

MEMORANDUM

Regarding the mandate for executing discretionary disposals exceeding 20% of the total value of the non-current assets, less receivables of Fondul Proprietatea S.A.

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. throughout the 2024 financial year ending 31 December 2024 of any of the holdings in the portfolio companies of Fondul Proprietatea S.A. as such are set out below, which either individually or cumulatively exceed 20% of the total value of Fondul Proprietatea’s non-current assets, less receivables under the following terms:

- *The Fund Manager is authorised to fulfil any legal acts or actions useful and / or appropriate with respect to the sale in any manner decided by the Fund Manager (including by way of public offering or by way of one or more private transactions) of all or part of the holdings held by Fondul Proprietatea SA in the following portfolio companies: CN Aeroporturi Bucuresti SA, CN Administratia Porturilor Maritime SA, Societatea Nationala a Sarii SA, Alro SA, including, but without being limited to engaging investment firms, advisors and legal consultants (as the case may be), negotiating, approving and establishing the terms and conditions of any operation authorized under this item of the agenda, negotiating, approving and signing any documents related to the matters authorized according to this item on the agenda, to fulfil any formalities and to authorize and/or execute any other actions necessary to give full effect to the operations and acts authorized in accordance with this item on the agenda and to represent the Company in front of any authorities and third parties in relation to the matters authorized in accordance with this item on the agenda.*
- *Any decision to sell or not will be made by the Fund Manager acting discretionary and will depend on any available opportunities and the relevant market conditions.*
- *The value of the transaction contemplated herein individually or cumulatively (if the case) performed within the 2024 financial year ending 31 December 2024, will not exceed 40% of Fondul Proprietatea S.A. ’s financial assets in the form of shares (traded on a regulated market or not admitted to trading) as reflected in the net asset value report of Fondul Proprietatea S.A. as at 31 December 2023 ”.*

In the opinion of the Fund Manager, such authorisation, limited to 40% of Fondul Proprietatea S.A.’s financial assets in the form of shares (traded on a regulated market or not admitted to trading) as reflected in the net asset value report of Fondul Proprietatea S.A. as at 31 December 2023, would allow the Fund Manager the possibility to continue to implement the Investment Policy Statement, in general, and the discount control mechanism, in particular, by maximizing cash returns to shareholders through distributions to shareholders of cash inflows from potential disposals of portfolio companies.

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For the avoidance of any doubt, the transaction represented by the sale by Fondul Proprietatea of its holdings in Engie Romania S.A. (which is subject to a separate shareholders' approval) will be excluded from the computation of any values relevant for the purpose of the above mentioned approval.

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