative Investment Fund Manager does not convoke it;	Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.	In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.

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	decisions; in case that the Alternative Investment Fund Manager does not convoke it, any of the members of the Board of nominees will be in his right to convoke the general meeting.	any of the members of the Board of nominees will be in his right to convoke the general meeting.		
Amendment of Article 17 paragraph (1)	(1) Following the information received from the Alternative Investment Fund Manager with regard to the summoning of the ordinary and/or extraordinary general meeting of the shareholders requests, if it deems necessary, the insertion of supplementary matters in the text of the calling notice of the general meeting of shareholders;	(1) Following the information received from the Alternative Investment Fund Manager with regard to the summoning of the ordinary and/or extraordinary general meeting of the shareholders requests proposes, if it deems necessary, the insertion of supplementary matters in the text of the calling notice of the general meeting of shareholders, in accordance with the legislation in force;	Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.	In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 17 paragraph (7)	(7) Receives from the Alternative Investment Fund Manager for analysis and approves the framework for carrying out Fondul Proprietatea's operations, as well as any other Fondul Proprietatea's regulations issued by Alternative Investment Fund Manager according to legal provisions in force, capital market rules and regulations;	(7) Receives from the Alternative Investment Fund Manager and reviews for analysis and approves the framework for carrying out Fondul Proprietatea's operations, as well as any other Fondul Proprietatea's regulations issued by Alternative Investment Fund Manager according to legal provisions in force, capital market rules and regulations;	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: "In accordance with the provisions of Law no. 74/2015 and FSA Regulation no. 10/2015, the Sole Director of Fondul Proprietatea S.A. is an AIFM carrying out the activities provided by Article 5, paragraph (2) and paragraph 3 of Law no. 74/2014, while, in accordance with provisions of Article 21, paragraph (2) of the articles of incorporation of Fondul Proprietatea S.A., the role of the Board of Nominees is to monitor AIFM's activity. Also, in accordance with the legal provisions applicable to AIFM, the preparation of AIFM's internal rules and procedures is exclusively its attribute, and it is not approved by the Board of Nominees even though they have an impact on the administration activity of Fondul Proprietatea S.A. Taken into account the abovementioned aspects, we kindly request you to consider amending the provisions of Article 17, paragraph (7) of the articles of incorporation in the sense of eliminating the provisions concerning the approval by the Board of Nominees of the framework for the performance of the operations of Fondul Proprietatea S.A. prepared by AIFM, and of eliminating the obligation to	Following the receipt of FSA request, the Board of Nominees, with the assistance of legal professionals, has analyzed the relevant provision of the Constitutive Act, as well as the critiques of the FSA concerning such provisions. Following such analysis, it is the Board of Nominees view that: <ul style="list-style-type: none"> • The current provisions of the Constitutive Act are lawful and no amendment is necessary; • The provisions of art. 17 par. (7) of the Constitutive Act refer to the specific regulations of Fondul Proprietatea and not to those elaborated by the Alternative Investment Fund Manager in relation to its own organisation. Such regulations are thus positioned outside the applicability area of Law no. 74/2015 and of Regulation no. 10/2015. • By means of the aforementioned provision, the Constitutive Act does not grant the Board of Nominees the power to approve rules that regard the organisation and operation of the Alternative Investment Fund Manager; such rules being the prerogative of the legislation of the member state where the Manager is based (in our case the Grand Duchy of Luxembourg).

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			<p><i>subject to the approval by the Board of Nominees any other regulation issued by AIFM applicable to Fondul Proprietatea S.A. In this respect, we recommend using the terminology used at Article 17 of the constitutive act of Fondul Proprietatea S.A. with regard to the prerogatives of the Board of Nominees to receive and review.”</i></p>	<ul style="list-style-type: none"> • The specific regulations of Fondul Proprietatea referred to under art. 17 par. (7) of the Constitutive Act are those regulated by the provisions of Law no. 243/2019. • Law no. 243/2019 does not contain stipulations that prevent shareholders, as owners of Fondul Proprietatea, to decide on how the Fund’s rules should be adopted (even if such rules are elaborated by the Alternative Investment Fund Manager) and how corporate governance and supervision of the Alternative Investment Fund Manager should be established. • The Constitutive Act would have been unlawful to extent that there was an express prohibition on such enhanced powers and attributions which benefit the shareholders included in the relevant laws or as a result of an official interpretation issued by the Romanian Parliament or by the High Court of Cassation and Justice through an appeal in the interest of the law; NO such express prohibition exists. • Interpreting the relevant legal provisions as being prohibitive to any enhanced powers of the Board of Nominees may also lead to a potential limitation of the private property right (in this case, the shareholders’ right, as owners of Fondul Proprietatea, to decide on the establishment of corporate governance in Fondul Proprietatea and on the supervision of the Fund Manager), thus potentially leading to a serious breach of fundamental legal provisions at constitutional and supranational level which protect the private property right against restrictions which are not triggered by an objective of general interest being pursued. • The enhanced supervisory powers of the Board of Nominees are in line with the growing requirements in the European Union markets for a more robust and effective supervision of the management of

