

**INTERNAL REGULATIONS OF  
THE BOARD OF NOMINEES OF FONDUL PROPRIETATEA S.A.**

**SECTION I – GENERAL PROVISIONS**

**Art. 1.** The Internal Regulations of the Board of Nominees of Fondul Proprietatea SA (“**the Regulations**”) establish the general norms regarding the organization and conduct of activities within the Board of Nominees of Fondul Proprietatea S.A. (hereinafter called “**the Fund / the Company / Fondul Proprietatea**”).

**Art. 2.**

- 2.1. The Board of Nominees (“**BoN**”) is established, organized, has the attributions and operates in compliance with the legal provisions in force, as well as of the Constitutive Act of Fondul Proprietatea S.A. in force.
- 2.2. The BoN monitors and supervises the entity mandated to act as the Fund’s sole director (“**the Sole Director/the Fund Manager**”) and alternative investment fund manager, irrespective of which entity holds that mandate at any given time.

**SECTION II – THE BOARD OF NOMINEES OF FONDUL PROPRIETATEA SA**

**CHAPTER I - ORGANIZATION**

**Art. 3.**

- 3.1. The BoN consists of five members appointed by the Fund’s Ordinary General Shareholders Meeting.
- 3.2. It is recommended that at least one third of the Board of Nominees members be independent in accordance with the Code of Corporate Governance of the Bucharest Stock Exchange.
- 3.3. Each candidate should submit a statement that he/she is independent at the date of his/her nomination for election or re-election as well as when any change in his/her status arises after his/her appointment, by demonstrating the ground on which he/she is considered independent in character and judgment in practice and according to the following independence criteria:
  - a) not to be the CEO/executive officer/senior employee of the Fund, of a company controlled by the Fund, and not to hold a similar position for the previous five (5) years;

- b) not to be the CEO/executive officer/senior employee of the Fund Manager and not to have hold of a company from the Fund Manager's group, or a similar position for the previous 5 (five) years;
  - c) not to have been a director, employee, or professional adviser of or to other investment companies or funds that are managed by the same alternative investment fund manager as the Fund Manager, or managed by any other company from the Fund Manager's group;
  - d) not to have been an employee of the Fund, of a company controlled by the Fund, or of the Fund Manager of a company from the Fund Manager's group and not to have been in such a position for the previous five (5) years;
  - e) not to hold any cross-directorships and not to have significant links with other CEO/executive officer/senior employee of the Fund Manager of a company from Fund Manager's group through involvement in other companies or bodies;
  - f) not to have received any remuneration or other advantages from the Fund or from a company controlled by the Fund, or of the Fund Manager of a company from Fund Manager's group for the previous five (5) years (apart from those corresponding to the quality of non-executive member of the Board of Nominees / board of directors / board of supervisors / management board);
  - g) not to be a significant shareholder of the Fund or of a company controlled by the Fund or of the Fund Manager or of a company from the Fund Manager's group or a shareholder that controls such a significant shareholder;
  - h) not to have represented in any way a significant shareholder of the Fund or of the Fund Manager or of a company from the Fund Manager's group in the previous year or a shareholder which controls such a significant shareholder;
  - i) not to have had during the previous 3 years a business relationship with the Fund or with a company controlled by the Fund, or with the Fund Manager or with a company from the Fund Manager's group, either directly or as a shareholder, member of the board of directors / board of supervisors / management board, director / CEO / executive officer or employee of a company having such a relationship with the Fund or with the Fund Manager, which, by their substantial character, are likely to affect their objectivity;
  - j) not to have been in the last three (3) years shareholder or employee of the current or previous external or internal auditor of the Fund or a company controlled by it, or of the Fund Manager of a company from Fund Manager's group;
  - k) not to have been a CEO/executive officer in another company where another CEO/executive officer of the Fund or of the Fund Manager is a non-executive director;
  - l) not to have been a member of the Board of Nominees for more than three (3) mandates of three (3) years each;
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- m) not to have any family ties with a person in the situations referred to in all points above;
- n) not to have any family relations with a person who:
  - i. is or has been in the last five (5) years member of the Board of Nominees or employee of the Fund or of the Fund Manager; or
  - ii. has or has had within the last year a significant business relationship with the Fund or the Fund Manager, either directly or as a shareholder, member in the Board of Nominees or employee of an entity having such a relationship; or
  - iii. is or has been in the last three (3) years external auditor (or employee of the external auditor) of the Fund or the Fund Manager; or
  - iv. is member of executive management in a company where the members of the executive management of the Fund or of the Fund Manager serve as members of the board of directors / board of supervisors / management board.

