

**To: Bucharest Stock Exchange  
Financial Supervisory Authority  
London Stock Exchange**

Current report according to Article 234 para. (1) letter d) and e) of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of Article 99 letter a) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

**Important events to be reported:**

### **Resolutions of the Extraordinary and Ordinary General Meetings of Shareholders of Fondul Proprietatea S.A. held on 20 April 2022**

Franklin Templeton International Services S.À R.L, as alternative investment fund manager and sole director of Fondul Proprietatea SA ("**Fondul Proprietatea**" / the "**Fund**"), hereby, announces that on 20 April 2022 were held at "ATHÉNÉE PALACE HILTON BUCURESTI" Hotel, Enescu Meeting Room, 1-3 Episcopiei Street, 1<sup>st</sup> District, Bucharest, 010292, Romania, the Fund's **Extraordinary General Shareholders Meeting ("EGM")** commencing 1:00 pm (Romanian time) and **Ordinary General Shareholders Meeting ("OGM")** commencing 2:00 pm (Romanian time).

The meetings were chaired by Mr. Johan Meyer, the Permanent Representative of Franklin Templeton International Services S.à r.l., the Sole Director of the Fund.

The shareholders of the Fund decided the following with respect to:

#### **A. The agenda of the EGM.**

➤ **To approve Point 2 on the EGM Agenda**, respectively, "The approval of the decrease of the subscribed and paid-up share capital of Fondul Proprietatea, as follows:

The approval of the decrease of the subscribed and paid-up share capital of Fondul Proprietatea from RON 3,334,342,422.84 to RON 3,233,269,110.76 pursuant to the cancellation of 194,371,754 own shares acquired by Fondul Proprietatea during 2021.

After the share capital decrease, the subscribed and paid-up share capital of Fondul Proprietatea shall have a value of RON 3,233,269,110.76 being divided in 6,217,825,213 shares, each having a nominal value of RON 0.52 per share.

The first paragraph of Article 7 of the Constitutive Act of Fondul Proprietatea after the share capital decrease will be changed, as follows.

*"(1) The subscribed and paid-up share capital of Fondul Proprietatea is in the amount of RON 3,233,269,110.76, divided in 6,217,825,213 ordinary nominative shares, having a nominal value of RON 0.52 each".*

The subscribed and paid-up share capital decrease will take place on the basis of Article 207 paragraph (1) letter c) of Companies' Law no. 31/1990 and will be effective after all the following conditions are met:

- (i) this resolution is published in the Official Gazette of Romania, Part IV for at least two months;
- (ii) Financial Supervisory Authority endorses the amendment of Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea as approved by

**Report date:**

20 April 2022

**Name of the issuing entity:**  
Fondul Proprietatea S.A.

**Registered office:**  
76-80 Buzesti Street  
7<sup>th</sup> floor, 1<sup>st</sup> District,  
Bucharest, 011017

**Phone/fax number:**  
Tel.: + 40 21 200 96 00  
Fax: +40 31 630 00 48

**Email:**  
[office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro)

**Internet:**  
[www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)

**Sole Registration Code with the Trade Register Office:**  
18253260

**Order number in the Trade Register:**  
J40/21901/2005

**Subscribed and paid-up share capital:**  
RON 3,334,342,422.84

**Number of shares in issue and paid-up:**  
6,412,196,967

**Regulated market on which the issued securities are traded:**  
Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange

shareholders during this meeting, where required by applicable law or regulation;

(iii) the shareholders' resolution for approving this share capital decrease is registered with the Trade Registry."

➤ **To approve Point 3 on the EGM Agenda**, respectively, "The approval of:

(a) The date of **2 June 2022** as the **Ex – Date**, in accordance with Article 176 paragraph (1), computed with the provisions of Article 2 paragraph (2) letter (l) of Regulation no. 5/2018; and of

The date of **3 June 2022** as the **Registration Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 87 paragraph (1) of Issuers' Law.

As they are not applicable to this EGM, the shareholders did not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation and the payment date.

(b) The empowerment, with authority to be substituted, of Johan Meyer to sign the shareholders' resolutions and the amended, renumbered and restated form of the Constitutive Act, if the case may be, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders' resolutions, including formalities for publication and registration thereof with the Trade Registry or with any other public institution."

