

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

2022 BUDGET FOR FONDUL PROPRIETATEA S.A.

The 2022 Budget of Income, Expenses and Capital Expenditure of Fondul Proprietatea S.A. ("the Fund" or "Fondul Proprietatea") was prepared in September 2021, based on the International Financial Reporting Standards ("IFRS") as endorsed by the European Union.

The 2022 Budget was prepared using actual information available for the period up to 31 August 2021 and by considering the assumptions presented below.

This budget was approved in advance by the Fund's Board of Nominees on 2 November 2021.

According to the main assumptions of the 2022 Budget, there are certain categories of income and expenses which cannot be budgeted. **The main unbudgeted categories** are the following:

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

According to the accounting policy, the distribution fees related to buy-backs and other related costs, such as, brokerage fees and regulatory fees are recognised in other comprehensive income. Starting with the 2021 Budget, these expenses have been presented on a separate line.

The *net result* of the Fund for 2022 is estimated to be a profit of RON 311.8 million, an increase of 23% compared with 2021 budget, generated by the increase of dividend income estimates as compared to the estimates used in the 2021 Budget preparation.

A detailed analysis of the 2022 budgeted items by comparison with the 2021 Budget is presented below:

<i>All amounts in RON</i>	Budget 2022	Budget 2021	2022 Budget vs. 2021 Budget	
			Amount	%
I. BUDGETED INCOME FROM CURRENT ACTIVITY	404,764,616	336,997,861	67,766,755	20%
Net dividend income	400,538,173	324,040,582	76,497,591	24%
BNY Mellon ¹ income	2,991,587	4,296,475	-1,304,888	-30%
Interest income	1,234,856	8,660,805	-7,425,949	-86%
II. BUDGETED EXPENSES FROM CURRENT ACTIVITY	92,963,700	82,719,519	10,244,181	12%
Third-party service providers' expenses	74,077,664	64,694,042	9,383,622	15%

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

<i>All amounts in RON</i>	Budget 2022	Budget 2021	2022 Budget vs. 2021 Budget	
			Amount	%
Commissions and fees (including FSA ² fees)	10,560,851	10,157,139	403,712	4%
Investor relations expenses	2,411,335	2,360,909	50,426	2%
Public relations expenses	1,520,365	1,398,303	122,062	9%
Board of Nominees remunerations	1,447,380	1,447,380	-	0%
Bank fees and distribution to shareholders fees (including depositary fees)	621,168	547,909	73,259	13%
Finance costs	91,250	91,250	-	0%
Amortisation expenses	90,390	90,390	-	0%
Insurance expenses	542,828	362,370	180,458	50%
Other expenses	1,600,469	1,569,827	30,642	2%
III. GROSS PROFIT	311,800,916	254,278,342	57,522,574	23%
Income tax	-	-	-	0%
IV. NET PROFIT	311,800,916	254,278,342	57,522,574	23%
Other comprehensive income				
Distribution fee and other costs related to buy-backs recognised in other comprehensive income	10,856,188	4,140,795	6,715,393	162%
V. CAPITAL EXPENDITURE	542,341	542,341	-	0%
Intangible assets	542,341	542,341	-	0%

² Romanian Financial Supervisory Authority

1. MAIN ASSUMPTIONS FOR THE 2022 BUDGET

1.1. Investment management related assumptions

Please note that the following assumptions used in the preparation of the 2022 Budget are not necessarily the intended future course of actions of the management of Fondul Proprietatea.

Acquisitions and disposals of equity investments

For simplicity purposes, the 2022 Budget was prepared without taking into consideration the financial impact of potential changes in the portfolio (i.e. acquisitions, disposals, participation in share capital increases of portfolio companies, IPO's) during year 2022.

Franklin Templeton International Services S.à r.l. ("Fund Manager" or "FTIS") is actively managing Fondul Proprietatea according to the Management Agreement ("MA") and with the Investment Policy Statement in place.