3.4. Each Board member should disclose to the shareholders before his/ her appointment, and in the course of his/ her mandate, other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies, not-for-profit institutions and state institutions.

3.5. Each Board member should submit to the Board information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.

**Art. 4.**

4.1. The members of the BoN need to have the proper qualifications in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Fund Manager needing the approval of the BoN are made to the advantage of the shareholders.

4.2. The independent consultants mentioned in Para. (1) of this article shall be selected in keeping with the principles of fair competition, transparency, non-discrimination, equal treatment and confidentiality, and the expenses incurred in relation to their payment shall be borne from the budget of Fondul Proprietatea S.A.

**Art. 5.** The mandate of the members of the BoN is of three (3) years.

**Art. 6.** The BoN shall elect a Chairperson of the Board from its members. The Chairperson of the Board is primarily responsible for ensuring that the BoN functions properly. The Chairperson of the Board shall:

6.1. Propose the agenda of the Board meetings, chair such meetings and ensure that minutes are kept of such meetings;

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- 6.2. Ensure the Board receives accurate, timely, useful, succinct information to enable the Board to make sound decisions;
- 6.3. Ensure the Board has sufficient time for consultation and decision-making;
- 6.4. Enable the Board committees to function properly and that there is effective communication with Board committees, including actionable, insightful reports of committees back to the full Board;
- 6.5. Ensure the performance of the Board is evaluated and discussed at least once a year and properly disclosed on the website of Fondul Proprietatea, according to the legal and regulatory applicable provisions;
- 6.6. Ensure that the Board has proper working relationship with the Fund Manager. The Chairperson of the Board and the permanent representative of the Fund Manager shall meet regularly in this respect;
- 6.7. Address and manage internal disputes and conflicts of interest concerning Board members;
- 6.8. Review the annual internal work plan of the BoN;
- 6.9. Develop and monitor implementation, with the assistance of the Nomination and Remuneration Committee, of the professional development programs based on the results of the annual Board evaluation;
- 6.10. Perform any other duties set forth in this Regulation and the Fund's Constitutive Act and the applicable Code of Corporate Governance of the Bucharest Stock Exchange.

