

**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:

Shareholders' resolutions (full text) approved by the Ordinary General Shareholders' Meeting of Fondul Proprietatea SA held on 26 March 2024

Franklin Templeton International Services S.À R.L, as alternative investment fund manager and sole director of Fondul Proprietatea SA ("**Fondul Proprietatea / the Company / the Fund**"), hereby publishes the Shareholders resolutions (full text) approved by the Ordinary General Meeting of Shareholders of Fondul Proprietatea on 26 March 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

Report date:
27 March 2024

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

Registered office:
76-80 Buzesti Street
7th floor, 1st district,
Bucharest, 011017

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

Email:
office@fondulproprietatea.ro

Internet:
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

**Resolution no. 1 / 26 March 2024
of the Shareholders' Ordinary General Meeting of
FONDUL PROPRIETATEA S.A.**

Headquarters: 76-80 Buzești Street, 7th floor, 1st district, Bucharest, Romania,
Registered with the Trade Registry under number J40/21901/2005, fiscal registration code
18253260

Today, 26 March 2024, 11:00 AM (Romanian time), the shareholders of Fondul Proprietatea S.A. (the “**Fund**” or “**Fondul Proprietatea**”) have met during the Shareholders' Ordinary General Meeting (“**OGM**”) of the Fund, at its first summoning, at “**INTERCONTINENTAL ATHÉNÉE PALACE BUCHAREST**” Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, 1st District, Bucharest, zip code 010292, Romania, the OGM being opened by its Chairman, namely Mr. Johan MEYER, in his capacity of permanent representative of Franklin Templeton International Services S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016, in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. (“**Sole Director**”).

Whereas:

- The convening notice of the OGM was published on the Fund's website (www.fondulproprietatea.ro) on 5 February 2024 and in the Official Gazette of Romania, Part IV, number 632 of 7 February 2024 and in Jurnalul number 1581 of 7 February 2024 and republished with supplements on the Fund's website on 26 February 2024 and in the Official Gazette of Romania, Part IV, number 1007 of 28 February 2024 and in “Adevărul” newspaper number 9099 of 28 February 2024;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (“**Companies' Law no. 31/1990**”);
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004;
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts, with its subsequent amendments and supplementations;
- The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished (“**Issuers' Law**”);
- The provisions of Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations, with its subsequent amendments and supplementations (“**Regulation no. 5/2018**”);
- The provisions of Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation, with its subsequent amendments and supplementations (“**Law no. 243/2019**”);

- The provisions of Regulation of the Financial Supervisory Authority no. 7/2020 on the authorization and operation of alternative investment funds, with its subsequent amendments and supplementations (“**Regulation no. 7/2020**”);
- The provisions of Commission Implementing Regulation (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights (“**CE Regulation 1212/2018**”),
- The provisions of the Fund’s constitutive act (“**Constitutive Act**”),

it is necessary to have a number of shareholders holding at least 25% of the total voting shares in order to meet the quorum conditions, in the present OGM, manifesting their vote 232 shareholders, which represents a number of 1,591,932,553 voting rights (i.e. 44.7621% of the total voting rights at the reference date 29 February 2024, i.e. 3,556,427,239; i.e. 28.0823% of the total number of issued shares at the reference date 29 February 2024, i.e. 5,668,806,128),

the conditions regarding the quorum for holding this meeting and the majority for shareholders to decide legally are met, under the legally required majority (according to art. 115 paragraphs (1)-(2) of the Companies’ Law no. 31/1990 and art. 14 I paragraph (1) of the Constitutive Act).

Following debates, the Fund’s shareholders decide as follows:

- I. The appointment of Mr. Marius-Alin Andrieş as member of the Board of Nominees following the expiration of the mandate of Mr. Omer Tetik on 6 April 2024; the mandate of the new member is valid for a period of three (3) years and shall produce its effects starting with 7 April 2024 or the acceptance date for the new mandate, whichever occurs later.

This item is approved with 1,167,382,666 votes, representing 73.2770% of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 1,167,382,666 votes „for”;
- 82,867,994 votes „against”;
- 16,505,449 abstentions;
- 55.235.370 votes „not given”;
- 0 votes annulled from correspondence;
- 0 votes annulled in the OGM meeting.

- II. The approval of:

- (a) The date of 11 April 2024 as the Ex – Date, in accordance with Article 176 paragraph (1), computed with the provisions of Article 2 paragraph (2) letter (I) of Regulation no. 5/2018;

The date of 12 April 2024 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 OGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as the payment date the date of the guaranteed participation.

- (b) The empowerment, with authority to sub-delegate, 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' resolutions, including formalities for publication and registration thereof with the Trade Registry or with any other public institution.

This item is approved with 1,591,892,086 votes, representing 99.9236 % of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 1,591,892,086 votes „for”;
- 786,987 votes „against”;
- 151,203 abstentions;
- 18,997,155 votes „not given”;
- 0 votes annulled from correspondence;
- 0 votes annulled in the OGM meeting.

This OGM Resolution no. 1 is drafted on behalf of the shareholders today, 26 March 2024, in 3 original counterparts by:

Johan MEYER
Chairman

Ionuț IOANCĂ
Meeting secretary

Livia DUMITRESCU
Technical secretary

**Resolution no. 2 / 26 March 2024
of the Shareholders' Ordinary General Meeting of
FONDUL PROPRIETATEA S.A.**

Headquarters: 76-80 Buzești Street, 7th floor, 1st district, Bucharest, Romania,
Registered with the Trade Registry under number J40/21901/2005, fiscal registration code
18253260

Today, 26 March 2024, 11:00 AM (Romanian time), the shareholders of Fondul Proprietatea S.A. (the "**Fund**" or "**Fondul Proprietatea**") have met during the Shareholders' Ordinary General Meeting ("**OGM**") of the Fund, at its first summoning, at "**INTERCONTINENTAL ATHÉNÉE PALACE BUCHAREST**" Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, 1st District, Bucharest, zip code 010292, Romania, the OGM being opened by its Chairman, namely Mr. Johan MEYER, in his capacity of permanent representative of Franklin Templeton International Services S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016, in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. ("**Sole Director**").