However, the planning and execution of acquisitions and disposals of equity investments requires careful and timing preparation, taking into account the developments within the financial markets and extraneous circumstances. The high volatility of the Romanian capital market and the unpredictability of political and macroeconomic developments make it impossible to foresee with reliable certainty when or if certain transactions will occur within the period extending 16 months forward from the date of preparation of the 2022 Budget.

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

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

Consequently, we propose to shareholders to grant the Fund Manager the power to incur on behalf of the Fund expenses related to the execution of IPO's, acquisitions and disposals of equity investments and participation in share capital increases of portfolio companies, even if this will result in exceeding the total 2022 Budget. These expenses can include intermediary fees of brokers or investment banks, market authorities' fees, lawyers, public notaries, other advisors' costs, as well as other related expenses, commissions or fees.

Other investment assumptions

The 2022 Budget has been prepared based on the following assumptions:

- The 2022 annual dividend income was discussed and agreed with the investment management team and the conclusion was that the best approach is to budget based on the portfolio companies' budgets for 2021, if available, and considering a certain dividend pay-out ratio, or at a similar level of dividends as in 2021, and by taking into account actual disposals (for the 8 months ended 31 August 2021),

- No special dividends were estimated (dividends distributed from other sources than the annual profit of portfolio companies);
- The collection of dividends from the portfolio companies during 2022 is expected to generally follow the previous year's collection pattern;
- The portfolio structure will remain constant from 31 August 2021 through 2022;
- All available cash will be invested in short term money market instruments at an average interest rate of 1.5% (based on the average interest rates of Fund's bank deposits and Government securities for the period January to August 2021);
- Valuation of unlisted portfolio holdings will remain constant based on the Net Asset Value ("NAV") as at 31 August 2021.

1.2. Buy-back programmes

The 2022 Budget was prepared taking into consideration that there will only one buy-back programme ongoing during the year.

The 2022 Budget includes the assumption that the twelfth buy-back programme will be closed at the end of 2021, and a new buy-back programme will be approved in the same day as this budget paper. The cancellation of shares acquired during the twelfth buy-back programme is expected to be on the agenda of the annual general meeting of shareholders and to be effective during 2022.

The 2022 Budget also includes the assumption that the thirteen buy-back programme will refer to the acquisition of maximum 800 million shares starting with 1 January 2022 and ending on 31 December 2022. This buy-back programme implementation will be subject to the availability of the necessary financing resources.

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

Based on the current assumptions used in the budget preparation, the estimated costs (brokerage fees, regulatory fees, distribution fees and other related costs) regarding the thirteenth buy-back programme may amount up to RON 32.2 million.

Due to the fact that it is impossible to estimate reasonably these types of expenses in a period extending 16 months forward from the date of preparation of the 2022 Budget, and it is impractical to continually update the 2022 Budget, we propose to shareholders to grant the Fund Manager the power to incur any costs related to any buy-back programmes approved by shareholders, even if this will result in exceeding the total expenses approved in the 2022 Budget. This includes the impact of any potential Tender offer that may be organised during the period.

1.3. Borrowings

For simplicity purposes, the 2022 Budget was prepared without taking into consideration the financial impact of potential bank loans/ credit facility utilisations that the Fund would contract in the period September 2021 – December 2022 for purposes other than investments (except the impact of the commitment fee payable by the Fund for the existing credit facility).

Any bank loan/ credit facility utilisation by the Fund would have an impact on the Fund's expenses, such as interest expenses, or other related fees and expenses. The current loan agreement will expire on 29 June 2022 and the management is considering to renew the credit facility; however, the final outcome is not known at the date of the preparation of the 2022 Budget.

Due to the fact that it is impossible to estimate reasonably these types of expenses in a period extending 16 months forward from the date of preparation of the 2022 Budget, and it is impractical to continually update the 2022 Budget, we propose to shareholders to grant the Fund Manager the power to incur any expenses related to bank loans/ credit facilities contracted by the Fund with Board of Nominees approval, even if this will result in exceeding the total expenses approved in the 2022 Budget.