## **CHAPTER II – OPERATION**

### **Art. 7.**

- 7.1. The meetings of the BoN shall take place whenever necessary, but not less than six (6) times a year out of which: (a) at least four (4) meetings shall be dedicated to financial results; (b) at least one (1) meeting shall be dedicated to strategy; and (c) at least one (1) meeting shall be dedicated to Board evaluation.
  - 7.2. The Chairperson, any of its members or the Fund Manager may convene the BoN. Convening notices include the agenda and all materials, which must be circulated with all BoN members at least three business days prior to the meeting.
  - 7.3. The Chairperson of the BoN or, in his/her absence, a member of the BoN designated by the vote of the other members for the purposes of presiding over the meeting, shall ensure the proper proceeding of the meetings, including that the minutes of the meeting are duly drawn up.
  - 7.4. The agenda of each meeting of the Board of Nominees shall be subject to the approval of the members of the Board of Nominees at the beginning of each meeting.
  - 7.5. All meetings shall be audio or video-recorded in full. The recordings form an integral part of the meeting documentation and shall be attached to the minutes and retained together with them.
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- 7.6. The meetings of the Board of Nominees shall be held at Fondul Proprietatea's headquarters or in other location set out by mutual agreement by the members of the Board of Nominees or also may be held over the telephone or by videoconference or by other communication means, which enable all persons participating to the meeting to hear one another, and the participation to such a meeting shall be deemed as a personal participation for the purposes of fulfilling the quorum and voting requirements.
- 7.7. All votes are expressed by a visible raising of hands, including when a member participates through audio or video communication, where the hand-raise must be clearly observable. Alternatively, when visual confirmation is technically impossible, the vote may be expressed by a clear and unambiguous audible signal, recorded and identifiable in the meeting recording.
- 7.8. For minor or urgent matters the members of the BoN may also exercise their right to vote on the items listed on the agenda by email. In this case, the emails containing the votes shall be attached to the minutes of the meeting.
- 7.9. Minutes shall be approved within 5 (five) working days after each meeting via electronic signature and shall be signed by all members who participated the meeting. The minutes shall contain: (i) the agenda items; (ii) the decisions taken; (iii) voting results and (iv) any written reasoning in case of abstention or negative votes. They shall not constitute a transcript of discussions. The full audio or video-recording of the meeting shall be attached to the minutes and retained together with them. Should the BoN not appoint a Corporate Secretary in charge with safe keeping of the minutes such minutes shall be held in safe keeping by the Chairperson of the BoN. All decisions included in these minutes shall be clearly stated and unambiguously reflect the resolutions as approved by the BoN in a separate document.
- 7.10. The Board of Nominees takes valid decisions provided the absolute majority of its members are present. The members of the Board of Nominees may be represented to the meetings of the Board of Nominees only by other members of the Board of Nominees on the basis of a special written empowerment, presented in its original form at the beginning of the meeting. One member of the Board of Nominees may represent only one absent member. The decisions of the Board of Nominees shall be taken with the absolute majority of the votes of its members and are signed by all the members which participated to the meeting. If some of the members of the Board of Nominees have been represented, the power of attorney will be annexed to the minute of the meeting.
- 7.11. In case the applicable legislation requires that a current report to be published, the decisions of the BoN shall be communicated immediately to the Sole Director by the Chairperson in order to ensure proper communication of the current report, in accordance with the terms provided by the applicable legislation.

**Art. 8.**

- 8.1. The BoN can request to the Fund Manager to designate a Corporate Secretary who should assist the Board in complying with its obligations under the law, this internal regulation
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and other policies. As Fondul Proprietatea S.A. does not have employees the Corporate Secretary can be a senior officer of the Sole Director or any external expert, if allowed under the applicable legislation. The Corporate Secretary shall assist the Chairperson, the Board and the committees with the organisation of its activities, the preparation of meetings, the annual Board and committee evaluation, as well as any training programs for the members of the Board, if needed. The Corporate Secretary shall also ensure that the Board of Directors observes the internal rules, as well as the relevant laws and regulations.

8.2. The Corporate Secretary shall have the following duties:

- i. Advise the Board on matters relating to the Company's corporate governance.
- ii. Plan meetings, contribute to the preparation of agendas, ensure the timely delivery of documents, accurately record the Board's decisions, undertake monitoring actions, and report on any issues encountered.
- iii. Draft the documents and minutes of meetings of the Board of Directors and its committees.
- iv. Facilitate the flow of information among members of the Board and the Fund Manager.
- v. Support the process of planning for the identification of successors to the Board.
- vi. Assist the Chairperson in ensuring the induction and professional training of the members of the Board, if required.
- vii. Contribute to the development and implementation of performance evaluations for the Board and the committees, if required.
- viii. Ensure that members of the Board are informed of shareholders' opinions.
- ix. Manage relationships with shareholders in connection with corporate governance matters and the procedures of the Board of Nominees.
- x. Keep records and registers required by law.
- xi. Fulfil any other duties provided by these Regulations, the Fund's internal regulations and policies, the Constitutive Act of the Fund and the applicable law.

### **CHAPTER III – DUTIES OF THE BOARD OF NOMINEES**

#### **Art. 9.**

9.1. The BoN shall perform all duties, responsibilities, and powers assigned to it under the Constitutive Act of the Fund<sup>1</sup>, as amended, supplemented, or restated from time to time and the management agreement concluded between Fondul Proprietatea and the Fund Manager. In carrying out its functions, the Board of Nominees shall act in accordance with applicable laws and any resolutions adopted by the General Shareholders' Meeting.