Whereas:

- The convening notice of the OGM was published on the Fund's website (www.fondulproprietatea.ro) on 5 February 2024 and in the Official Gazette of Romania, Part IV, number 632 of 7 February 2024 and in Jurnalul number 1581 of 7 February 2024 and republished with supplements on the Fund's website on 26 February 2024 and in the Official Gazette of Romania, Part IV, number 1007 of 28 February 2024 and in "Adevărul" newspaper number 9099 of 28 February 2024;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations ("**Companies' Law no. 31/1990**");
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004;
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts, with its subsequent amendments and supplementations;
- The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished ("**Issuers' Law**");
- The provisions of Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations, with its subsequent amendments and supplementations ("**Regulation no. 5/2018**");
- The provisions of Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation, with its subsequent amendments and supplementations ("**Law no. 243/2019**");

- The provisions of Regulation of the Financial Supervisory Authority no. 7/2020 on the authorization and operation of alternative investment funds, with its subsequent amendments and supplementations (“**Regulation no. 7/2020**”);
- The provisions of Commission Implementing Regulation (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights (“**CE Regulation 1212/2018**”),
- The provisions of the Fund’s constitutive act (“**Constitutive Act**”),

it is necessary to have a number of shareholders holding at least 25% of the total voting shares in order to meet the quorum conditions, in the present OGM, manifesting their vote 232 shareholders, which represents a number of 1,591,932,553 voting rights (i.e. 44.7621% of the total voting rights at the reference date 29 February 2024, i.e. 3,556,427,239; i.e. 28.0823% of the total number of issued shares at the reference date 29 February 2024, i.e. 5,668,806,128),

the conditions regarding the quorum for holding this meeting and the majority for shareholders to decide legally are met, under the legally required majority (according to art. 115 paragraphs (1)-(2) of the Companies’ Law no. 31/1990 and art. 14 I paragraph (1) of the Constitutive Act).

Following debates, the Fund’s shareholders decide as follows:

- I. The approval of the terms of, along with the execution of, the Management Agreement between Fondul Proprietatea and Franklin Templeton International Services S.à r.l. for a period of one (1) year starting 1 April 2024 and until 31 March 2025 in the form set out in the supporting documentation relating to OGMS agenda item 1, with a change in the base fee rate such that the base fee is 1.35%, as reflected in the Annex of the herein Resolution.

Mrs. Ilinca von Derenthall, the Chairperson of the Board of Nominees is empowered (with authority to be substituted by another member of the Board of Nominees) to execute the mentioned Management Agreement and to perform/sign any related necessary, useful and/or opportune legal acts and deeds for and on behalf of Fondul Proprietatea.

(Item added on the agenda at the request of the shareholder Ministry of Finance)

This item is approved with 1,266,436,562 votes, representing 79.4947% of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 1,266,436,562 votes „for”;
- 314,615,561 votes „against”;
- 10,554,099 abstentions;
- 20,221,209 votes „not given”;
- 0 votes annulled from correspondence;
- 0 votes annulled in the OGM meeting.

- II. The approval of:

- (a) The date of 11 April 2024 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;

The date of 12 April 2024 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 OGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as the payment date and the date of the guaranteed participation.

- (b) The empowerment, with authority to sub-delegate, 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' resolutions, including formalities for publication and registration thereof with the Trade Registry or with any other public institution.

This item is approved with 1,591,892,086 votes, representing 99.9236 % of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 1,591,892,086 votes „for”;
- 786,987 votes „against”;
- 151,203 abstentions;
- 18,997,155 votes „not given”;
- 0 votes annulled from correspondence;
- 0 votes annulled in the OGM meeting.

This OGM Resolution no. 2 is drafted on behalf of the shareholders today, 26 March 2024, in 3 original counterparts by:

Johan MEYER
Chairman

Ionuț IOANCĂ
Meeting secretary

Livia DUMITRESCU
Technical secretary

Annex – The Management Agreement by and between Fondul Proprietatea S.A. and Franklin Templeton International Services S.À R.L.

MANAGEMENT AGREEMENT

DATED _____ 2024

FONDUL PROPRIETATEA S.A.

and

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L

THIS AGREEMENT is made on _____ 2024

BETWEEN:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L., a *société à responsabilité limitée* qualifying as an alternative investment fund manager (“**AIFM**”) under Article 101-1 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended (“**UCI Act**”), whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and which is registered with the Luxembourg Registre de Commerce et des Sociétés under number B 36.979 and in the Register kept by the Romanian Financial Supervisory Authority under no. PJM07.1AFIASMDLUX0037/10 March 2016 (the “**Fund Manager**”);

and

FONDUL PROPRIETATEA S.A. headquartered at 76 – 80 Buzesti St., 7th floor, 1st District, Bucharest municipality, Romania which is registered with the Bucharest Trade registry under no. J40/21901/2005, tax identification number (CIF) 18253260 and registered with the public registry of the Financial Supervisory Authority as a retail alternative investment fund under register number PJR09FIAIR/400018 (the “**Customer**”/ the “**Fund**”/ “**FP**”);

WHEREAS:

(A) The Customer wishes to appoint the Fund Manager as the alternative investment fund manager of the Customer on the terms and subject to the conditions of this Management Agreement.

(B) The Fund Manager wishes to accept such appointment on the terms and subject to the conditions of this Management Agreement.

(C) The Customer is set up as an undertaking for collective investment (A.O.P.C.) of the closed-end type, as defined under Article 114(1) letter b) of the Law 297/2004 and qualifies as an alternative investment fund within the meaning of the Directive 2011/61/EU of the EU Parliament and of the Council on Alternative Investment Fund Managers, as amended (the “**AIFMD**”), Law 74/2015 on managers of alternative investment funds in Romania (“**AIFM Law**” or “**Law no. 74/2015**”) and Law 243/2019 on alternative investment funds (“**AIF Law**” or “**Law no. 243/2019**”). The Customer wishes to appoint the Fund Manager as its AIFM within the meaning of the AIFM

Law and to entrust it with certain functions accordingly, including, without limitation, all functions relating to risk management and portfolio management.

(D) The Fund Manager opened a branch in Bucharest whose registered office is in Buzzești 76-80 Street, floor 8, district 1, sole registration code 40198471, Trade Register number J40/16822/2018, registered with FSA under registration number PJM08AFIASMS / 400001 dated 5 August 2019 (the “**Bucharest Branch**”) and the branch was notified by CSSF as a branch of an alternative investment fund manager under Chapter II of the AIFM Act, and is entitled to carry out services in Romania in accordance with the AIFM Law. The Fund Manager is registered with FSA under registration number PJM07.1AFIASMDLUX0037/10 March 2016 with respect to the cross-border activities that it is entitled to carry out in Romania. As of 1 December 2020, the Bucharest Branch carries out the portfolio management and administrative activities for the Customer, while the risk management activity is carried out by the Fund Manager on a cross border basis.

