

*Memo regarding the appointment of a member in the Board of Nominees*

In accordance with the provisions of Fondul Proprietatea's Constitutive Act (the "**Constitutive Act**"), the Board of Nominees is composed of 5 (five) members.

Due to the fact that one mandate of a member of the Board of Nominees ceased, we propose that the agenda of the Shareholders' Meeting of 20 April 2022 to include the appointment of a member, as per Articles 12 and 15 of the Constitutive Act. Please find below the procedure to be observed in this case for the election of the member of the Board of Nominees.

Pursuant to the provisions of Article 16 (5) of the Constitutive Act: "*In case of vacancy arising for the position of one or more members of the Board of Nominees, the general meeting of shareholders shall be immediately summoned for the appointment of new members*". Furthermore, Article 15 (2) of the Articles of Association states that "*any shareholder will be entitled to submit his/her proposals for the members of the Board of Nominees.*"

The conditions that must be met simultaneously by the candidates for the position of member of the Board of Nominees are:

1. May be Fondul Proprietatea's shareholders, or
2. Any other persons appointed by the shareholders, and
3. Must have the adequate expertise and knowledge to receive the Fund Manager's and the advisers' reports and to make judgments based on the information received regarding Fondul Proprietatea's management, within the objectives and principles set out in the investment policy and also by the applicable laws and regulations, and
4. Must have the suitable qualification to decide (if necessary, with the help of an independent consultant) whether the transactions proposed by the Fund Manager, which require the approval of the Board of Nominees, are made for the benefit of the shareholders.

For submitting a candidate proposal for the position of member of the Board of Nominees:

1. The template of candidate proposal, available in the informative materials published on Fondul Proprietatea's website, together with all documents listed therein must be submitted to Fondul Proprietatea;
2. The candidate must personally fill in and sign the questionnaire regarding his/her independence, whose template is also available in the informative materials published on Fondul Proprietatea's website;
3. The candidate must personally agree that his/her personal data be available on Fondul Proprietatea's website at least until the date of the Shareholders' Meeting, by filing in and signing the consent form and information note for the collection and processing of personal data in the recruitment process, whose template is also available in the informative materials published on Fondul Proprietatea's website;
4. The candidate proposal must be submitted to the Fondul Proprietatea's headquarters in Bucharest, 76-80 Buzesti Street, 7<sup>th</sup> floor, 1<sup>st</sup> district, postal code 011017 or by e-mail at [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro) by 18 March 2022, 5:00 PM (Romanian time).

The Board of Nominees will issue a voting recommendation after the list of candidates will be final, on the basis of the analysis performed by the Nomination and Remuneration Committee the final decision belonging to the General Shareholders' Meeting.

The list of candidates will be published and updated on the Fund's official webpage on daily basis, mentioning also if they meet the independence criteria or not.

**Franklin Templeton International Services S.À R.L., in its capacity of alternative investment fund manager and sole director of FONDUL PROPRIETATEA S.A.**

**Johan Meyer**

**Permanent representative**