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<sup>1</sup> The form of the constitutive act is available on the Fund's website under the section "About the Fund - Fund Overview - Corporate Governance"

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- 9.2. The Board of Nominees shall exercise its duties in relation to the implementation and ongoing compliance with the Code of Corporate Governance of the Bucharest Stock Exchange<sup>2</sup>.
- 9.3. The main duties of the BoN are the following:
1. Following the information received from the Fund Manager with regard to the summoning of the ordinary and/or extraordinary general meeting of the shareholders requests, if it deems necessary, the insertion of supplementary matters in the text of the calling notice of the general meeting of shareholders;
  2. Receives from the Fund Manager the information in connection with the answers to the written requests submitted before the date of the general meeting of the shareholders, by the shareholders on topics regarding Fondul Proprietatea's activity;
  3. Receives from the Fund Manager the annual financial statements, the annual activity report presented by the Fund Manager and the financial auditors' report, before being made available to the shareholders and analyses them, being able to formulate an opinion to be presented to both the Fund Manager and the general meeting of shareholders;
  4. Receives from the Fund Manager for analysis the annual report on the management and the business policy of Fondul Proprietatea and presents an opinion to the Fund Manager and to the general meeting of the shareholders;
  5. Receives from the Fund Manager for analysis the yearly income and expenditure budget and business plan before to be submitted to the approval of the general meeting of the shareholders and presents an opinion to the Fund Manager and to the general meeting of the shareholders;
  6. Receives from the Fund Manager for analysis the strategy in accordance with the Fondul Proprietatea's investment policy before to be submitted to the approval of the general meeting of the shareholders and presents an opinion to the Fund Manager and to the general meeting of the shareholders. It also oversees the development of the strategy, ensuring that it also integrates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities;
  7. Receives from the Fund Manager for analysis and approves the framework for carrying out Fondul Proprietatea's operations, as well as any other Fondul Proprietatea's regulations issued by the Fund Manager according to legal provisions in force, capital market rules and regulations;
  8. Receives from the Fund Manager for analysis the proposal to the ordinary general meeting of the shareholders for the conclusion of the financial audit agreement and
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- presents an opinion to the Fund Manager and to the general meeting of the shareholders;
9. Reviews on a regular basis the investment policy of Fondul Proprietatea and presents an opinion to the general meeting of the shareholders as any time it deems necessary, but in any case, at least once a year to the annual ordinary meeting;
  10. Receives the report of the internal auditor and presents an opinion to the Fund Manager and to the general meeting of the shareholders;
  11. Monitors the following, based on information and reports received from the Fund Manager:
    - i. the list of all portfolio investments and percentage breakdown by each investment type;
    - ii. a list of major transactions occurring in Fondul Proprietatea's portfolio for the period under review;
    - iii. the total profit of the portfolio and comparison of profit with the appropriate market benchmark;
    - iv. comparison of the obtained profit with the initial objective;
    - v. the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out therein are achieved, as well as any variations and actions taken to achieve such objectives and improve investment results;
    - vi. the performance evaluation report.
  12. Drafts and presents to the general meeting of the shareholders an annual report regarding the monitoring activity performed, which will include the mechanisms and processes in place to identify and manage risks, and a monitoring report for another period agreed by the general meeting of shareholders;
  13. Holds a dedicated meeting to discuss the Discount Control Mechanism strategy if the discount stays above 15% for more than half of the trading days in any financial quarter of Fondul Proprietatea.
  14. In addition, if the discount stays wider than 15% for more than half of the trading days in any two successive financial quarters of Fondul Proprietatea, the Board of Nominees will agree with the Fund Manager specific Discount Control Mechanism measures which are in line with the IPS, in order to have them on the agenda of a future General Meeting of Shareholders (which would be held no later than the end of the next quarter), unless such actions are already pending and soon to be implemented based on shareholder approvals obtained during the relevant preceding two quarter periods.
  15. Receives from the Fund Manager the report on activities and performance in the relevant period (the "**Performance Report**") and prepares and submits for the
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information of shareholders at the Annual GSM a review of the Performance Report, evaluating the performance of the Fund Manager, as well as any other factors that it considers to be relevant for the decision of the Annual GSM regarding the continuation or termination of this Management Agreement and the Fund Manager's mandate.

