

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

Current report according to Article 234 para. (1) letter b) 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:**

**Request to Supplement the Convening notice of the Extraordinary and Ordinary General Meetings of Shareholders of Fondul Proprietatea S.A. to be held on 27 September 2024**

Franklin Templeton International Services S.À R.L., in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. ("**Fondul Proprietatea / FP**"), would like to inform shareholders that on 29 August 2024 it received from the shareholder MINISTRY OF FINANCE, holding 6.53% of Fondul Proprietatea's share capital\*, a request to supplement the agenda of the Extraordinary ("**EGSM**") and Ordinary ("**OGSM**") General Shareholders Meetings of Fondul Proprietatea convened for 27 September 2024 with new items.

Attached to this report is the Ministry of Finance's request to supplement the agenda of the EGSM and OGSM of Fondul Proprietatea convened for 27 September 2024.

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

Johan MEYER  
Permanent Representative

*\* in accordance with the shareholding structure and total number of voting rights at the level of Fondul Proprietatea as at 31 July 2024, as received from Depozitarul Central S.A.*

**Report date:**  
29 August 2024

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

**Registered office:**  
76-80 Buzesti Street  
7<sup>th</sup> floor, district 1,  
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 2,947,779,186.56

**Number of shares in issue and paid-up:**  
5,668,806,128

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

GDRs on London Stock Exchange

*Translation from Romanian language*

Government of Romania  
MINISTRY OF FINANCE  
CABINET OF THE MINISTER

FP in no. 792/29.08.2024

**TO: FONDUL PROPRIETATEA**

**Address:** 76-80 Buzești Street, Premium Point Building, floors 7-8  
District 1, postal code 011843  
Bucharest, Romania

No. 840.810/29.08.2024

Dear Sirs,

In the context of convening the meeting of the General Meeting of Shareholders of Fondul Proprietatea S.A. on 27.09.2023, we ask you, in accordance with the provisions of art. 117<sup>1</sup> of Companies Law no. 31/1990, as amended and supplemented, to take the necessary measures to supplement the agenda of the General Meeting of Shareholders as follows:

**I. Supplementation of the agenda of the Extraordinary general meeting of shareholders with the item below:**

1. "Starting with the date when this Resolution of the extraordinary general meeting of shareholders is published in the Official Gazette of Romania, Part IV, the empowerment given by the Resolution of the extraordinary general meeting of shareholders no. 1/13.02.2024 on the approval of the authorization of the sole director to buy-back shares of Fondul Proprietatea, global depositary receipts or titles of interest corresponding to shares of Fondul Proprietatea, via trading on the regular market on which the shares, the global depositary receipts or titles of interest corresponding to the shares of Fondul Proprietatea are listed or public tender offers, in compliance with the applicable law, for a maximum number of 1,000,000,000 shares, shall be amended as follows:

During the time frame remained until the end of the mandated granted to Franklin Templeton International Services S.a r.l., i.e. 31 March 2025, the sole director shall not be entitled to buy-back shares of Fondul Proprietatea, global depositary receipts or titles of interest corresponding to shares of Fondul Proprietatea."

The reasoning of the supplementation of the agenda of the extraordinary general meeting of shareholders of 27.09.2024 by the Ministry of Finance is:

To establish the new investment policy of Fondul Proprietatea, taking into consideration the interests of the shareholders as a whole for the long-term fulfilment of the Fondul Proprietatea investment mandate, as well as for the Board of Nominees to conduct a transparent and competitive selection procedure for the appointment of the new Director, it is imperative that the Fund's management strategy for the period 31 March 2025 – 31 March 2026, aims at and includes (i) the preservation of the current portfolio and (ii) the prohibition of share buy-backs and the preservation/use of cash held by the company exclusively for the management of the current portfolio and/or for investments.

Only under these conditions, the new Manager can develop and implement a medium and long term strategy, based on a solid and stable portfolio, which should not be changed during the selection procedure.