(E) The general meeting of shareholders of the Customer approved on 25 September 2023 the appointment of the Fund Manager as the external alternative investment manager and sole director of the Customer and the general meeting of shareholders of the Customer approved on 26 March 2024 this Management Agreement.

In consideration of the mutual promises, covenants and agreements contained in this Management Agreement, **IT IS AGREED:**

1. INTERPRETATION

1.1 In this Management Agreement, unless the context otherwise requires, it is agreed that:

- (a) words in the singular include the plural, words in the plural include the singular, words importing the masculine gender include the feminine, and words importing the feminine gender include the masculine;
- (b) headings and paragraphs are for the purpose of organization only and shall not be used to interpret this Management Agreement;
- (c) references to “this Management Agreement” include its Recitals and Annexes (which are incorporated herein by reference and are integrated within the body of this Management Agreement), unless otherwise stated;
- (d) references in this Management Agreement to Preamble, Recitals, Sections, Articles, Clauses, Sub-Clauses and Annexes are to the preamble, recitals, sections, articles, clauses and sub-clauses of, and annexes to, this Management Agreement, unless otherwise stated;
- (e) references to any provisions of legislation, delegated legislation, regulations or rules shall be construed as references to such provisions as replaced, re-enacted, extended or amended from time to time (whether before or after the date hereof); and
- (f) references to “law”, “legislation”, “legal provisions”, “regulations”, or other similar wording shall be construed as including any legally binding law, ordinance, decision, regulation, rule, of any governmental, intergovernmental or supranational body, agency, department of any regulatory, self-regulatory or other authority.

1.2 Notwithstanding anything to the contrary in this Management Agreement, the Parties

agree that none of the limitations of liability or responsibility which the Parties may agree *vis-à-vis* each other pursuant to this Management Agreement or otherwise may be construed as a limitation of the obligations, liabilities or responsibilities imposed by the Compulsory Rules.

2. DEFINITIONS

In this Management Agreement, the following capitalised terms shall, unless the context otherwise requires or it is otherwise provided, have the following meanings:

Account means the account maintained by the depositary and sub-custodian(s), as the Customer has notified in writing to the Fund Manager;

Affiliate means, with respect to any person, any other person directly or indirectly controlling, directly or indirectly Controlled by, or under common Control with such person;

AIFM means an alternative investment fund manager.

AIFM Act means the Luxembourg Act of 12 July 2013 on alternative investment fund managers for implementing the AIFMD;

AIFMD has the meaning given to it in Recital (C);

AIFM Law or **Law no. 74/2015** has the meaning given to it in Recital (C);;

AIFM Regulation means the FSA Regulation no.10/2015 regarding the management of investment funds.

AIF Law or **Law no. 243/2019** has the meaning given to it in Recital (C);

AIF Regulation means the FSA Regulation no. 7/2020 regarding the authorisation and functioning of investment funds;

AIFM Rules means the set of rules formed by (a) the AIFMD, (b) the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, (c) any binding guideline or other delegated act and regulation issued from time to time by the EU relevant authorities pursuant to any national laws and regulations (such as the AIFM Act, AIFM Law or AIF Law,), and (d) any national laws and regulations enacted in connection with the implementation of the rules listed in paragraphs (a) to (c) above (such as the AIFM Regulation or AIF Regulation) which are applicable to this Management Agreement;

Associated Company (when used in relation to the Fund Manager) means any company which is an Affiliate of the Fund Manager;

BoN means the Board of Nominees ("*Comitetul Reprezentantilor*" in Romanian language) which monitors the activity of the Fund Manager, appointed by the GSM and under direct supervision of the GSM;

Calculation Period means a calendar quarter, each consisting of a three-month period; the four calendar quarters that make up the year shall be: January, February and March (the first quarter, or **Q1**); April, May and June (the second quarter, or **Q2**); July, August and September (the third quarter, or **Q3**); and October, November and December (the fourth quarter, or **Q4**);

Central Depository means a legal person established as a joint-stock company, authorised and supervised by the FSA, performing deposit, registration, clearing and settlement services for transactions with financial instruments and related activities;

CNVM means the Romanian National Securities Commission, having the duties established in the Government Emergency Ordinance no. 25/2002 on the approval of the By-laws of the National Securities Commission; in April 2013, the CNVM was reorganized as the FSA;

Companies Law means Law no. 31/1990 on companies;

Compulsory Rules means prescriptive rules of law (referred to in Luxembourg law as "*règles d'ordre public*" and in Romania as "*reguli de ordine publică*") from which the Parties may not be relieved by way of agreement, whether or not these rules result from the AIFM Rules and irrespective of their national or EU origin and nature;

Constitutive Act means the constitutive act of the Customer;

Control means, in relation to any person, the power of another person, directly or indirectly, to secure that the affairs of such person are conducted in accordance with the wishes of that other person, (a) by means of the holding of shares or the possession of voting power in relation to that or any other person, or (b) by virtue of any powers conferred by the constitutional or corporate documents, or by contract or any other document or other legal relationship, or by applicable law, regulating that or any other person, and "**Controlled**" shall be interpreted accordingly;

CSSF means *Commission de Surveillance du Secteur Financier*, the Luxembourg financial supervisory authority;

Customer has the meaning given to it in the Preamble;

Damages mean any and all losses, claims, liabilities, damages, taxes or expenses;

Delegate means any entity to which the Fund Manager delegates or outsources any of its obligations under this Management Agreement, including, without limitation, the Investment Manager in accordance with clause 14.3;

Data Protection Laws mean the set of rules formed by (a) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**"); (b) Law no. 190/2018 on measures to implement the General Data Protection Regulation, (c) any binding guideline or other delegated act and regulation issued from time to time by the EU relevant authorities or competent national authorities pursuant to any national laws and regulations and (d) any national laws and regulations enacted in connection with the implementation of the rules listed under (a) to (c) above or other legislation which replaces or amends the same, as far as applicable to this Management Agreement;

DCM has the meaning ascribed to such term in clause 9.2;

Depository is the entity or branch of an entity registered with the FSA, authorised to hold and safeguard financial assets of collective investment undertakings in accordance with the provisions of the AIFM Law, the AIF Law and AIF Regulation, appointed by the Customer and in the deposit of which are entrusted for safekeeping all assets of the Customer;