16. Represents the general meeting of the shareholders in relation with the Fund Manager from the communication point of view between the two corporate bodies, except for the cases expressly regulated by the constitutive act as a direct communication between the general meeting and the Fund Manager;
  17. Verifies the report of the Fund Manager and the exercise of the permanent monitoring over the management of Fondul Proprietatea by the Fund Manager, and verifies if the operations carried on by the Fund Manager are in compliance with the applicable law, the constitutive act and/or with any relevant decision of the general meeting of the shareholders;
  18. Under the conditions of Art. 13 paragraphs (11) and (14) of the Fund's Constitutive Act calls upon the general meeting of the shareholders;
  19. Participates to the meetings of the general shareholders' meetings and presents in this meeting reports in all cases provided by the Fund's Constitutive act or with regard to any issue it deems to be relevant for the shareholders;
  20. Proposes to the general meeting of the shareholders the approval or rejection of any contract/document which may create binding obligations to Fondul Proprietatea (including without limitation buying, selling, exchanging, pledging of assets of Fondul Proprietatea) whose value exceeds, either individually or cumulatively during a financial year, 20% of the total value of the non-current assets, less any receivables;
  21. Recommends to the General Meeting of the Shareholders the termination of the management contract for the case when the Board of Nominees considers it is to the benefit of the shareholders. Also, the Board of Nominees develops a succession plan, including an emergency succession plan, for the Fund Manager. In this respect, it shall ensure a smooth transition in the event of a vacancy, by initiating a structured selection process in advance, maintaining an up-to-date shortlist of qualified persons, and facilitating an efficient handover of responsibilities;
  22. Recommends to the general meeting of the shareholders on any other issues the Board of Nominees is considered relevant to the shareholders;
  23. Following the proposal of Fund Manager, recommends to the Extraordinary General Meeting of the Shareholders the appointment of the public offer intermediary, as well as on its remuneration, when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea;
  24. Approves the delegation by the Fund Manager of certain activities. The delegation will be in force after the approval of FSA, where required by legislation in force;
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25. Is responsible for monitoring the Fund Manager performance of the Management Agreement and shall exercise its duties and responsibilities provided under the Management Agreement concluded between Fondul Proprietatea and the Fund Manager.
  26. Ensures that Fondul Proprietatea has established procedures to enable effective communication with shareholders and other stakeholders;
  27. Ensures that Fondul Proprietatea has developed and made available on a free of charge basis on the website a whistle-blowing mechanism which would enable employees and stakeholders to make reports about suspected breaches or wrongdoings as per the applicable legislation in place;
  28. Ensures that Fondul Proprietatea has established a sound framework for internal controls and risk management.
  29. Analyses and approves the nomination policy, prepared by the Nomination and Remuneration Committee.]
  30. Analyses and approves the policy for diversity, equity and inclusion, proposed by the Nomination and Remuneration Committee, aiming to promote an inclusive and balanced composition of the Board of Nominees, that reflects a broad range of perspectives and enhances the quality of decision-making, while supporting the strategic objectives and corporate values of Fondul Proprietatea;
  31. Ensures disclosure to the shareholders information on the experiences and CV of the candidates for a Board member position, that the shareholders require to make an informed decision on the appointment or reappointment of the members, including the following:
    - i. candidates' professional commitments and engagements, including executive and non-executive positions in companies, public authorities, not-for-profit bodies or other organisations;
    - ii. any existing or potential conflicts of interest including whether they have business, family or other relationships that could affect their performance as directors on the Board;
    - iii. which shareholder or member of the Board proposed each candidate for the Board positions;
  32. Analyses and proposes for approval to the General Meeting of Shareholders the remuneration policy proposed by the Nomination and Remuneration Committee;
  33. Develops, in collaboration with its committees, and approves an Annual Internal Work Plan by the end of each year, outlining the topics to be addressed in the following year. This plan should take into account decisions that need to be proposed to the General Meeting of Shareholders, the reporting by Fund Manager and internal control functions, the required frequency of Board and Committee meetings, and
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should be reviewed by the Chairperson of the Board, assisted, if the case, by the Technical Secretary.