In the context of the above, as well as of the provisions of art. 105 para. (3) of Law no. 24/2017 on issuers of financial instruments and market operations, the draft resolution proposed for enactment by the extraordinary general meeting of shareholders of Fondul Proprietatea is:

1. "It is hereby approved, as of the date when this Resolution of the extraordinary general meeting of shareholders is published in the Official Gazette of Romania, Part IV, the amendment of the empowerment given by the Resolution of the extraordinary general meeting of shareholders no. 1/13.02.2024 on the approval of the authorization of the sole director to buy-back shares of Fondul Proprietatea, global depositary receipts or titles of interest corresponding to

shares of Fondul Proprietatea, via trading on the regular market on which the shares, the global depository receipts or titles of interest corresponding to the shares of Fondul Proprietatea are listed or public tender offers, in compliance with the applicable law, for a maximum number of 1,000,000,000 shares, as follows:

During the time frame remained until the end of the mandated granted to Franklin Templeton International Services S.a r.l., i.e. 31 March 2025, the sole director shall not be entitled to buy-back shares of Fondul Proprietatea, global depository receipts or titles of interest corresponding to shares of Fondul Proprietatea.”

## **II. Supplementation of the agenda of the Ordinary general meeting of shareholders with the item below:**

### **1. “Alternative to item 8 of the OGMS convening notice –**

Approval of the (i) extension of the empowerment of Franklin Templeton International Services S.a r.l., a limited liability company with the registered office in rue Albert Borschette no. 8A, L-1246 Luxembourg, registered with the Register of Trade and Companies of Luxembourg under number B 36.979, as sole director of Fondul Proprietatea, acting as manager of alternative investment fund of Fondul Proprietatea, for a period of one (1) year from 1 April 2025 to 31 March 2026, inclusively and (ii) corresponding extension of the terms of the management agreement concluded between Fondul Proprietatea and Franklin Templeton International Services S.a r.l. on 29 March 2024, as approved by the Resolution of the OGMS no. 2 of 26 March 2024 (hereinafter referred to as the “**Management Agreement**”) until 31 March 2026, inclusively (with the corresponding amendments of the provisions on the term of the Management Agreement), according to the Addendum to the Management Agreement in the form provided in the supporting documents (hereinafter the “**Addendum**”), all the other provisions of the Management Agreement remaining unchanged. The extended mandate and the corresponding Addendum shall enter into effect only to the extent that, by 31 March 2025 (a) the OGMS does not appoint a new Manager of the AIF (also acting as sole director) according to the AIFM selection process initiated by the Board of Nominees following the Resolution of the OGMS no. 9 of 25 September 2023 (the “**Appointment**”) and (b) such appointment shall not produce effects until the above-mentioned date (i.e. 31 March 2025).

The extension of the mandate of Franklin Templeton International Services S.a r.l. for the management of Fondul Proprietatea is granted strictly subject to the compliance with the obligations below related to the management strategy, for the period 31 March – 31 March 2026, which will be fulfilled and carried out by the sole director:

**a. preservation of the current portfolio of Fondul Proprietatea**, with the sale of the company's portfolio holdings being prohibited; any offers received for the sale of some of Fondul Proprietatea holdings will be analysed by the Board of Nominees and will be subject to the approval of the OGMS;

**b. prohibition of share buy-backs and the retention/use of cash held by the company exclusively for the management of the current portfolio and/or for investments**, which will be approved in advance by the Board of Nominees.

Mrs. Iinca von Derenthall, Chairperson of the Board of Nominees, is empowered (with the possibility of being replaced by another member of the Board of Nominees) to sign the Addendum and to fulfil/sign any and all necessary, useful and/or appropriate legal acts and deeds for and on behalf of Fondul Proprietatea. (*secret vote*)

***This item is approved on condition of non-approval by the OGMS of item 8 on the agenda of the OGMS.”***

The reasoning of the supplementation of the agenda of the ordinary general meeting of shareholders of 27.09.2024 by the Ministry of Finance is:

- the enactment of the Emergency Government Ordinance no. 71/2024 *amending and supplementing various normative acts, as well as introducing measures to prevent and combat the use of aggressive advertising and communication techniques by entities not registered with the Financial Supervisory Authority.*
- the fact that equal treatment of all shareholders is not ensured, as those who hold the shares in Section 1 with the Central Depository cannot participate in the buy-back process,
- taking into consideration the imperative objective to retain/utilize the cash held by the company exclusively for current portfolio management and/or investment purposes, especially during the selection process of the new Manager.