Discount means, in respect of a day, an amount calculated by subtracting the closing price of the Fund's shares on the Bucharest Stock Exchange on REGS for such day from the NAV per share then most recently published by the Fund Manager and dividing the result by such most recently published NAV per share;

Discount Objective has the meaning ascribed to such term in the IPS;

Dispute has the meaning ascribed to such term in clause 19.2(a);

EGM means the Extraordinary General Meeting of the Customer's Shareholders;

EU Markets in Financial Instruments Rules means:

- (i) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID II);
- (ii) the Commission Delegated Directive 2017/593 of 7 April 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to the safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits; and
- (iii) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MIFIR);

Force Majeure Event means, in relation to any Party, any act, event or circumstance, the cause of which is not of such Party's making nor within that Party's reasonable control, including without limitation (to the extent not of that Party's making nor within that Party's reasonable control) act of God, war, hostilities (whether or not war has been declared), terrorist acts, acts of any civil or military authority, governmental or regulatory direction or restriction, suspension or withdrawal of licences or consents from other reasons than the negligence of the Fund Manager, currency restrictions, market conditions affecting the execution or settlement of transactions or the value of assets, failure or breakdown in communications, the failure of any relevant exchange or clearing house, riot, insurrection, civil commotion, public demonstration, sabotage, acts of vandalism, fire, flood, earthquake, extreme weather conditions, epidemic or pandemic, explosion, aircraft crashes or things falling from aircraft, release of ionising radiation or contamination by radioactivity, chemical or biological contamination, the order of any court or governmental or regulatory authority, delay in transportation or communications, breakage of or accidental damage to equipment, any strike, lock-out or other industrial trade dispute (not involving solely the employees of that Party), structural shift or subsidence;

FP Data means all personal data in whatever form or medium which is (i) supplied, or in respect of which access is granted to the Fund Manager (or any approved third party) whether by FP or otherwise in connection with this Management Agreement, or (ii) produced or generated by the Fund Manager or on behalf of FP by the Fund Manager, while acting in capacity as data processor (or any approved third party) in connection with this Management Agreement and which shall in any event include the following types of personal data e.g. name, address, email address, phone number, bank details, medical information, browsing history *etc.*

FSA means the Romanian Financial Supervisory Authority, having the duties established in the

Government Emergency Ordinance no. 93/2012;

Fund Manager's Group means the Fund Manager and its Associated Companies.

GEO no. 81/2007 means the Emergency Government Ordinance no. 81/2007 for the acceleration of the procedure on granting damages in relation to assets abusively taken;

GSM means the General Meeting of the Customer's Shareholders;

Indemnified Party means the Customer, its officers (but not the Customer's AIFM), employees, agents and representatives;

Intermediary means (i) according to the relevant legislation applicable to investment services, investment firms authorised by FSA, (ii) credit institutions authorised by the National Bank of Romania according to the relevant banking legislation, as well as (iii) other investment firms or credit institutions authorised in Member or Non-Member States to carry out investment services;

IPS means the "Investment Policy Statement", i.e. the investment objectives and parameters governing investment decisions over the Portfolio which the Fund Manager has proposed and the GSM has approved;

Key Employees means the senior personnel of the Bucharest Branch entitled to take investment decisions and to set the corporate strategy on behalf of the Fund;

Law no. 297/2004 means the Capital Market Law no. 297/2004;

Law no. 24/2017 means Law no. 24/2017 on issuers of financial instruments and market operations;

Law no. 247/2005 means the Law no. 247/2005 regarding the property and judicial reform, as well as adjacent measures;

Management Agreement means this Management Agreement entered into between the Customer and the Fund Manager;

Member State means the Member States of the European Union and the other States which belong to the European Economic Area;

MiFID II means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;

NAV means the net asset value of the Customer, which is determined according to the applicable regulations;

NAV Objective has the meaning ascribed to such term in the IPS;

New Appointment Date means, in relation to the appointment of a new fund manager and sole director, or, in the event the Customer becomes an internally managed alternative investment fund, the appointment of new directors of the Customer following termination of this Management Agreement, the later of: (i) the date when the new or, if decided by the Customer, interim, fund manager and sole director, or, as the case may be, new directors, are registered with the Trade Registry or any other competent authority as per the applicable legal provisions; and (ii) the date

when the FSA issues its approval in relation to the appointment of the new, or, if decided by the Customer, interim, sole director and fund manager as the case may be, new directors, if such approval is legally required and, (iii) the date when all other mandatory legal requirements for the replacement of the Fund Manager have been satisfied, and, in each of the cases under paragraphs (i), (ii) and (iii), being effective on the date that the Fund Manager received notice (or ought reasonably to have received notice) of the event;

OGM means the Ordinary General Meeting of the Customer's Shareholders;

Party means any of the Customer or the Fund Manager;

Performance Objectives has the meaning ascribed to such term in clause 9.1;

Performance Report has the meaning ascribed to such term in clause 9.3;

Portfolio means the portfolio of assets of the Customer, including uninvested cash designated from time to time by the Customer as subject to the management of the Fund Manager pursuant to this Management Agreement;

Reporting Period means the period between 1 January 2024 and 31 December 2024;

RMS has the meaning ascribed to such term in Annex 2 (*Specific duties and obligations*);

Sole Director means the legal person appointed by the GSM to manage the Customer, within the limits provided by the applicable Romanian law, the Constitutive Act and the decisions of the GSM. For the purposes of this Management Agreement, any reference to the Sole Director is a reference to the Fund Manager;

Soft Dollar Practices means arrangements under which assets or services, other than execution of securities transactions, are obtained by a fund manager from or through a broker in exchange for the fund manager directing to the respective broker trades concluded on behalf of the undertaking for collective investment managed by that fund manager;

Termination Notice means a termination notice given by the Customer or the Fund Manager in accordance with clause 13;

Termination Notice Date means the date when a Termination Notice is given in accordance with clause 13;

Trading Day means any day on which trading in shares may be carried out on Bucharest Stock Exchange, in accordance with the rules of the Bucharest Stock Exchange.

3. SCOPE OF THIS MANAGEMENT AGREEMENT

The scope of this Management Agreement is to appoint the Fund Manager as Sole Director and agree on the terms of the management by the Fund Manager of the Customer as an AIFM of the Customer and to establish the parties' rights and obligations in relation to each such appointment.

4. APPOINTMENT OF THE FUND MANAGER

By this Management Agreement the Customer appoints the Fund Manager as Sole Director of

the Customer and alternative investment fund manager and agrees to the terms of the mandate of the Fund Manager.