34. Analyses and approves the orientation (induction) programmes for newly appointed members of the Board, which will be proposed by the Nomination and the Remuneration Committee. According to the same procedure of proposal, approval, and implementation, continuous education programmes for Board members may also be adopted, to the extent necessary. Both types of programmes will be implemented under the oversight of the Nomination and Remuneration Committee, with, if applicable, the support of the Technical Secretary;
35. Conducts, under the coordination of the Nomination and the Remuneration Committee, an annual evaluation of the composition, activity and dynamics of the Board and its committees, individually and as a whole. Based on the results of the annual evaluation, the Nomination and Remuneration Committee jointly with the Board Chairperson shall develop professional development programmes focusing on the areas where capacity should be built among Board members, which shall be approved by decision of the Board of Nominees;
36. Evaluates annually the Fund Manager's performance, the effectiveness of its cooperation with the Board, as well as the information provided to the Board;
37. ensure that there is a formal stakeholder identification process for Company's stakeholders including investors, creditors, clients, employees and suppliers, as well as targeted approaches for engaging with its priority stakeholders;
38. adopt a Code of Conduct with clear provisions aimed at preventing and sanctioning fraud and bribery, ensure that the Code of Conduct policies are integrated into Company's practices and incorporated into the onboarding process for new hires and monitor implementation and compliance with the Code of Conduct.

## **CHAPTER VI – OBLIGATIONS OF THE MEMBERS OF THE BOARD OF NOMINEES**

**Art. 10.** The members of the BoN have a duty of diligence and loyalty towards the shareholders of Fondul Proprietatea. In performing their duties, the members of the BoN shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the Fondul Proprietatea and its shareholders, while also taking into consideration the interests of other stakeholders, in compliance with applicable legal and regulatory requirements.

**Art. 11.** The members of the BoN shall not disclose confidential information and trade secrets pertaining to Fondul Proprietatea to which they have access.

**Art. 12.** If a member of the BoN has in a certain operation, directly or indirectly, interests contrary to the interest of Fondul Proprietatea, it must notify the other members and the internal auditors in such regard and must not take part in any deliberation regarding such operation.

**Art. 13.** The same is incumbent upon a member of the BoN if, in a certain operation, it is aware that its spouse, relatives, children or related persons by the 4<sup>th</sup> degree inclusive have an interest.

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**CHAPTER VII – THE BOARD OF NOMINEES EXPENSE AND TRAVEL RULES**

**Art. 14.**

- 14.1. All expenses of BoN members, regardless of amount and nature, must be submitted for approval and validated at a duly convened BoN meeting.
- 14.2. No reimbursement of expenses may be made without prior BoN approval recorded in the minutes of the BoN meeting.
- 14.3. BoN members are responsible to ensure all necessary documentation needed to support the business expense, attached to a filed expense report.
- 14.4. Only strictly necessary and demonstrably efficient costs directly related to BoN duties may be proposed for approval.
- 14.5. All reimbursement requests must include full supporting documentation. BoN members are responsible to ensure all necessary documentation needed to support the business expense.
- 14.6. No automatic, individual, or e-mail based approvals are permitted.
- 14.7. The Company assumes no obligation to reimburse BoN members for expenses that are not in compliance with this article.

**SECTION III – THE COMMITTEES OF FONDUL PROPRIETATEA SA**

**Art. 15.**

- 15.1. At the level of Fondul Proprietatea, two specialized consultative committees have been established by the BoN, as follows:
    1. The Audit and Valuation Committee.
    2. The Nomination and Remuneration Committee, whose internal regulations are attached to this Regulation as Annex 1.
  - 15.2. The task of the consultative committees is to formulate recommendations for the purpose of preparing resolutions to be passed by the BoN itself, without thereby preventing the entire BoN from dealing with matters assigned to the committees.(3) Any absent member of a committee may delegate to another member of the respective committee the power to participate and vote/express his/her opinion in a specific committee meeting, if so authorized in writing by such absent committee member, by way of a special power of attorney. In the absence of the president of a committee, the right to chair a meeting shall only be exercisable by another member, by virtue of a mandate from the Chairperson.
  - 15.3. At the invitation of the chairperson of a committee, members of the BoN who are not members thereof may attend.
  - 15.4. The Chairperson of the BoN may invite any members of the Audit and Valuation Committee to attend the BoN meetings as observers, without voting rights, when subjects related to financial matters are discussed.
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- 15.5. The internal rules of the BoN shall apply to the activities of committees by extension unless separate internal rules resolved by the BoN provide otherwise;
- 15.6. The Chairperson of the BoN may not be the chairperson of any other committee, unless this is necessary in view of the size of the BoN;
- 15.7. Any member of the BoN who is not a member of the Audit and Valuation Committee or Nomination and Remuneration Committee may attend a meeting of such committee as observers, without voting rights.