Thus, to establish the new investment policy of Fondul Proprietatea, taking into consideration the interests of the shareholders as a whole for the long-term fulfilment of Fondul Proprietatea's investment mandate, as well as for the Board of Nominees to conduct a transparent and competitive selection procedure for the appointment of the new Manager, it is imperative that the management strategy of the Fund for the period between 31 March 2025 – 31 March 2026 aims at and includes (i) the preservation of the current portfolio and (ii) the prohibition of share buy-backs and the retention/use of cash held by the company exclusively for the management of the current portfolio and/or for investment purposes.

Under these circumstances alone can the new Manager develop and implement a medium- and long-term strategy, based on a solid and stable portfolio, which should not be changed during the selection procedure.

In the context of the above, as well as of the provisions of art. 105 para. (3) of Law no. 24/2017 on issuers of financial instruments and market operations, the draft resolution proposed for enactment by the ordinary general meeting of shareholders of Fondul Proprietatea is:

1. "It is hereby approved the (i) extension of the empowerment of Franklin Templeton International Services S.a r.l., a limited liability company with the registered office in rue Albert Borschette no. 8A, L-1246 Luxembourg, registered with the Register of Trade and Companies of Luxembourg under number B 36.979, as sole director of Fondul Proprietatea, acting as manager of alternative investment fund of Fondul Proprietatea, for a period of one (1) year from 1 April 2025 to 31 March 2026, inclusively and (ii) the corresponding extension of the terms of the management agreement concluded between Fondul Proprietatea and Franklin Templeton International Services S.a r.l. on 29 March 2024, as approved by the Resolution of the OGMS no. 2 of 26 March 2024 (hereinafter referred to as the "**Management Agreement**") until 31 March 2026, inclusively (with the corresponding amendments of the provisions on the term of the Management Agreement), according to the Addendum to the Management Agreement in the form provided in the supporting documents (hereinafter the "**Addendum**"), all the other provisions of the Management Agreement remaining unchanged. The extended mandate and the corresponding Addendum shall enter into effect only to the extent that, by 31 March 2025 (a) the OGMS does not appoint a new Manager of the AIF (also acting as sole director) according to the AIFM selection process initiated by the Board of Nominees following the Resolution of the OGMS no. 9 of 25 September 2023 (the "**Appointment**") and (b) such appointment shall not produce effects until the above-mentioned date (i.e. 31 March 2025).

The extension of the mandate of Franklin Templeton International Services S.a r.l. for the management of Fondul Proprietatea is granted strictly subject to the compliance with the obligations below related to the management strategy, for the period 31 March 2025 – 31 March 2026, which will be fulfilled and carried out by the sole director:

a. **preservation of the current portfolio of Fondul Proprietatea**, with the sale of the company's portfolio holdings being prohibited; any offers received for the sale of some of Fondul Proprietatea holdings will be analysed by the Board of Nominees and will be subject to the approval of the OGMS;

b. **prohibition of share buy-backs and the retention/use of cash held by the company exclusively for the management of the current portfolio and/or for investments**, which will be approved in advance by the Board of Nominees.

Mrs. Ilinca von Derenthall, Chairperson of the Board of Nominees, is empowered (with the possibility of being replaced by another member of the Board of Nominees) to sign the Addendum and to fulfil/sign any and all necessary, useful and/or appropriate legal acts and deeds for and on behalf of Fondul Proprietatea. (*secret vote*)

***This item is approved on condition of non-approval by the OGMS of item 8 on the agenda of the OGMS.***

We also send attached, in copy, the proof of the Ministry of Finance's capacity of shareholder of Fondul Proprietatea, issued by the Depozitarul Central.

Sincerely,

MINISTRY OF FINANCE  
Marcel-Ioan Bolos  
*illegible signature*  
stamp of the Ministry of Finance