5. ACCEPTANCE OF APPOINTMENT

The Fund Manager accepts its appointment as Sole Director of the Customer and as alternative investment fund manager on the terms of this Management Agreement.

6. OBLIGATIONS OF THE FUND MANAGER, MANAGEMENT SCOPE AND OBJECTIVES

6.1. The obligations and the competencies of the Fund Manager as Sole Director and alternative investment fund manager of the Customer are set forth in the Companies Law, Law no. 297/2004, Law no. 24/2017, AIF Law, and the related regulations, as well as the Constitutive Act, the AIFM Rules (which may be subject to further amendments according to the law), and the provisions of this Management Agreement. The Fund Manager undertakes to comply at all times with all AIFM Rules and any other applicable law.

6.2. The Fund Manager shall exercise its obligations and duties in accordance with the decisions of, and under the control of, the GSM and the monitoring of the BoN.

6.3. In addition to the duties provided by applicable law, the Fund Manager shall propose for the prior approval of the BoN and further, of a GSM, the general strategy in accordance with the investment policy of the Customer. The Fund Manager shall be solely responsible for the implementation of the investment policy in respect of the Portfolio and for achieving a proper balance between the profits and the risks related to the Portfolio.

6.4. The Fund Manager shall inform, periodically in accordance with the applicable legislation and clause 11 of this Management Agreement, the BoN of any significant changes affecting the activities of the Customer and within the structure of the Portfolio.

6.5. In addition to any duties or obligations imposed by any applicable law and the Constitutive Act, the Fund Manager shall perform the following activities:

6.5.1. identify, analyse, quantify, manage and mitigate all risks affecting the Customer, the Portfolio and perform all other risk management functions provided by the AIFM Rules and prepare an annual report for the Customer indicating how risks affecting the Customer have been identified, analysed, quantified, managed or mitigated. An annual report on execution quality (i.e., demonstration that efforts have been made and all sufficient steps have been taken to meet the Best Execution Policy standards, as defined in Art. 10.5.1.) along with relationships with execution brokers, breakdown of order types and execution venue fee arrangement shall be presented by the Fund Manager;

6.5.2. carry out all portfolio management functions provided in the AIFM Rules;

6.5.3. establish a reference date for shareholders entitled to vote within the GSM, under the law, and draft the text of the announcement to convene the GSM, after obtaining the prior approval of the BoN and after adding to the agenda the matters requested by the BoN;

6.5.4. upon the written request of any shareholder submitted before the date of the GSM, provide answers, in connection with the aspects concerning the business of the Customer;

6.5.5. ensure that, if requested by any of the shareholders, a copy of the minutes of the GSM shall be given to them and also, after the calling of the annual OGM is published, make available to the shareholders the financial statements of the Customer and the reports of the Fund Manager and of the Customer's financial auditors;

6.5.6. prepare the annual financial statements, the annual activity report, the semi-annual report, and the quarterly reports (preparing each of the foregoing in accordance with the law and regulations in force at the applicable time), the Performance Report, examine the financial auditors' report, present all such reports to the BoN before submitting such documents to the GSM for approval, and making proposals on the distribution of the profit to the GSM, after obtaining the prior approval of the BoN, if required;

6.5.7. manage the relationship with the Central Depository with regard to its shareholders register functions;

6.5.8. prepare an annual report on the management and the business policy of the Customer, to be presented to the BoN for approval prior to its submission to the GSM;

6.5.9. propose for the prior approval of the BoN and further, of the GSM, the annual income and expenditure budget and business plan;

6.5.10. approve the outsourcing of certain activities, within the limits of the approved budget, respectively delegate the performance of certain activities, subject to the corporate approvals required under the Constitutive Act, to the observance of all conditions and limitations regarding delegation included in the AIFM Rules and in this Management Agreement and to the prior endorsement by the CSSF or other applicable competent authorities, where required by applicable legislation;

6.5.11. based on the approval of the BoN, submit to the approval of the EGM the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets (in Ro. "*active imobilizate*") of the Customer, as defined by the applicable accounting standards, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets, less any receivables;

6.5.12. execute contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of the Customer, as defined by the applicable accounting standards, whose value does not exceed, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of the Customer, less any receivables, without prior approval of the OGM or the EGM;

6.5.13. subject to the provisions of the Constitutive Act, IPS and applicable legislation, take all decisions at its sole discretion in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of the Customer;

6.5.14. propose to the GSM the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the BoN, as well as approving the procedure of internal audit and the audit plan;

6.5.15. change the location of the registered office of the Customer, with the prior notification of BoN, provided that the registered office shall at all times be registered in Romania;

6.5.16. prepare and make available to the BoN the reports, information as well as any other documents necessary for exercising the monitoring duties, as may be required by the BoN in line

with the Constitutive Act and any applicable legislation including, for the avoidance of any doubt, the AIFM Rules;

6.5.17. inform at once the BoN on any litigation or infringement of legislation regarding the Fund Manager, on any operation which might be an infringement to the investment policy and about the plans/correction measures for addressing these matters;

6.5.18. ask for the calling of the GSM in order for the latter to decide whenever an issue appears on which the BoN has a disagreement with the Fund Manager, which cannot be resolved amicably by the two bodies;

6.5.19. propose to BoN the recommendation for the EGM for 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 the Customer on other markets than the Bucharest Stock Exchange and the London Stock Exchange;

6.5.20. duly notify the FSA or other regulatory authorities in any relevant Member State and inform the shareholders of the Customer according to the provisions of the AIFM Rules, of any major holding and control of non-listed companies acquired by the Customer;

6.5.21. approve any related parties transactions, and, to the extent that related parties transactions have a value higher than 0.25% of the NAV, to seek the approval of the BoN, and if they have a value higher than 5% of the net asset value, to fulfil the GSM calling formalities; notwithstanding any approval granted in accordance with this paragraph: (i) any related party transactions shall be performed on an arm's length basis and subject to adequate transfer pricing analysis (unless otherwise permitted under the applicable regulations) and (ii) no related parties transaction may be submitted to the approval of the BoN or the GSM by the Fund Manager (to the extent it is under its control), if required in accordance with this paragraph, unless that related parties transaction is permitted under applicable regulations;

6.5.22. perform all the duties and obligations to which it is required by, and otherwise comply with, the AIFM Rules applicable to it in connection with its appointment as the AIFM of the Customer; and

6.5.23. any other responsibilities set according to the Constitutive Act and any applicable legislation.