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				the companies whose shares are quoted on the regulated markets (thus ensuring compliance with the requirements set out in the corporate governance codes of both the Bucharest Stock Exchange and the London Stock Exchange, which contain provisions aimed at the effective supervision of the listed companies' management).
Amendment of Article 17 paragraph (14)	(14) Under the conditions of art. 13 paragraphs (11) and (14) calls upon the general meeting of the shareholders;	(14) Under the conditions of art. 13 paragraphs (11) and (14) calls upon , informs the shareholders about the necessity to call the general meeting of the shareholders, mentioning also the topics to be discussed;	Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.	In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.
Amendment of Article 17 paragraph (16)	Proposes to the general meeting of shareholders the prior approval or rejection of the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;	Proposes Further to the proposal of the Alternative Investment Fund Manager, issues an opinion to be presented to the general meeting of shareholders the prior approval or rejection of regarding the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: <i>“In accordance with provisions of Article 90, paragraph (1) of Law no. 24/2017: “Any acts acquiring, alienating, exchanging or lodging as collateral certain assets included in the category of the issuer’s non-current assets, whose value exceeds, individually or cumulatively, over a fiscal year, 20% of the total non-current assets, except for receivables, shall be concluded by the directors or managers of the issuer only subject to the prior approval by the extraordinary general meeting of shareholders.” Considering the aforementioned legal provisions, in our opinion, AIFM (which is bound to summon the general meeting of the shareholders) should propose to the General Meeting of the Shareholders to approve the conclusion of the acts acquiring, alienating, exchanging or lodging as collateral certain assets in the category of the issuer’s non-current assets provided at Article 90, paragraph (1) of Law no. 24/2017 irrespective of the existence of a proposal made by the Board of Nominees. In this</i>	In the Board of Nominees' view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details. For the avoidance of doubt, Fondul Proprietatea has complied, at all times, with the applicable legal provisions in relation to such operations (their application being <i>de jure</i> , and not conditional upon having a specific provision included in the Constitutive Act – <i>i.e.</i> any operations which fall within the application of Article 90, paragraph (1) of Law no. 24/2017 are concluded only following the approval of the extraordinary general meeting of shareholders).

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			<i>context, we kindly ask you to consider amending the provisions of Article 17, paragraph (16), and of Article 21, paragraph 4, letter (ix) of the constitutive act according to the abovementioned provisions.”</i>	
Amendment of Article 17 paragraph (20)	(20) Approves the delegation by the Alternative Investment Fund Manager of certain activities. The delegation shall be effective in accordance with the legal provisions in force;	(20) Approves Receives and reviews the delegation by the Alternative Investment Fund Manager of certain activities. The delegation shall be effective in accordance with the legal provisions in force;	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: “<i>In accordance with provisions of Article 75, letters a) - d) of (EU) Delegated Regulation no. 231/2013 on derogations, general operating conditions, storage, leverage, transparency and supervision, “Upon delegating the tasks of performing one or several functions on their behalf, AIFM especially complies with the following general principles:</i></p> <p><i>(a) the structure of the delegation does not allow AIFM to circumvent from its responsibilities;</i></p> <p><i>(b) AIFM’s obligations towards AIF and its investors are not modified as a result of the delegation;</i></p> <p><i>(c) the conditions to be complied with by AIFM in order to be authorized and to carry out activities in accordance with Directive 2011/61/EU are not affected;</i></p> <p><i>(d) delegation takes place in the form of a written agreement between AIFM and the delegate.”</i></p> <p><i>Taking into account the aforementioned legal provisions, and also the fact that the delegation of the activities carried out by an AIFM is exclusively AIFM’s attribute and they are subject to the regime from AIFM’s home Member State, we kindly ask you to consider amending the provisions of Article 17, paragraph (20) of the constitutive act in the sense of eliminating the obligation to obtain the approval of the Board of Nominees for the delegation by AIFM of certain activities, this being a right conferred to AIFM under European</i></p>	<p>Following the receipt of FSA request, the Board of Nominees, with the assistance of legal professionals, has analyzed the relevant provision of the Constitutive Act, as well as the critiques of the FSA concerning such provisions.</p> <p>Following such analysis, it is the Board of Nominees view that:</p> <ul style="list-style-type: none"> The current provisions of the Constitutive Act are lawful and no amendment is necessary; the provisions of art. 17 par. (20) of the Constitutive Act, comply with the applicable law and do not conflict with the provisions of the Directive on Alternative Investment Fund Managers (2011/61/EU) (“AIFMD”). The Constitutive Act would have been unlawful to extent that there was an express prohibition set out in the laws of the home Member State of the Alternative Investment Fund Manager (<i>i.e.</i>, Luxembourg); moreover such interpretation of the provisions of the AIFMD (which was intended to create a general framework applicable to a very wide range of organizations) may also trigger the involvement of ESMA and, ultimately, of the Court of Justice of the European Union, in compliance with the conditions of predictability and accessibility required of legal provisions. Interpreting the relevant legal provisions as being prohibitive to any enhanced powers of the Board of Nominees may also lead to a potential limitation of the private property right (in this case, the shareholders’ right, as owners of Fondul Proprietatea, to decide on the establishment of corporate governance in Fondul Proprietatea and on the supervision