**Point 1 on the EGM Agenda was not approved because the required majority was not met.** Please recall that Point 1 on the EGM Agenda refers to "The approval of the following amendments to the Constitutive Act of Fondul Proprietatea, according to the authorization issued by the Financial Supervisory Authority no.25 / 28 January 2022, as follows:

a) The approval of the amendment of Article 13 paragraph (1) of the Constitutive Act:

*"(1) The general meeting of the shareholders is called by the Alternative Investment Fund Manager whenever required. Prior to the convocation of the general meeting of the shareholders, the Alternative Investment Fund Manager shall communicate to the Board of Nominees the intention to call the general meeting and may introduce on the list of matters for the meeting the matters proposed by the Board of Nominees."*

b) The approval of the amendment of Article 13 paragraph (6) of the Constitutive Act:

*"(6) The calling notice, any other matter added to the agenda at the request of the shareholders or proposed by the Board of Nominees, the annual financial statements, the annual report of the Alternative Investment Fund Manager, the reports of the Board of Nominees as well as the proposal to distribute dividends are made available to the shareholders, at the headquarters of Fondul Proprietatea at the date of convocation of the general meeting, and are also published on the internet page, for free access to information by the shareholders. Upon request, copies of these documents shall be issued to the shareholders."*

- c) The approval of the amendment of Article 13 paragraph (11) of the Constitutive Act:  
*“(11) The Board of Nominees may propose to the Alternative Investment Fund Manager the calling of the general meeting, and if the Fund Manager does not give a response to the written request of the Board of Nominees within 5 working days from receiving it, the Board of Nominees may inform the shareholders, by means of a current report, that it considers necessary the convening of the general meeting of shareholders, while also indicating the topics that should be discussed.”*
- d) The approval of the amendment of Article 13 paragraph (12) of the Constitutive Act:  
*“(12) The chairperson of Board of Nominees may propose to the Alternative Investment Fund Manager the calling of the general meeting according to article 16 paragraph (4).”*
- e) The approval of the amendment of Article 13 paragraph (15) of the Constitutive Act:  
*“(15) In the situation provided by paragraphs (13) and (14), in case the Alternative Investment Fund Manager does not call the general meeting of shareholders, the court of law from the headquarters of Fondul Proprietatea may authorize the calling of the general meeting by the shareholders which formulated the request, according to the legislation in force.”*
- f) The approval of the amendment of Article 14 paragraphs (5), (13), (14), (17), (18), (21) and (23) and deletion of paragraphs (15) and (19) of the Constitutive Act:  
*“(5) For the validity of the deliberation of the extraordinary general meeting of shareholders regarding a share capital decrease, the attendance of the shareholders representing:*  
*(i) at least 1/4 of the total number of voting rights upon the first convocation; and*  
*(ii) at least 1/5 of the total number of the voting rights, upon the second convocation is required.*  
*(...)*  
*(13) Considering the extremely large number of shareholders of Fondul Proprietatea, circumstance which, practically, makes it impossible for all of them to meet at the general meeting of shareholders, the shareholders may participate in person, by proxy or may express their voting right by correspondence or by electronic voting according to legislation and regulations in force. The procedures and forms for the proxy, correspondence and electronic voting shall be set by the Alternative Investment Fund Manager, in accordance with the applicable legislation and are made available to the shareholders at least by the date of publishing of convening notice for general meeting of shareholders.*  
*(14) The statutory quorum that needs to be met for the valid holding of any type of general meeting of the shareholders is calculated by including the votes deemed validly sent by correspondence, according to legislation in force.*  
*(...)*  
*(17) In order to ensure the effective and real possibility of all shareholders to acknowledge the contents of the documents and the proposals of the ones requiring the organization of the general meeting*

of the shareholders, by care of the Alternative Investment Fund Manager, such will be available, at the headquarters of Fondul Proprietatea, as well as on the internet page of Fondul Proprietatea, at least 30 days prior to the date provided for holding the meeting.

(18) In the ads informing on the convocation of the general meeting of shareholders of Fondul Proprietatea it will be indicated, by the Alternative Investment Fund Manager the reference date in relation to which the shareholders will be entitled to participate and vote. Also, the date by when the shareholders may send their votes, as well as the procedure for voting by correspondence, regarding any of the issues subject to approval shall also be set. The deadline by when votes by correspondence may be registered at least 5 working days subsequent to the date of publication of the informative material and is prior to the convocation date of the general meeting of the shareholder by at least 48 hours.