The following activities to be carried out by the Fund Manager based on the aforementioned paragraphs qualify for the purpose of AIFM Rules as administration activities, respectively (a) legal and fund management accounting services in the case of sub-clauses 6.5.3, 6.5.6, 6.5.8, 6.5.9, 6.5.10, 6.5.11, 6.5.12, 6.5.14, 6.5.15, 6.5.18 and 6.5.19; (b) customer inquiries in the case of sub-clauses 6.5.4, 6.5.5, 6.5.16 and 6.5.17, and (c) maintenance of unit/ shareholder register in the case of sub-clause 6.5.7.

6.6. The Fund Manager shall perform its duties under this Management Agreement in line with the Customer's or the shareholders of the Customer's best interest in accordance with the AIFM Rules and the highest standards of professional conduct and integrity, including without limitation with respect to responding to public offerings or other corporate actions relating to the securities in the Portfolio.

6.7. Without limiting the generality of the foregoing (and so that none of the following provisions shall be deemed to limit the generality of any other of the following provisions), the Fund Manager undertakes to do the following:

(a) at all times make all reasonable efforts to avoid conflicts of interest, provided that the Customer understands that the services the Fund Manager provides to the Customer are not exclusive and that the Fund Manager may provide similar services to other customers. Where a conflict arises, the Fund Manager will promptly disclose this to the Customer and use all reasonable efforts to resolve the conflict fairly;

(b) will not perform any transaction in relation to the Portfolio knowingly and intentionally acting as agent for any of the Fund Manager's clients or clients of its Associated Companies unless the Fund Manager shall have obtained the prior written consent of the Customer to such transaction, having given the Customer all material information relating thereto;

(c) shall comply with all applicable laws and regulations, including without limitation the AIFM Rules insofar as they are relevant to this Management Agreement, the Fund Manager's performance of its functions under it in any countries in which it performs its duties and carries out its activities pursuant to this Management Agreement and the Fund Manager shall procure that all its employees and Delegates, and it shall use all reasonable steps to procure that all its agents, shall comply with such laws, regulations and rules as are applicable to them in relation to their involvement with the affairs of the Customer;

(d) shall not enter into any transaction in relation to the Portfolio where the officers or employees of the Fund Manager, or any Associated Company who acts as a Delegate in accordance with clause 14.3 for the purposes of this Management Agreement are aware or ought reasonably to be aware that the Fund Manager or any Associated Company has a material interest in such transaction, unless it obtains the prior written consent of the Customer to such transaction, having first given the Customer all material information relating thereto, and for the purposes of this paragraph a "**material interest**" means a direct or indirect pecuniary interest, whether present or expected (other than a pecuniary interest consisting of a normal commission, rate or price differential or similar remuneration receivable in the ordinary course of business for effecting securities, deposit or foreign exchange transactions) which might reasonably be expected to influence a person, knowingly having that interest, to enter into or refrain from entering into such transaction;

(e) shall account to the Customer for all advantages and benefits received by the Fund Manager or any Associated Company who acts as a Delegate in accordance with clause 14.3 from third parties resulting from bulk dealing involving the assets in the Portfolio and other securities and investments as are attributable (using a pro rata basis of calculation) to the assets in the Portfolio; and

(f) shall account to the Customer for all allowances, rebates, discounts and refunds received (if any) in respect of any transaction involving the assets of the Portfolio from commission brokerage or other charges which are made to the Fund Manager or any Associated Company who acts as a Delegate in accordance with clause 14.3 in any transaction and will not authorise any other person on behalf of the Customer to retain such.

6.8. The Fund Manager shall at all times use reasonable efforts to be expected of a diligent professional investment manager acting in good faith to stay informed of all facts concerning rights arising in respect of securities held in the Portfolio and in this regard shall in particular monitor on a continuing basis all sources of information reasonably available, including without limitation press reports and screen-based information services.

6.9. The Fund Manager agrees to communicate whenever necessary or desirable with the Depositary to ensure a full flow of information in respect of rights arising in relation to the securities and cash held in the Portfolio.

6.10. All foreign exchange transactions relating to the Account shall be carried out at competitive rates by the Fund Manager using a third party bank (which may include the Depositary if a bank).

6.11. When entering into transactions on behalf of the Customer in accordance with this Clause 6, the Fund Manager will (and shall procure that any Associated Company who acts as a Delegate in accordance with clause 14.3 will) ensure that brokers' and dealers' terms of business and terms and conditions with other third parties entered into with or by the Fund Manager or any Associated Company who acts as a Delegate in accordance with clause 14.3 and applicable to transactions in listed securities for the Portfolio (whether or not such terms and conditions are specifically intended to apply to transactions for the Portfolio) do not:

- (a) disapply or waive best execution or other regulatory protections normally applicable to professional clients (as defined in the applicable EU Markets in Financial Instruments Rules) for the Customer; or
- (b) confer liens, rights of retention or security over the Portfolio or any assets or monies of the Customer (except (i) in respect of margin for on exchange margined transactions or (ii) in respect of non-fulfilment of the obligations of the Customer under such agreement with brokers and dealers, but only if the part of the Portfolio subject to such liens, rights of retention or security is not disproportionate with the Customer's obligations and it is market practice to confer them or (iii) as otherwise permitted under this Management Agreement or as otherwise consented to in writing by the Customer or as may be required by applicable laws); or
- (c) allow the Customer's monies or assets to be mixed with, set off against obligations or utilised for the benefit of any other person except where that is in accordance with standard market practice; or
- (d) give any representations or warranties on the Customer's behalf without the Customer's prior written consent other than representations or warranties given in the ordinary course of business and which the Fund Manager has reason to believe are true and correct; or
- (e) confer any onerous and unusual obligations on the Customer.

6.12. In relation to the Portfolio's management function, the Fund Manager will perform the day-to-day management of the Customer's assets in order to implement the Customer's investment objective, policy and strategy as such are described in the IPS, as well as the portfolio management duties and obligations constituting portfolio management under the AIFM Rules in each case, in consideration of the Customer's specific features including without limitation those described in Annex 2 (*Specific duties and obligations*).

6.13. Without prejudice to Clause 6.5.1, in relation to the Customer's and the Portfolio's risk management function, the Fund Manager will establish, implement, regularly (at least annually) review, and as the case may be, adapt such risk management system (including the liquidity management system) which is necessary in order to identify, measure, manage and monitor appropriately all risks (including the liquidity risk) which are relevant to the Customer's investment strategy and to which the Customer is or may be exposed, as well as the risk management duties and obligations to which the Fund Manager is compelled by the AIFM Rules in view of the Customer's specific features, including without limitation those described in Annex 2 (*Specific duties and obligations*).