1.4. Distributions to shareholders

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

For the 2022 Budget, one distribution to the Fund's shareholders is assumed to take place at a minimum amount of RON 0.05 per share in accordance with the Annual Cash Distribution Policy published on the Fund's website at www.fondulproprietatea.ro.

1.5. Fund Manager's fees

During the GSM held on 29 September 2021, shareholders approved the renewal of the mandate of Franklin Templeton International Services S.à r.l. as the sole director of Fondul Proprietatea that acts also as the alternative investment fund manager of Fondul Proprietatea, for a duration of two years starting with 1 April 2022. The shareholders also approved the key commercial terms as follows:

- Base fee / year 0.45%
- Distribution fee 2.50% applied to the value of the distributions (repurchases of Fund shares, repurchases of Fund GDRs and/or Depositary Interests, dividends and returns of share capital) during 1 April 2022 – 31 March 2023 and 1.75% applied to the value of the distributions during 1 April 2023 – 31 March 2024

Considering the aspects mentioned above, for estimating the *Base fee* payable to the Fund Manager, the fee rates used were:

- 60 basis points per year, according with the Management Agreement fee structure in force until 31 March 2022
- 45 basis points per year according with the new approved fee structure, starting with 1 April 2022

and the Fund's closing share price as at 31 August 2021 was used as an estimate for the Fund's average share price during 2022.

For estimating the *Distribution fee* relating to distributions made by the Fund to shareholders in 2022 (repurchases of Fund shares, repurchases of Fund GDRs and/or Depositary Interests, dividends and returns of share capital), a fee of 100 basis points of the total distributions' value was used until 31 March 2022 and a distribution fee 2.50% applied to the value of the distributions starting with 1 April 2022 up to 31 December 2022.

If the Fund's actual average share price during 2022 exceeds the price used for the 2022 Budget or if additional distributions take place during 2022, the Fund Manager's fees will be higher than budgeted.

Due to the fact that it is difficult, if not impossible, to estimate reasonably these expenses, and it is impractical to continually update the 2022 Budget, we propose that shareholders grant the Fund Manager the power to exceed the expenses budgeted for investment management and administration fees, even if this will result in exceeding the total expenses approved in the 2022 Budget.

1.6. Other assumptions

- **FSA and Depositary bank fees**

For estimating the monthly FSA regulator's fee (0.0936% per year, i.e. 0.0078% per month, based on NAV) and the depositary bank fee for certifying monthly NAV calculations, the average NAV during 2021 (until 31 August 2021) was used as an estimate for the average NAV during 2022.

For estimating the depositary bank custody fee, the Fund's portfolio structure as at 31 August 2021 (except for the effect of disposals already settled) was used as the basis for the Fund's portfolio structure during 2022.

If the Fund's actual NAV, value of assets under custody and/ or trades in the Fund's portfolio in 2022 exceed the ones assumed for the 2022 Budget, these commissions and fees will be greater than budgeted.

Due to the fact that it is difficult, if not impossible, to estimate reasonably this type of expenses, and it is impractical to continually update the 2022 Budget, we propose that shareholders grant the Fund Manager the power to exceed the expenses budgeted for other commissions and fees (FSA fees and Depositary bank fees), to the extent that these arise from the Fund's actual NAV, value of assets under custody and/ or trades in Fund's portfolio or additional buy-backs in 2022 being higher than those assumed in the 2022 Budget, even if this will result in exceeding the total expenses approved in the 2022 Budget.

- **Foreign exchange rate**

The average EUR/RON exchange rate used in the preparation of the 2022 Budget is RON 4.9348 per 1 EUR, this being the National Bank of Romania official exchange rate as at 31 August 2021.

- **Taxation**

All taxes, contribution rates, and computation methodologies are based on the laws in force as at 31 August 2021. This budget was prepared based on a profit tax rate of 16%, dividend withholding tax rate of 5% and a VAT rate of 19%, in accordance with the Fiscal Code in force as at 31 August 2021 and under the assumption that these tax rates will also be in force for the year 2022.

