

Memo on additional external audit fees for the financial year ended 31 December 2024

Overview

According to Fondul Proprietatea S.A. (“**Fondul Proprietatea**” or the “**Fund**”) Constitutive Act, Article 12, paragraph (2), sub-paragraph f): *‘The ordinary general meeting of the shareholders has the following competencies, duties and functions:[...] to approve the remuneration policy applicable to the members of the Board of Nominees and to the Alternative Investment Fund Manager, that includes the level of remuneration of the members of the Board of Nominees and of the Alternative Investment Fund Manager, and to set the level of the remuneration of the financial auditor for financial audit services.’*

The purpose of this memo is to present the additional external audit fees requested by the Fund’s financial auditor Ernst & Young Assurance Services SRL, which are submitted for shareholders’ approval at item 8 on the agenda of 29/30 April 2025 OGM.

Details regarding the additional audit work on specific topics

During 2024 a series of significant events occurred that lead to additional work for the financial auditor of the Fund, which was not included in the audit fees previously approved by the shareholders:

- Additional valuation – related work: additional effort to analyse the impact on valuation of the events between 31 October 2024 (the valuation date for the reports used in 31 December 2024 NAV) and 31 December 2024, including the impact of newly introduced tax on special constructions according to the provisions of Government Emergency Ordinance no. 156/2024 regarding fiscal-budgetary measures in the field of public expenditures;
- Going concern: additional work on this topic, considering the uncertainties surrounding the selection process and the future strategy of Fondul.

Additional audit fees

For the additional work described above the financial auditor proposed an additional fee of **EUR 21,000 (before VAT)**.

The Sole Director has discussed the estimates extensively with the financial auditor of the Fund and considers that the request is in line with the additional effort invested by the financial auditor. Also, the services and the associated additional fees have been presented and discussed with the Audit and Valuation Committee of Fondul and approved during the meeting held on 14 March 2025.

The additional fees estimated by the financial auditor have not been included in the Budget for financial year 2025, that was approved by shareholders during 2 December 2024 general shareholders meeting. As a result, the additional audit fees of **EUR 21,000 (before VAT)** are submitted for shareholders’ approval during 29/30 April 2025 Ordinary General Meeting of Shareholders together with the **approval of the corresponding change of the 2025 Budget** of Fondul Proprietatea.