6.14. In addition to the duties and obligations listed in this Clause 6, the Fund Manager will perform the duties and obligations, which are described in Annex 2 (*Specific duties and obligations*) in consideration of the Customer's specific features.

6.15. In the performance of its duties and obligations under this Management Agreement and the AIFM Rules, the Fund Manager will observe and comply with the provisions of the Constitutive Act and the IPS, as well as with any requests from the BoN or instructions contained in resolutions of the Customer's shareholders which do not conflict with the Fund Manager's duties or obligations under applicable law or any Compulsory Rules.

6.16. The Fund Manager may delegate part (but not all) of its duties under this Management

Agreement, including the investment management functions, in each case in accordance with Clause 14.3 to an Associated Company duly authorised under applicable law to carry out the relevant activities, as well as terminate at any time such delegation without the prior approval of the Customer in respect of such termination, provided that the Fund Manager notifies to the Customer reasonably in advance of such termination.

6.17. The Fund Manager will maintain at all times the capital requirements and insurance required under AIFM Rules.

6.18. The Fund Manager may, provided it is in full compliance with the applicable law, carry out the rights, duties and obligations under this Management Agreement either directly or through the Bucharest Branch in accordance with the relevant passport notifications carried out by the Fund Manager to the CSSF.

7. AUTHORIZED TRANSACTIONS

The transactions to be carried out in relation to the Portfolio are subject to the legal regulations in force, including the Companies Law no. 31/1990, Law no. 297/2004, Law no. 24/2017, Law no. 243/2019, the AIFM Rules and other applicable regulations, as well as Law no. 247/2005, GEO no. 81/2007, the Constitutive Act as well as any other applicable legislation or regulation replacing, amending or completing the same.

8. ASSET CUSTODY AND THE DEPOSITARY

8.1. The Fund Manager will place the assets of the Customer in custody according to all applicable legal provisions, including without limitation the AIFM Law, AIF Law and the AIFM Rules. The Depositary will be appointed by the Fund Manager after consultation with the BoN, with sufficient time in advance, on the identity of the proposed Depositary and the terms and conditions of its appointment.

8.2. The relationship between the Customer (acting through the Fund Manager) and the Depositary shall be governed by a written depositary agreement and the Fund Manager shall ensure that such agreement includes clauses addressing those matters and imposing those obligations, which are required by the applicable AIFM Rules, Romanian legislation applicable to the Customer, the Constitutive Act and the IPS.

8.3. All payments due for receipt by the Customer, such as dividends, interests, sale proceeds, or any with other title, shall be paid directly in the Customer's account opened at the Depositary. The Fund Manager shall not be entitled at any time and in any form to hold cash or other assets from the Portfolio belonging to the Customer in any form.

8.4. The Fund Manager shall include in its periodical reports (annual report, quarterly reports and semi-annual report) as well in the announcement ('current report') when completing a certain material transaction the use of proceeds and the calendar for such transaction.

9. FUND MANAGER PERFORMANCE OBJECTIVES, ANNUAL REPORTING

9.1. For the duration of this Management Agreement, the Fund Manager must manage the Portfolio in accordance with, and must comply with, all the obligations undertaken under the IPS and seek to achieve the objectives therein, including (without limitation) the Discount Objective

and the NAV Objective (together the “**Performance Objectives**”). The Customer and the Fund Manager acknowledge and agree that there is no guarantee that the Performance Objectives will be achieved and the Fund Manager does not warrant, undertake or represent that it will achieve them.

9.2. The Fund Manager will call a BoN meeting to discuss the Discount Control Mechanism (“**DCM**”) strategy if the Discount stays above 15% for more than half of the Trading Days in any financial quarter of the Customer. In addition, if the Discount stays wider than 15% for more than half of the Trading Days in any two successive financial quarters of the Customer, the Fund Manager will call a GSM (which would be held no later than the end of the next quarter) at which the Fund Manager would propose, for the Customer’s shareholders’ approval, specific DCM measures pre-agreed with the BoN and which are in line with the IPS, unless such actions are already pending and soon to be implemented based on the resolution of the GSM dated in the current quarter or in the previous year, (for as long as such measures are not limited by subsequent resolutions of the GSM).

9.3. For the purpose of reviewing the performance of the Fund Manager during the Relevant Period, (including but not limited to, whether the Performance Objectives have been achieved) the Fund Manager will hold a GSM (the “**Annual GSM**”). Not later than 30 days before the deadline for publication of the Annual GSM documentation as required by the law, the Fund Manager must submit to the BoN a report on activities and performance of the Fund Manager (and each Delegate) in the Relevant Period (the “**Performance Report**”).

9.4. The Performance Report must include, among others:

- (a) the report on the fulfilment of the Discount Objective (as such term is defined in the IPS);
- (b) the report on the fulfilment of the NAV Objective (as such term is defined in the IPS);
- (c) the report on the fulfilment of the obligations regarding DCM as mentioned above at Clause 9.2;
- (d) a summary of the regulatory issues affecting the performance during the Reporting Period;
- (e) a summary of market conditions affecting the performance during the Reporting Period; and
- (f) such other matters as the Fund Manager wishes to bring to the attention of the shareholders in relation to its activities and performance in the relevant period.

9.6. Following the receipt of the Performance Report, the BoN must prepare and submit for the information of the shareholders at the Annual GSM a review of the Performance Report (the “**BoN Review Report**”) evaluating the performance of the Fund Manager, as well as any other factors that it deems relevant. The Performance Report and the BoN Review Report, will be presented to and reviewed by the shareholders at the annual GSM and will inform their debate and their vote on any matters pertaining to the GSM.

10. FUND MANAGER REMUNERATION AND EXPENSES

10.1. As remuneration for its services under this Management Agreement, the Fund Manager shall receive the fees set forth in Annex 1 (*Fees*). The Fund Manager shall provide the Customer with a valid certificate of tax residence for the relevant year under applicable Romanian tax provisions, before issuing any invoices to the Customer for such fees. Unless expressly stated otherwise, the fees and any other amounts payable to the Fund Manager under this Management Agreement are quoted exclusive of any tax which may be applicable in any

relevant jurisdiction, including any value-added tax chargeable under or pursuant to Romanian value-added tax laws and regulations or relevant EU Directives.