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			<p><i>regulations, a right that cannot be hampered.”</i></p>	<p>of the Fund Manager), thus potentially leading to a serious breach of fundamental legal provisions at constitutional and supranational level which protect the private property right against restrictions which are not triggered by an objective of general interest being pursued.</p> <ul style="list-style-type: none"> The enhanced supervisory powers of the Board of Nominees are in line with the growing requirements in the European Union markets for a more robust and effective supervision of the management of the companies whose shares are quoted on the regulated markets (thus ensuring compliance with the requirements set out in the corporate governance codes of both the Bucharest Stock Exchange and the London Stock Exchange, which contain provisions aimed at the effective supervision of the listed companies' management).
<p>Introduction of a new paragraph (6) to Article 19</p>		<p><u>(6) The rules for remuneration of the Alternative Investment Fund Manager and the size of administration fees are included in the remuneration policy and the remuneration policy is approved by ordinary general meeting of shareholders, at least once at four years. The annual size of the administration fees is included in annual budget and approved by the ordinary general meeting of shareholders according to the legislation in force.</u></p>	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“According to provisions of Article 34, paragraph (3), letter d) of Regulation no. 7/2020:</i></p> <p><i>“Besides the minimum content provided by law no. 31/1990, the articles of incorporation of an A.I.F.S. administered by an Alternative Investment Fund Manager (A.I.F.M.) contain at least particulars concerning: share issuance, holding and sale”. Taking into account the aforementioned legal provisions and considering the fact that AIFM is remunerated from the administration fee and also from other additional (performance, distribution etc.) fees, we assess as necessary the supplementation of the provisions of Article 19 of the articles of incorporation, according to the provisions of Article 34, paragraph (3), letter e) of Regulation no. 7/2020 in the sense of</i></p>	<p>The proposed amendment addresses the FSA’s comments on the opportunity of adding additional details on remuneration and sizing of operational expenses and their approval.</p>