(...)

(21) The shareholders may be represented in each general meeting by other shareholders or by third parties, according to the legislation in force.

(...)

(23) Only the shareholders registered in the company shareholders' register at the reference date established by the Alternative Investment Fund Manager when calling the general meeting of the shareholders shall be entitled to participate to the meeting and vote after proving their identity.”

- g) The approval of the amendment of Article 15 paragraph (2) of the Constitutive Act:

“(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. The nomination will be accompanied by the questionnaire regarding the independence of the candidate, completed and signed by the candidate, whose template shall be available in the informative materials, following that, this questionnaire will be brought to the attention of the shareholders. The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the Alternative Investment Fund Manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by the investment policy as well as by the applicable laws and regulations. Also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Alternative Investment Fund Manager to be analysed by the Board of Nominees are made to the advantage of the shareholders.”

- h) The approval of the amendment of Article 16 paragraph (4) of the Constitutive Act:

“(4) If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision, the chairperson of the Board of Nominees shall give notice for a second meeting of Board of Nominees, having the same agenda as the first, in order to discuss this agenda. If the absolute majority condition cannot be fulfilled to have the quorum for taking a

*decision for three consecutive meetings, the chairperson of the Board of Nominees shall ask the Alternative Investment Fund Manager to convoke the general meeting of the shareholders in order to properly decide on the existing situation.”*

- i) The approval of the amendment of Article 17 paragraphs (1), (7), (14), (16) and (20) of the Constitutive Act, as follows:

*“The Board of Nominees has the followings duties and functions:*

*(1) Following the information received from the Alternative Investment Fund Manager with regard to the summoning of the ordinary and/or extraordinary general meeting of the shareholders proposes, if it deems necessary, the insertion of supplementary matters in the text of the calling notice of the general meeting of shareholders, in accordance with the legislation in force;*

*(...)*

*(7) Receives from the Alternative Investment Fund Manager and reviews the framework for carrying out Fondul Proprietatea’ s operations, as well as any other regulations issued by Alternative Investment Fund Manager applicable to Fondul Proprietatea according to legal provisions in force, capital market rules and regulations;*

*(...)*

*(14) Under the conditions of article 13 paragraphs (11) and (14), informs the shareholders about the necessity to call the general meeting of shareholders, mentioning also the topics to be discussed;*

*(...)*

*(16) Further to the proposal of the Alternative Investment Fund Manager, issues an opinion to be presented to the general meeting of shareholders regarding the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;*

*(...)*

*(20) Receives and reviews the delegation by the Alternative Investment Fund Manager of certain activities;”*

- j) The approval of the amendment of Article 21 paragraphs (3) and (4) letters (i), (ii), (iv), (vi), (vii), (viii), (ix), (xi), and (xvi), as well as renumbering of a new letter (xi<sup>1</sup>) of the Constitutive Act, as follows:

*“(3) In addition to the duties provided by the applicable law, the Alternative Investment Fund Manager shall propose for the analysis of the Board of Nominees and further, of the approval of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the investment policy of Fondul Proprietatea and it is responsible for the implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio. The Alternative Investment Fund Manager undertakes to inform the Board of Nominees regularly, and as and when required by the Board of Nominees, about any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio.*

*(4) In excess of the duties provided by the applicable law, the Alternative Investment Fund Manager shall be liable to:*

*(i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement*

on the convocation of the general meeting, after notifying the Board of Nominees and after analysing the matters proposed by the Board of Nominees to be added on the agenda;

(ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses considering the opinion of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;

(...)

(iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after considering the opinion of the Board of Nominees;

(...)

(vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for analysis prior to its submission to the general meeting of the shareholders;

(vii) proposes for analysis of the Board of Nominees and further, for the approval of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;

(viii) outsource certain activities related to the management of the company, within the limits of the approved budget, subject to the observance of the applicable legislation;

(ix) submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables, presenting to the shareholders the opinion of the Board of Nominees;

(...)

(xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, presenting to the shareholders the opinion of the Board of Nominees;

(xi<sup>1</sup>) approve the procedure of internal audit and the audit plan;

(...)

