

Sole Director's Proposal for the decrease of the legal reserves

In accordance with Article 183 of the Companies Law, Fondul Proprietatea SA ("Fondul") must annually allocate at least 5% of the profit as reserve fund (i.e., the legal reserve), until it reaches at least 20% of the share capital. Based on the audited financial statements of Fondul for the year ended 31 December 2024, the legal reserve represented 20% of the Fund's share capital.

Through the EGM Resolution no. 9/ 2 December 2024, the shareholders approved the decrease of the subscribed and paid-up share capital of Fondul by RON 184,934,215.96, from RON 1,849,342,164.28 to RON 1,664,407,948.32, pursuant to the cancellation of 355,642,723 own shares acquired during 2024 through the 15th Buy-back programme. The share capital decrease will be recorded only after all legal and regulatory steps related to the cancellation are completed – this process is ongoing at the date of this memo, and it is expected to be completed during the first semester of 2025.

Once the share capital decrease mentioned above will be completed, the legal reserve will represent 22.22% of the Fund's share capital.

Based on the analysis performed, the Sole Director did not identify any regulatory provisions that would prevent the decrease of the legal reserve to 20% of the share capital of Fondul and does not see any benefit in maintaining a higher level of the legal reserve compared to the threshold imposed by the law.

As a result of the above, and subject to the implementation and effectiveness during 2025 of the share capital decrease approved through the EGM Resolution no. 9/ 2 December 2024 (regarding the cancellation of the shares acquired within 15th Buyback programme), the Sole Director proposes to shareholders to approve the decrease of the legal reserves by RON 36,986,843.20 from RON 369,868,432.86 representing 22.22% of the share capital to RON 332,881,589.66 representing 20.00% of the share capital after the implementation and effectiveness of the share capital decrease approved through the EGM Resolution no. 9/ 2 December 2024.

Following the decrease, the corresponding amount will be transferred to retained earnings and used to set up a reserve in accordance with item 7 of the 29/30 April 2025 OGM agenda. If item 7 of the 29/30 April 2025 OGM agenda is not approved, the amount will remain available for future use by shareholders under the retained earnings caption.

The Sole Director's proposal for decrease of the legal reserves is subject to shareholders' approval on item 2 of the agenda of 29/30 April 2025 EGM.

Franklin Templeton International Services S.à r.L, in its capacity of Sole Director and alternative investment fund manager of FONDUL PROPRIETATEA S.A.

Johan Meyer

Permanent Representative