Article	Current form	Proposed changes	FSA argumentation for recommendations	Comments
			<i>mentioning the rules regarding the remuneration of directors and sizing of administration expenses.”</i>	
Amendment of Article 20	The Alternative Investment Fund Manager shall appoint a natural person as its permanent representative. The Alternative Investment Fund Manager can change the permanent representatives in accordance with the applicable law. All changes will be registered with the Trade Registry.	The Alternative Investment Fund Manager shall appoint a natural person as its permanent representative. The Alternative Investment Fund Manager can change the permanent representativesrepresentative in accordance with the applicable law. All changes will be registered with the Trade Registry.	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“In accordance with the provisions of Article 153.13, paragraph (2) of Companies Act no. 31/1990:</i></p> <p><i>A legal person may be appointed director or member in the supervisory board of a joint-stock company. Upon this appointment, the legal person shall be under the obligation to designate a natural person as their permanent representative. They shall be subject to the same obligations and conditions and they shall have the same civil or criminal liability as a director or a member of the supervisory board who is a natural person, acting on their own behalf, without exonerating the represented legal person of its liability or having its joint liability mitigated. When the legal person revokes its representative, it shall be under the obligation to appoint a substitute at the same time.”</i> Considering the aforementioned legal provisions and for the avoidance of any contradictory interpretation with regard to the provisions of Article 20 of the articles of incorporation, in accordance with provisions of Article 153[^]13, paragraph (2) of Companies Act no. 31/1990, we kindly ask you to review the amendment of its provisions in the sense of mentioning the fact that AIFM can change the permanent representative in accordance with the applicable legal provisions.”</p>	Concerning the FSA’s comments made in connection with the application of art. 15313 of the Companies Law, the Fund Manager deems that the current text (which refers to representatives instead of a single representative) reflects the current situation of the Fund Manager having appointed multiple permanent representatives, ensuring flexibility and continuity (without disruption) in its management of Fondul Proprietatea. It is the Fund Manager’s view that the relevant provisions of the Companies Law impose the appointment of at least one permanent representative but does not limit the number of permanent representatives that may be appointed. A restrictive interpretation of this legal provision serves no purpose as long as there is publicity on the number and identity of representatives.
Amendment of Article 21 paragraph (3) and paragraph (4) letters (i), (ii), (iv), (vi), (vii) (viii), (ix), (xi) and (xvi)	(3) In addition to the duties provided by the applicable law, the Alternative Investment Fund Manager shall propose for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the	(3) In addition to the duties provided by the applicable law, the Alternative Investment Fund Manager shall propose for the prior approvalanalysis of the Board of Nominees and further, of the approval of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the investment	<p>For the amendment of paragraph (3) - Same comment as for changes introduced at article 13 paragraph (1) of the Constitutive Act.</p> <p>For the amendment of paragraph (4) letter (viii) - The proposed change</p>	For the amendment of paragraph (3) - In the Board of Nominees’ view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to

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<p>and renumbering of a new letter (xi¹)</p>	<p>investment policy of Fondul Proprietatea and it is responsible for the implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio. The Alternative Investment Fund Manager undertakes to inform the Board of Nominees regularly, and as and when required by the Board of Nominees, about any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio.</p> <p>(4) In excess of the duties provided by the applicable law, the Alternative Investment Fund Manager shall be liable to:</p> <p>(i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;</p> <p>(ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining the prior approval of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;</p> <p>...</p> <p>(iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;</p> <p>...</p>	<p>policy of Fondul Proprietatea and it is responsible for the implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio. The Alternative Investment Fund Manager undertakes to inform the Board of Nominees regularly, and as and when required by the Board of Nominees, about any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio.</p> <p>(4) In excess of the duties provided by the applicable law, the Alternative Investment Fund Manager shall be liable to:</p> <p>(i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of notifying the Board of Nominees and after it added to the agenda analysing the matters requested proposed by the Board of Nominees to be added on the agenda;</p> <p>(ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining considering the prior approval opinion of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;</p> <p>...</p> <p>(iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining considering the prior approval opinion of the Board of Nominees;</p> <p>...</p>	<p>implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“Delegation to third parties of the activities of an AIFM takes place in accordance with (EU) Delegated Regulation no. 231/2013 and applicable legislation from AIFM’s home member state of origin. In this context, we kindly ask you to consider amending the provisions of Article 21, paragraph 4, letter (viii) of constitutive act by taking into account the fact that, according to its provisions, it results that AIFM should approve for itself outsourcing certain activities.”</i></p> <p>For the amendment of paragraph (4) letter (ix) - The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“In accordance with provisions of Article 90, paragraph (1) of Law no. 24/2017: “Any acts acquiring, alienating, exchanging or lodging as collateral certain assets included in the category of the issuer’s non-current assets, whose value exceeds, individually or cumulatively, over a fiscal year, 20% of the total non-current assets, except for receivables, shall be concluded by the directors or managers of the issuer only subject to the prior approval by the extraordinary general meeting of shareholders.” Considering the aforementioned legal provisions, in our opinion, AIFM (which is bound to summon the general meeting of the shareholders) should propose to the General Meeting of the Shareholders to approve the conclusion of the acts acquiring, alienating, exchanging or lodging as collateral certain assets in the category of the issuer’s non-current assets provided at Article 90, paragraph (1) of Law no. 24/2017 irrespective of the existence of a proposal made by the Boards of Nominees. In this context, we kindly ask you to consider</i></p>	<p>article 13 paragraph (1) of the Constitutive Act for details.</p> <p>The amendment of letter (xi) in the sense that the final thesis becomes a separate point (xi¹) is a clarification of wording.</p> <p>For the amendment of paragraph (4) letter (viii)- In the Board of Nominees’ view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.</p> <p>For the amendment of paragraph (4) letter (ix) - In the Board of Nominees’ view, such amendment would lead to a decrease of shareholder protection conferred under the current version of the Constitutive Act – please refer to the comments expressing the Board of Nominees position in connection with the proposed amendments to article 13 paragraph (1) of the Constitutive Act for details.</p> <p>For the avoidance of doubt, Fondul Proprietatea has complied, at all times, with the applicable legal provisions in relation to such operations (their application being <i>de jure</i>, and not conditional upon having a specific provision included in the Constitutive Act – <i>i.e.</i> any operations which constitute reserved matters are concluded only following the approval of the extraordinary general meeting of shareholders).</p>