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

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

2.1. Income from current activity

Net dividend income. The main component of income from current activity in the 2022 Budget is dividend income (representing 99% of the total budgeted income). The 2022 dividend income is estimated based on the portfolio companies' budgets for 2021, if available, and considering a certain dividend pay-out ratio, or at a similar level of dividends as in 2021, and by considering a certain level of actual disposals (for the 8 months ended 31 August 2021) and excluding special dividends.

The 24% increase of dividend income as compared to the 2021 Budget is detailed in the table below.

Portfolio company	Budget 2022 Net dividends	Budget 2021 Net dividends	Variance	Reason for variance
<i>All amounts in RON</i>				
Hidroelectrica SA	256,552,599	179,652,061	76,900,538	Increase of dividends considered in the 2022 Budget assumed to equal the dividends approved during 2021. (2021 budgeted dividends were estimated based on the lower 2020 budgeted profit as approved by the company's shareholders).
OMV Petrom SA	88,753,939	92,206,218	-3,452,279	Similar level of dividends as approved in 2021. The decrease of dividends considered in the 2022 Budget is due to the decrease of the 2021 net profit approved by the company's shareholders, compared with the 2021 budgeted net profit.
ENGIE Romania SA	17,941,285	6,421,733	11,519,552	Increase of dividends considered in the 2022 Budget due to the increase of the 2021 budgeted profit approved by the company's shareholders.
E-Distributie Muntenia SA	11,518,078	-	11,518,078	Similar level of dividends as approved in 2021.
Societatea Nationala a Sarii SA	10,943,668	14,653,939	-3,710,271	Decrease of dividends considered in the 2022 Budget due to the decrease of the 2021 budgeted profit approved by the company's shareholders.
ENEL Energie Muntenia SA	4,800,019	-	4,800,019	Similar level of dividends as approved in 2021.
CN Administratia Porturilor Maritime SA	3,924,999	5,022,199	-1,097,200	Decrease of dividends considered in the 2022 Budget due to the decrease of the 2021 budgeted profit approved by the company's shareholders.
Nuclearelectrica SA	-	25,029,618	-25,029,618	The entire holding was sold in 2020, after the 2021 budget was prepared.
E-Distributie Banat SA	3,693,510	-	3,693,510	Similar level of dividends as approved in 2021.
Enel Energie SA	1,800,000	-	1,800,000	Similar level of dividends as approved in 2021.
Other	610,076	1,054,814	-444,738	
TOTAL	400,538,173	324,040,582	76,497,591	

BNY Mellon income. This represents the second major component of income in the 2022 Budget (approximately 1% of the estimated total income for the year 2022).

This income represents the amount that will be reimbursed by The Bank of New York Mellon from the fees collected from GDR holders for the 2021 distribution.

Interest income. This represents the third component of income in the 2022 Budget and was estimated based on the estimated available cash which will be invested in short term money market instruments.

It is important to note that these estimates may differ substantially from actual values depending on the changes in the asset allocation of the portfolio, distributions, investment and buy-backs activity and trends in the money markets during 2022.

2.2. Expenses from current activity

Overall expenses from current activity are budgeted to be in line with the 2021 Budget. Any significant variance is further detailed below.

Third-party service providers' expenses (increase by 15% as compared to the 2021 Budget). This category of expenses is the main component of expenses in the Fund's 2022 Budget, representing approximately 80% of the total budgeted expenses from current activity.

The table below presents the main categories:

<i>All amounts in RON</i>	Note	Budget 2022	Budget 2021	2022 Budget vs. 2021 Budget	
				Amount	%
Third-party service providers' expenses:		74,077,664	64,694,042	9,383,622	15%
Investment management and administration fees	<i>a</i>	57,479,391	47,586,561	9,892,830	21%
Legal and litigation assistance (including stamp duty expenses for litigations)	<i>b</i>	7,654,192	8,549,229	(895,037)	-10%
Portfolio holdings valuation	<i>c</i>	2,255,691	2,039,270	216,421	11%
General Shareholders Meetings organisation	<i>d</i>	714,000	714,000	-	0%
Tax compliance and tax advisory	<i>e</i>	578,432	566,336	12,096	2%
Software maintenance and support fees	<i>f</i>	304,617	300,676	3,941	1%
External audit		542,169	527,588	14,581	3%
Trade Register and Official Gazette expenses	<i>g</i>	261,800	261,800	-	0%
Internal audit		91,523	73,423	18,100	25%
Other third-party service expenses	<i>h</i>	4,195,849	4,075,159	120,690	3%