#### **SECTION IV - FINAL PROVISIONS**

**Art. 20** In the event of conflict between this Regulations and the provisions of the Fund's Constitutive Act or any laws or regulations, the latter shall prevail.

**Art. 21** These regulations shall be amended or supplemented by the decision of the BoN.

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**INTERNAL REGULATIONS OF  
THE NOMINATION AND REMUNERATION COMMITTEE OF FONDUL  
PROPRIETATEA S.A.**

**1. PREAMBLE**

The Internal Regulations of the Nomination and Remuneration Committee of Fondul Proprietatea SA (“**the Regulations**”) establish the general norms regarding the organization and conduct of activities within the Nomination and Remuneration Committee of Fondul Proprietatea S.A. (hereinafter called “**the Fund / the Company / Fondul Proprietatea**”).

**2. COMPOSITION**

- 2.1. The Nomination and Remuneration Committee (“**NRC**”) shall be a permanent committee, and it shall exercise its duties and responsibilities independently from the Sole Director of Fondul Proprietatea and from the Board of Nominees, having a consultative function.
- 2.2. The NRC shall consist of members whose number shall be determined by the Board of Nominees but not less than three. All members shall be appointed by decision of the Board of Nominees from amongst the Board of Nominees members.
- 2.3. The Chairperson of the Nomination and Remuneration Committee shall not be the Chairperson of the Board of Nominees or of other committees, except when such is required considering the size of the Board of Nominees.

**3. MAIN ROLES AND RESPONSIBILITIES**

- 3.1. The responsibilities of the NRC shall be the ones listed in the Code of Corporate Governance of the Bucharest Stock Exchange, including :
  - a) elaborate and periodically review the remuneration policy for the members of the Board of Nominees and the Fund Manager, and shall assist the Board of Nominees in fulfilling its responsibilities related to the remuneration policy;
  - b) elaborate and periodical review the nomination policy for the Board, that should define the processes and procedures for the nomination, election or replacement of a Board of Nominees member.

In this respect, the Nomination and Remuneration Committee ensures that the nomination policy shall observe:

1. includes diversity requirements with respect to gender, age, experience, and skills applicable to the members of the Board of Nominees;
  2. incorporates and periodically reviews and updates a Board of Nominees profile which specifies the desired characteristics and traits of its members, including factors such as independence, diversity, integrity, specific skills and experience, industry
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knowledge, ability and willingness to devote adequate time and effort to Board responsibilities in the context of the needs of the Board of Nominees and its committees and their exercise of the Board of Nominees' strategic and oversight roles;

3. describes how Fondul Proprietatea receives and evaluates nominations from shareholders (including minority shareholders) or from members of the Board, including in relation to the Board profile, independence and diversity;