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	<p>(vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;</p> <p>(vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;</p> <p>(viii) approves the outsourcing of certain activities, within the limits of the approved budget, respectively the delegation of the performance of certain activities, subject to the observance of the applicable legislation;</p> <p>(ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;</p> <p>(xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;</p> <p>(xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration,</p>	<p>(vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval analysis prior to its submission to the general meeting of the shareholders;</p> <p>(vii) proposes for the prior approval analysis of the Board of Nominees and further, for the approval of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;</p> <p>(viii) approves the outsourcing of certain activities related to the management of the company, within the limits of the approved budget, respectively the delegation of the performance of certain activities, subject to the observance of the applicable legislation;</p> <p>(ix) based on the proposal of the Board of Nominees to (ix) submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables, presenting to the shareholders the opinion of the Board of Nominees;</p> <p>(xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining presenting to the prior approval shareholders the opinion of the Board of Nominees, as well as;</p> <p>(xi¹) approve the procedure of internal audit and the audit plan;</p> <p>(xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its</p>	<p><i>amending the provisions of Article 17, paragraph (16), and of Article 21, paragraph 4, letter (ix) of the articles of incorporation according to the abovementioned provisions.”</i></p> <p>For all other changes in this article, please read the FSA comment from the proposed changes to art. 13 para. (1) of the Constitutive Act.</p>	

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	when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea;	remuneration, when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea, <u>presenting to the shareholders the opinion of the Board of Nominees;</u>		
Amendment of Article 24 paragraph (2)	(2) An internal audit department shall be organised within Fondul Proprietatea, having attributions of objective examinations of the company's aggregate business, for the purpose of providing an independent evaluation of the risk management, control and leading development of the company. The Alternative Investment Fund Manager can decide that internal audit work can be outsourced, in which case it will run it on a contractual basis, in accordance with the applicable legal provisions.	(2) The An internal audit activity for department shall be organised within Fondul Proprietatea, having attributions of objective examinations of the company's aggregate business, for the purpose of providing an independent evaluation of the risk management, control and leading development of the company. The Alternative Investment Fund Manager can decide that internal audit work can be outsourced, in which case it will run it will be rendered by a third party on a contractual basis, in accordance with the applicable legal provisions.	Below is the translation in English of the FSA request in this regard: "With regard to the provisions of Article 24 of the constitutive act according to which in Fondul Proprietatea S.A. an internal audit department shall be organised, we kindly ask you to consider reviewing the amendment of its provisions considering that Fondul Proprietatea S.A. does not have its own personnel."	No comments from Fund Manager of from Board of Nominees.
Amendment of Article 31 paragraph (1) letter. c)	(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 paragraphs (4) and (5);	(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 paragraphs (4) and (65);		This change is not recommended by FSA but is correcting a reference.
Introduction letter f¹) paragraph (1) to Article 31		(1) The dissolution of Fondul Proprietatea shall take place in the following cases: <u>f¹) expiration of the duration of Fondul Proprietatea, if the extraordinary general meeting of shareholders of Fondul Proprietatea does not decide the extension of the duration, in accordance with Article 4;</u>	The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard: "In accordance with provisions of Article 227, paragraph (1), letter a) of the Companies Act no. 31/1990: "The company shall be dissolved by: a) expiry of the period established for the term of the company." Also, according to the provisions of Article 8, paragraph (1), letter c) of Law no. 243/2019: "The tender document of the Alternative Investment Fund of Contractual Type (A.I.F.C.) and the rules of the fund set forth at least as follows: c) in the case of closed A.I.F.C., the fund's operating period, fund's liquidation date, the fact that the fund units cannot be redeemed by investors prior to the initiation of the fund's liquidation phase, whether directly or indirectly from A.I.F.C. assets". Considering the aforementioned legal provisions, and also that according to the	Please refer to the comments in relation to the amendment of Article 4 of the Constitutive Act.