The main changes compared to the 2021 Budget for each sub-category are explained below:

- a) *Investment management and administration fees (increased by 21% compared to the 2021 Budget).* This is the Fund's main expense, representing approximately 62% of the total budgeted expenses from current activity.

Base fees and Distribution fee for buy-back programmes payable to the Fund Manager are higher in the 2022 Budget compared with the 2021 Budget mainly due to the increase in the estimated Fund's share price, upon which these fees are based: the average share price used in the 2022 Budget is RON 1.8200 per share, while the average share price used in the 2021 Budget was RON 1.2450 per share. The distribution fee also increased in the 2022 Budget following the increased rate of 2.50% applied to the value of the distributions starting with 1 April 2022.

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

<i>All amounts in RON</i>	Budget	Budget	2021 Budget vs. 2020	
	2022	2021	Budget Amount	%
Recognised in profit or loss	57,479,391	47,586,561	9,892,830	21%
Base fee	50,355,151	44,604,210	5,750,941	13%
Distribution fee for distributions to shareholders	7,124,240	2,982,351	4,141,889	139%
Recognised in other comprehensive income	10,410,877	3,794,760	6,616,117	174%
Distribution fee for buy-back programmes	10,410,877	3,794,760	6,616,117	174%
Total investment management and administration fees	67,890,268	51,381,321	16,508,947	32%

- b) Legal and litigation assistance expenses (including stamp duty expenses for litigations). These expenses, representing 9% of the total budgeted expenses from current activity, include legal services provided by external legal advisors, as well as legal representation expenses for litigations and stamp taxes payable for litigation actions in which the Fund is involved to defend its interests.
- c) Portfolio valuation expenses. These expenses, representing 2% of the total budgeted expenses, are related to the valuation of certain unlisted equity investments of the Fund performed with the assistance of external valuers, for IFRS reporting and NAV reporting purposes. The increase by 10% is due to the cost of the stress test report from last year.
- d) General Shareholders Meetings organisation expenses. This category includes expenses for the organisation of General Shareholder Meetings, such as hiring a venue, advertisement, copying documents, fees for registration of share capital changes and other organisational costs.
- e) Tax compliance and tax advisory expenses. The budgeted amount includes tax compliance services relating to tax return filings and tax advisory services for specific, one-off or complex tax issues.
- f) Software maintenance and support fees. Maintenance and support fees in the 2022 Budget relate to the Fund's accounting and reporting software and the Fund's website, and to other technical assistance.
- g) Trade Register and Official Gazette expenses are related to the fees charged by these institutions, for various actions/ publications required by law.
- h) Other third-party service expenses. In the 2022 Budget, the other expenses included in this category are related to brokerage services, professional typesetter and printer for the annual report, notices required by legislation to be published in newspapers, payroll services, translations, professional services to be provided by Big4 companies, voting by correspondence and other portfolio related expenses.

Commissions and fees (increased by 4% compared to the 2021 Budget). This category represents 11% of the Fund's budgeted expenses from current activity and includes mainly FSA monthly fees estimated based on NAV (0.0936% of NAV per year). The increase as compared to the 2021 budgeted amount is mainly due to the increase in average NAV in 2022 (RON 10,775,046,958) compared to the one used for the 2021 Budget (RON 10,383,229,129).

Expenses related to investor relations and public relations represent approximately 4% of the 2022 estimated expenses from current activity. The budgeted expenses regarding these categories include expenses in the interest of protecting and promoting the image of the Fund and its securities.