(xvi) proposes to Extraordinary General Meeting of the Shareholders the appointment of the investment firm/investment bank who shall manage a public offer, 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, presenting to the shareholders the opinion of the Board of Nominees;"

## **B. The agenda of the OGM.**

➤ **To approve Point 1.1. on the OGM Agenda**, respectively, "In accordance with Article 9.7 of the Management Agreement signed on 6 January 2022 between Fondul Proprietatea and Franklin Templeton International Services S.à r.l. ("**Management Agreement**"), the shareholders decide on the approval of the continuation of the current mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea." (secret vote)

- **To approve Point 2 on the OGM Agenda**, respectively “The approval of the Annual Activity Report of the Sole Director of Fondul Proprietatea for the financial year 2021, including the financial statements for the year ended on 31 December 2021, prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union and applying the Financial Supervisory Authority Norm no. 39/ 28 December 2015, to approve the auditor’s report (all as presented in the supporting documentation, on the website of Fondul Proprietatea, including in the format according to provisions of the EU Delegated Regulation 2019/815 of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format), the approval of the Remuneration Report of Fondul Proprietatea for the 2021 financial year, the ratification of all legal acts concluded, adopted or issued on behalf of Fondul Proprietatea, as well as of any management/administration measures adopted, implemented, approved or concluded during 2021 financial year, along with the discharge of the Sole Director’s for any liability for its administration during 2021 financial year.”
- **To approve Point 3 on the OGM Agenda**, respectively “At the proposal of the Fund Manager, the approval of the Remuneration Policy of Fondul Proprietatea in force starting with 1 April 2022, as described in the supporting documentation, in order to reflect the provisions of the Management Agreement approved by shareholders on 15 December 2021.”
- **To appoint Mr. Martin Bernstein** as member of the Board of Nominees following the resignation of Mr. Mark Gitenstein on 18 December 2021; the mandate of the new member is valid for a period of three (3) years and shall produce its effects starting with the acceptance date (*secret vote*) **(Point 5 on the OGM Agenda)**.
- **To approve Point 6 on the OGM Agenda**, respectively, “The approval to cover, from other reserves, the negative reserves of RON 671,941,938 arising out of the cancellation on 28 October 2021 of the treasury shares acquired during 2020 through the eleventh buy-back programme, in accordance with the supporting materials.”
- **To approve Point 7 on the OGM Agenda**, respectively, “The approval to allocate to other reserves an amount of RON 230,576,693 from the 2021 net accounting profit to be used for covering the negative reserves estimated to arise from the cancellation of treasury shares acquired during 2021 through the twelfth buy-back programme, in accordance with the supporting materials.”
- **To approve Point 8 on the OGM Agenda**, respectively, “The approval of the 2021 remaining net accounting profit allocation, including the approval of the distribution of an annual gross dividend of RON 0.1250 per share from the 2021 net accounting profit, all in accordance with the supporting documentation. If the 2021 net accounting profit allocation and the dividend distribution proposal above-mentioned are approved, the shareholders further approve that the payment of the above dividends to start on the Payment Date of this OGM (as defined at point 10 of this OGM) to the persons registered as shareholders of Fondul Proprietatea on the Registration Date (as defined at point 10 of this OGM). Unpaid shares and treasury shares do not constitute dividend entitlement.”
- **To approve Point 9 on the OGM Agenda**, respectively, “The approval

of the additional fees amounting to EUR 17,550 incurred by Deloitte Audit S.R.L. with its headquarters in Bucharest, 1<sup>st</sup> District, 84-98 and 100- 102 Calea Griviței, The Mark Building, 8<sup>th</sup> and 9<sup>th</sup> floors, registered with the Trade Registry under no. J40/6775/1995, Sole Registration Number RO7756924, as the financial auditor of Fondul Proprietatea, in accordance with the supporting materials.”

➤ **To approve Point 10 on the OGM Agenda**, respectively, “The approval of:

(a) The date of **2 June 2022** as the **Ex – Date**, in accordance with Article 176 paragraph (1), computed with the provisions of Article 2 paragraph (2) letter (l) of Regulation no. 5/2018; and of

The date of **3 June 2022** as the **Registration Date**, in accordance with Article 176 paragraph (1) of Regulation no. 5/2018, computed with the provisions of Article 87 paragraph (1) of Issuers’ Law.