- c) lead the development and periodical review of the Board of Nominees profile detailing gender, age, experiences and skills requirements, with the observance of the gender balance provisions set out under the applicable law;
  - d) coordinate the annual evaluation of the composition, activity and dynamics of the Board of Nominees and its committees, individually and as a whole, followed by the development and implementation of corresponding follow-up actions.
  - e) develop jointly with the Chairperson of the Board of Nominees, professional development programmes focusing on areas where capability should be built among Board of Nominees members, based on the results of the annual Board of Nominees evaluation.
  - f) monitor the nomination process of candidates for the position of Board of Nominee member, identify individuals qualified to become Board of Nominee members, evaluate the candidates proposed by the shareholders or by the Board of Nominee members (should the Fund's constitutive act grant the right of the Board of Nominee to propose candidates) and inform the general meeting of shareholders, accordingly;
  - g) make recommendations to the Board of Nominees concerning committee appointments (other than the NRC);
  - h) elaborate a policy for diversity, equity and inclusion;
  - i) present to the Board of Nominees an analysis regarding the implementation of the investment management agreement concluded with the Fund's sole director;
  - j) make proposals regarding the remuneration of the members of the Board of Nominees, while making sure that these proposals are in accordance with the remuneration policy adopted by Fondul Proprietatea S.A.;
  - k) review and recommend to the Board of Nominees the size and composition of the Board of Nominees;
  - l) coordinate an annual evaluation of the Board, members and committees.
  - m) prepare, implement, and oversee any induction programmes for newly appointed Board members with the assistance of the Sole Director and of the Chairperson of the Board of Nominees and of the General Secretary, if required;
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- n) assist the Board of Nominees in the annual evaluation of the Fund Manager's performance, the effectiveness of its cooperation with the Board and the information provided by the Fund Manager to the Board;
- o) assist the Board of Nominees in the development of the succession plans for Fund Manager, as well as the emergency succession plans and Fund Manager search process, if necessary;
- p) prepare an annual activity report for the evaluation of its activity;
- q) report on a regular basis to the Board of Nominees.
- r) carry out the assessment of independency of Board of Nominees members. NRC shall assess the independency of the candidates for the position as Board of Nominees member by considering their personal evaluation and by examining whether there are any business or other personal relationships that could materially affect the independence and objectivity of the candidates for the position as Board of Nominees member and his/her ability to act in the best interests of the Company, its shareholders and stakeholders. Same assessment is to be performed by NRC also when a Board of Nominees member becomes independent due to some changes of circumstances brought to the attention of the Board of Nominees.
- s) fulfil any other responsibilities set out in the Internal Regulations of the Board of Nominees.

3.2. For the avoidance of doubt, the nomination policy and the remuneration policy may be prepared in a joint nomination and remuneration policy.

3.3. For the fulfilment of its responsibilities, the Committee shall adopt proposals and recommendations and submits them to the implementation by the Sole Director of Fondul Proprietatea SA and to the Board of Nominees.

3.4. The Committee will have the obligation to present reports to the Board of Nominees periodically or on the terms established by the Board of Nominees.

#### **4. FUNCTIONING**

4.1. The NRC will meet at least once per year, and on an extraordinary basis if necessary.

4.2. Meetings of the NRC shall be called by the Chairperson of the NRC at his/her initiative or by the Chairperson upon the request of two NRC members.

4.3. The Chairperson shall define the agenda of meetings.

4.4. If the Chairperson of the NRC fails to convene a meeting within five (5) working days following a written request by at least two (2) members of the NRC, such members shall be entitled to convene the NRC meeting themselves and set the agenda of the meeting.

4.5. The NRC meeting is chaired by the Chairperson of the NRC or, in his/her absence, by another member, by virtue of a mandate from the Chairperson.

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- 4.6. Any member of the NRC may delegate to another member of the NRC the power to participate and vote/express his/her opinion in a specific meeting of the NRC by way of a special power of attorney. An attending member may represent only one absent member.
- 4.7. The NRC takes valid decisions provided the absolute majority of its members are present. The members of the NRC may be represented to the meetings of the NRC only by other members of the NRC on the basis of a special written empowerment, presented in its original form at the beginning of the meeting. One member of the NRC may represent only one absent member. The decisions of the NRC shall be taken with the absolute majority of the votes of its members and are signed by all the members which participated to the meeting. If some of the members of the NRC have been represented, the power of attorney will be annexed to the minute of the meeting.
- 4.8. The NRC's deliberations shall be recorded in the minutes of the meeting, which shall be signed by the person presiding over the meeting and at least one other member. Such minutes shall contain the names of the persons present, the agenda and the resolutions passed as well as, if the case, the major issues raised during the Nomination and Remuneration Committee's deliberations. The minutes shall be signed within 10 working days from the meeting date.
- 4.9. NRC may hold meetings by telephone or video conference or other communication equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting for the purpose of fulfilling the requirements regarding the quorum and deliberation conditions.

## **5. AMENDMENTS**

- 5.1. This Regulations may be amended by resolution of the Board of Nominees at any time.
  - 5.2. This Regulations supplements the provisions in the Internal Regulation for the Board of Nominees. In the event of conflict between this Regulations, the Internal Regulation for the Board of Nominees and any laws or regulations, the latter shall prevail.
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