Board of Nominees remuneration. For the 2022 Budget, these expenses represent the gross remuneration for the Board of Nominees members which includes the social security, health fund and other contributions payable by the Fund in the name of the Board of Nominees' members. The contributions and the income tax, in respect of the remuneration of the Board of Nominees, were estimated according to the regulations in force.

Bank fees and distributions to shareholders fees. This category consists of all bank charges, including the depositary bank fees and all fees related to distributions to shareholders. The increase as compared to the 2021 budgeted amount is mainly due to depositary bank fees that are based on NAV, which increased in 2022 (RON 10,775,046,958) compared to the one used for the 2021 Budget (RON 10,383,229,129).

Amortisation expenses. Amortisation costs in the 2022 Budget are related to the estimated allowance assumed for any changes and developments needed for the Fund's software and website.

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

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

In the 2022 Budget the current tax expense is estimated to be nil as budgeted tax-deductible expenses are higher than budgeted taxable revenues for profit tax purposes. This is based on the assumption that the majority of revenues will arise from dividends received from portfolio companies, which are tax exempt. Should actual taxable revenues exceed budgeted, or actual tax-deductible expenses be lower than budgeted, to the extent that taxable profits will arise (after the utilisation of the fiscal loss carried forward from FY15), a profit tax liability of 16% will be incurred.

Deferred tax expenses were not budgeted.

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

In preparing the 2022 Budget expenses chargeable to the Fund, the Fund Manager has analysed the provisions of the MA, which set out the expenses chargeable to the Fund and has considered the rules and best practices followed by Franklin Templeton and other global fund management firms for funds generally. The expenses chargeable to Fondul Proprietatea that are not explicitly specified in the MA, but are reasonably allocated to the Fund, being exclusively for the benefit of the Fund and its shareholders and/ or for protecting their interests, are, according to the MA, only chargeable following the approval of the Board of Nominees.

3. CAPITAL EXPENDITURE BUDGET

The 2022 Capital expenditure budget mainly includes the allowance for any changes needed for the Fund's software developments in 2022 and for any changes and developments for the Fund's website (hosting, maintenance, new enhancements, and data feed for GDR prices and BVB share price).

Special Note

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

As presented above, in the section “MAIN ASSUMPTIONS FOR THE 2022 BUDGET”, due to the fact that it is difficult, if not impossible, to estimate reasonably certain types of expenses, and it is impractical to continually update the 2022 Budget, we propose that shareholders grant the Fund Manager the power to:

- *exceed the expenses budgeted for investment management and administration fees;*
- *exceed the expenses budgeted for commissions and fees (FSA fees and Depositary bank fees), to the extent arising from the Fund’s actual average NAV, the value of assets under custody and/ or volume of portfolio and buy-backs trades in 2022 being higher than the ones assumed in the 2022 Budget;*
- *incur on behalf of the Fund all expenses necessary (e.g. intermediary fees of brokers or investment banks, market authorities’ fees, lawyers, public notaries, other advisors’ costs, as well as other related expenses, commissions or fees) related to the execution of acquisitions and disposals of equity investments or participation in share capital increases of portfolio companies;*
- *incur on behalf of the Fund all expenses related to the buy-back of the Fund’s shares or the equivalent global depositary receipts corresponding to shares of the Fund and their subsequent cancellation (after the approval by shareholders), under any buy-back programme approved by shareholders;*
- *incur on behalf of the Fund any expenses related to bank loans/ credit facilities contracted by the Fund, with Board of Nominees approval;*
- *incur on behalf of the Fund any expenses related to the potential change of the Fund Manager and Sole Administrator of the Fund (expense incurred by the Board of Nominees);*
- *incur on behalf of the Fund any expenses resulting from the implementation of any regulation applicable to the Fund.*

even if this will result in exceeding the total expenses approved in the 2022 Budget.

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

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

For the 2022 Budget, no expenses have been estimated for the potential implications triggered by Brexit. These expenses may include legal expenses, other advisors’ expenses, as well as other expenses.

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