The date of **27 June 2022** as the **Payment Date**, in accordance with Article 178 paragraph (2) of Regulation no. 5/2018, computed with the provisions of Article 87 paragraph (2) of Issuers’ Law.

As they are not applicable to this OGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as date of the guaranteed participation.

(b) The empowerment, with authority to be substituted, of Johan Meyer to sign the shareholders’ resolutions, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders’ resolution, including formalities for publication and registration thereof with the Trade Registry or with any other public institution.”

**Point 1.2. on the OGM agenda was not approved considering the shareholders’ approval of Point 1.1. on the OGM Agenda.** Please recall that Point 1.2. on the OGM agenda refers to: “In case point 1.1 above is not approved by the shareholders, in accordance with point 9.7 of the Management Agreement, the approval of:

- the simultaneous termination of the mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea, and of the Management Agreement, beginning with the earliest of: (i) the appointment of a new alternative investment fund manager and sole director of Fondul Proprietatea in accordance with the terms of the Management Agreement; or (ii) 1 November 2022, and of
- the procedure to be observed for the selection of a new alternative investment fund manager and sole director of Fondul Proprietatea, as described in the supporting materials. (*secret vote*)”

**Point 4 on the OGM agenda was not approved because the required majority was not met.** Please recall that Point 4 on the OGM agenda refers to: “At the proposal of the Board of Nominees of Fondul Proprietatea:

- (a) The approval of the increase of the gross monthly remuneration for each member of the Board of Nominees by 10 (ten) per cent, from RON 24,123 to RON 26,535.30, with effect from 20 April 2022 (the “**Base**

**Monthly Remuneration**”). With effect from the 1st January of each calendar year, the Base Monthly Remuneration shall be adjusted with the positive rate of the Romanian inflation of the previous calendar year, as published by the National Institute of Statistics of Romania.

- (b) The approval of an additional fixed gross monthly remuneration for the Chairperson of the Board of Nominees and for the Chairpersons of the Audit and Valuation Committee and of the Nomination and Remuneration Committee, with effect from 20 April 2022, as follows:
- (i) an additional fixed gross monthly remuneration of twenty-five (25) per cent of the Base Monthly Remuneration, for the Chairperson of the Board of Nominees; and
  - (ii) an additional fixed gross monthly remuneration of twenty (20) per cent of the Base Monthly Remuneration, for the Chairperson of the Audit and Valuation Committee and for the Chairperson of the Nomination and Remuneration Committee.

The additional fixed gross monthly remuneration for the Chairperson of the Board of Nominees and for the Chairpersons of the Audit and Valuation Committee and of the Nomination and Remuneration Committee shall be payable pro-rata for the period during which the member of the Board of Nominees holds the relevant position(s).

- (c) The approval of an increased notice period in case of withdrawal from the position of member of the Board of Nominees, from the current fifteen (15) working days in advance to three (3) months in advance, applicable to each member of the Board of Nominees. Notwithstanding the foregoing, a shorter notice period may be accepted on a case by case basis where such is expressly required by the applicable law or by any relevant authority.
- (d) The approval of the amendment of the Remuneration Policy of Fondul Proprietatea, as described in the supporting documentation, to reflect the changes contemplated by the items (a), (b), and (c) above. The relevant changes to the Remuneration Policy of Fondul Proprietatea, as described in the supporting documentation, shall be consolidated in an updated version of the Remuneration Policy to include also the amendments contemplated by item 3 on the agenda in case such item is approved by the shareholders.
- (e) The approval of the amendment of the template mandate agreement of the members of the Board of Nominees of Fondul Proprietatea and the approval of the addenda to the existing mandate agreements of the members of the Board of Nominees to reflect the changes contemplated by the items (a), (b), and (c) above, in accordance with the supporting documentation. Mr. Johan Meyer is empowered to sign the mandate agreements, respectively the addenda to the mandate agreements with the members of the Board of Nominees, for and on behalf of Fondul Proprietatea.”

**Franklin Templeton International Services S.Ă R.L. in its capacity of alternative investment fund manager and sole director of FONDUL PROPRIETATEA S.A.**

**Johan MEYER - Permanent Representative**