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			<i>provisions of Article 8, paragraph (1), letter c) of Law no. 243/2019, an A.I.F.S. of closed type has a limited duration, we kindly ask you to revise the provisions of Article 31, paragraph 1 of the articles of incorporation, according to the provisions of Article 227, paragraph (1), letter a) of the Companies Act no. 31/1990, in the sense of mentioning that the fund is also dissolved after the due period established for the duration of the company elapses.”</i>	
Amendment of Article 32	<p>(1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure.</p> <p>(2) The liquidation of Fondul Proprietatea and distribution of the patrimony are made in accordance with the law.</p>	<p>(1) The dissolution of Fondul Proprietatea has as consequence the opening 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.</p> <p>(2) The shareholders cannot, directly or indirectly, redeem their shares from Fondul Proprietatea’s assets prior to the start of the liquidation procedure.</p> <p>(3) The liquidation of Fondul Proprietatea and distribution of the patrimony are made in accordance with the law.</p>	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“We assess as necessary to amend the provisions of Article 32 of the constitutive act, according to the provisions of Article 8, paragraph (1), letter c) of Law no. 243/2019, in the sense of mentioning that the fund is liquidated on the date the duration of the fund ends, and also that direct or indirect redemptions from the asset cannot be made upon the initiative of the investors prior to the beginning of the fund’s liquidation phase.”</i></p>	For the avoidance of doubt, Fondul Proprietatea has complied, at all times, with the applicable legal provisions in relation to such operations (their application being <i>de jure</i> , and not conditional upon having a specific provision included in the Constitutive Act.
Amendment of Article 34	<p>(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 and of this Constitutive Act.</p> <p>(2) Fondul Proprietatea shall be subject to the investment restrictions provided under Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation, as well as any other applicable law or regulation.</p> <p>(3) Subject to the terms of this Constitutive Act, of the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the</p>	<p>(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-ended alternative investment fund set up as a joint stock investment company addressed to retail investors and of this Constitutive Act.</p> <p>(2) Fondul Proprietatea shall be subject to the investment restrictions provided under Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation, as well as any other applicable law or regulation and can invest only in the categories of assets according to the provisions applicable to a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors according to legislation in force.</p>	<p>The proposed change implements the request of FSA. Below is the translation in English of the FSA request in this regard:</p> <p><i>“In accordance with provisions of Article 5, paragraph (1) of Law no. 243/2019: (...) The rules of the fund or articles of incorporation provide ...plus a list of the appraising rules and investment policies used to administer A.I.F. Considering the aforementioned legal provisions, it is required to supplement the provisions of Article 34 of the articles of incorporation, according to the provisions of Article 5, paragraph (1) of Law no. 243/2019. The supplementation of the Articles of Incorporation should reflect the fact that the investment policy is established in accordance with the type of AIF held,</i></p>	For the avoidance of doubt, Fondul Proprietatea has complied, at all times, with the applicable legal provisions in relation to such operations (their application being <i>de jure</i> , and not conditional upon having a specific provision included in the Constitutive Act.

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	<p>sole discretion of the Alternative Investment Fund Manager.</p> <p>(4) Prudential rules concerning the investment policy will be approved by the shareholders through Investment Policy Statement.</p>	<p>(3) Subject to the terms of this Constitutive Act, of the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.</p> <p>(4) Prudential rules concerning the investment policy will be approved by the shareholders through Investment Policy Statement.</p> <p>(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 rules of the Fund and are published by the AIFM on the website of the Company.</p>	<p><i>should render evident the category of AIF which it is part of in accordance with Article 31 of Law no. 234/2019, and should mention that it may invest only in the categories of assets allowed according to the legal provisions. With regard to the appraising rules, it shall be provided that the rules for the appraisal of the assets of the company were prepared by complying with the principles provided by the valid national and European legislation, and their detailed presentation and the investment policy of Fondul Proprietatea S.A. are found in the Rules of the Fund.”</i></p>	