

**MEMORANDUM**

***Regarding the approval of the sale by Fondul Proprietatea S.A. of its holdings in Engie Romania S.A.***

On 11 December 2023, Fondul Proprietatea S.A. (the “**Fund**”) informed its shareholders that it received a binding offer from GDF International S.A. in relation to Fondul Proprietatea’s shareholding in Engie Romania S.A. for a consideration of EUR 87 million - (<https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/investor-reports/2023/Engie%20binding%20offer.pdf>)

Fondul Proprietatea’s shareholding in Engie Romania S.A. represented 14.53% of the Fund’s net asset value (“**NAV**”) as at 31 October 2023 and 13.05% of NAV as at 30 November 2023.

The current regulatory framework applicable to Fondul Proprietatea S.A provides that:

- Article 91 (1) of Law 24/2017 on securities issuers and market operations: “*Any acts of purchase, sale, exchange or setting up of encumbrances over a company’s non – current assets whose value exceeds, either individually or cumulatively, during a financial year, 20% of the total non-current assets, less any receivables, shall be executed by the company’s directors or managers only after the prior approval of the company’s extraordinary general meeting of shareholders*”.
- Article 12 (3) letter (h) of Fondul Proprietatea’s Constitutive Act: “*(3) The extraordinary general meeting of the shareholders is entitled to decide on the following: (...) h) execution of any acts of purchase, sale, exchange or setting up of encumbrances over Fondul Proprietatea’s non – current assets whose value exceeds, either individually or cumulatively, during a financial year, 20% of Fondul Proprietatea’s total non-current assets, less any receivables*”.

Consequently, Franklin Templeton International Services S.À R.L., acting as Sole Director and Alternative Investment Fund Manager of FONDUL PROPRIETATEA S.A. (the “**Fund Manager**”) hereby proposes to Fondul Proprietatea’s shareholders:

*“The approval of the sale by Fondul Proprietatea S.A. of its shareholding in the share capital of Engie Romania S.A. under the following terms:*

- *The Fund Manager is authorised to fulfil and the EGMS approves and ratifies any legal acts or actions necessary, useful and / or appropriate with respect to the sale of all of the shares of Engie Romania S.A. owned by Fondul Proprietatea S.A. at the date of the resolution including, but without being limited to, negotiating, approving and establishing the terms and conditions of any transaction, act or operation authorized under this item of the agenda, negotiating, approving, signing and implementing any documents related to the matters authorized according to this item on the agenda, fulfilling any formalities and authorizing and/or executing any other actions necessary to give full effect to the operations, transactions and acts authorized in accordance with this item on the agenda and representing the Company in front of any authorities and third parties in relation to the matters authorized in accordance with this item on the agenda.*
- *The price for the sale by Fondul Proprietatea S.A. of all of the shares of Engie Romania S.A. it owns at the date of the resolution will be of RON 432,616,167.75”.*

The net proceeds resulted from a sale of Fondul Proprietatea’s shareholding in Engie Romania S.A. will be used for the implementation of the Investment Policy Statement<sup>1</sup> as such was approved by the shareholders of the Fund, including for the implementation of the Discount Control Mechanism (as defined therein), subject *inter alia* to applicable legal provisions, required approvals and necessary funds to cover the continued operational activities and commitments of the Fund for the foreseeable future.

As per the Investment Policy Statement discount management techniques include (but are not limited to):

- recommendation of buy-back programs of Fondul’s shares and GDRs and/or depositary interests corresponding to shares of the Fund to shareholders for approval, subject to compliance with the Constitutive Act and all

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<sup>1</sup> [Investment Policy Statement \(fondulproprietatea.ro\)](https://www.fondulproprietatea.ro)

applicable legislation;

- execution of buy-back programs via (i) trading on the regular market on which FP's shares or GDRs and/or depositary interests corresponding to shares of the Fund are listed; and/or (ii) public tender offers, in each case subject to available liquidity, compliance with the Constitutive Act and all applicable legislation, and receipt of all necessary regulatory approvals.

**Franklin Templeton International Services S.À R.L., acting as Sole Director and Alternative Investment Fund Manager of FONDUL PROPRIETATEA S.A.**

**Johan MEYER**  
**Permanent Representative**