10.2. Save as expressly provided otherwise in this Management Agreement, all costs and expenses incurred by the Fund Manager, including through the Bucharest Branch, in the performance of their functions shall not be for the account of the Customer but shall be borne by the Fund Manager. However, the Fund Manager may issue invoices directly to the Customer to recharge expenses incurred by it related to the activities performed pursuant to Clause 10.3 and Clause 14.3 with the consent of the BoN.

10.3. The Customer shall bear, or shall reimburse the Fund Manager, where the Fund Manager has incurred them in advance, the following expenses:

- (a) expenses related to the payment of fees owed to the Depositary;
- (b) expenses related to intermediaries including expenses related to the financial advisory services in connection with the issue, purchase, sale or transfer of listed and unlisted securities or financial instruments,
- (c) expenses related to taxes and fees owed to the FSA or other public authorities, according to applicable legislation, as well as expenses or charges imposed to the Customer by any tax authority related to the expenses in this clause or otherwise applicable to the running of the business of the Customer;
- (d) expenses related to the financial audit performed on the Customer and any other audits or valuations required by the legislation in force applicable to the Customer (for clarity, these expenses relate to the fair value measurement of the Fund's portfolio for the purpose of IFRS accounting and financial statements preparation and of NAV calculation);
- (e) expenses related to the admission to trading of the financial instruments issued by the Customer, and any subsequent issues or offerings; expenses with intermediaries and professional advisors in relation to arranging and maintaining the listing;
- (f) expenses related to investor relations and public relations in the interest of the Customer;
- (g) expenses related to ongoing reporting and disclosure obligations according to legislation in force;
- (h) expenses related to the organising of any GSM and communications with the shareholders and to the payment of fees for registrar services and services related to distributions to shareholders;
- (i) expenses related to the payment of taxes and fees owed to the Bucharest Stock Exchange, London Stock Exchange and any other exchange on which the financial instruments of the Customer or global depositary receipts or depositary interests corresponding to shares of the Customer shall be admitted to trading;
- (j) expenses related to the registration with the Trade Registry or documents issued by the Trade Registry;
- (k) expenses related to the payment of fees owed to the banks for banking services performed for the Customer;
- (l) expenses related to appointing legal advisers and other advisors to act on behalf of the Customer;
- (m) expenses related to contracts with external service providers existing as of execution of this Management Agreement until the expiry or termination of the contract;
- (n) expenses related to remuneration, transport and accommodation of the members of the BoN (in relation to their services and attendance at meetings, in accordance with the Constitutive Act, the mandate agreements and any applicable internal regulations) and for independent persons (not employees of the Fund Manager) acting as representatives of the Customer on the corporate bodies of companies in the Portfolio, where appropriate; and
- (o) expenses relating to printing costs for the Customer's documentation;

10.4. Save as provided in Clause 10.3 above, the Fund Manager (and any Associated

Company who acts as a Delegate in accordance with clause 14.3) shall be liable for the following out of pocket expenses incurred when performing its duties hereunder, including, but not limited to:

- (i) expenses in connection with mailing and telephone, except for letters to shareholders;
- (ii) expenses in connection with business travel and accommodation, except the expenses related to all investor relations activities, GSM and BoN meetings;
- (iii) expenses in connection with salaries, bonuses and all other remunerations granted by the Fund Manager (or any Associated Company who acts as a Delegate in accordance with clause 14.3) to its employees and collaborators; and
- (iv) all other expenses necessary to the functioning of the Fund Manager (or any Associated Company who acts as a Delegate in accordance with clause 14.3).

10.5. In performing its obligations under this Management Agreement, the Fund Manager shall not use (and shall procure that no Associated Company who acts as a Delegate in accordance with clause 14.3 uses) Soft Dollar Practices. All transactions in connection to the Portfolio shall be consistent with the principle of best execution.

10.5.1. An overview of Best Execution Policy at the level of the Fund Manager's Group can be found at: <https://www.franklintempleton.lu/about-us/regulatory-information#order-execution>. The Customer confirms that it has read and understood the Best Execution Policy Overview – as available on the address specific above as at the date of this Management Agreement. Notwithstanding the foregoing, the Customer considers and the Fund Manager agrees that the Best Execution Policy must be read and understood together with all applicable requirements imposed under MiFID II regulation in force. The Customer agrees that the Fund Manager may trade outside of a regulated market or multilateral trading facility.

10.5.2. In effecting transactions for the Portfolio companies, the Fund Manager will at all times comply with the Fund Manager's Group Best Execution Policy, as specified in Clause 10.5.1 above, and in particular will act in the best interests of the Customer and comply with any applicable obligations regarding best execution under the applicable regulations in force.

10.6. Any director's fees and other fees received by the Fund Manager's or any officers, employees, agents, representatives or delegates of any Associated Company who acts as a Delegate in accordance with clause 14.3 from any of the Portfolio companies will be either paid over to the Customer or deducted from the management fee. For the avoidance of doubt, the reference to "fees" in the previous sentence does not apply to payments by Portfolio companies to arrange commercially reasonable insurance coverage on behalf of such persons for any liabilities arising from acting as a director or officer of the Portfolio company's board and, where Portfolio companies fail to arrange such insurance, this shall be arranged by the Fund Manager or any Associated Company who acts as a Delegate in accordance with clause 14.3, acting on behalf of the Fund, at the Fund's expense. The Fund Manager undertakes to observe at all times and otherwise follow the remuneration rules and guidelines applicable in accordance with the AIFM Rules.

10.7. The Fund Manager shall not (and shall procure no Associated Company who acts as a Delegate in accordance with clause 14.3 shall) claim any lien, right of retention, security interest or set-off over the Portfolio or any assets or moneys in it.

11. PROVISION OF INFORMATION TO THE CUSTOMER AND ITS REPRESENTATIVES

11.1. In addition to the obligations under Clause 9, the Fund Manager will provide the Customer with such analysis of performance and periodical tabular presentations in connection to the Portfolio as reasonably requested by the Customer. At least twice in a calendar year the

Fund Manager will make a presentation to the Customer in respect of the Portfolio for the previous six months and the Customer may request any documents with a view to discussing market factors, the Portfolio and the operation of this Management Agreement.

11.2. The Fund Manager shall provide to the Customer, quarterly and/or upon request, written documents/presentations evidencing the transactions entered into between the Fund Manager, on behalf of the Customer, and third parties in connection with the Portfolio.

11.3. The Fund Manager shall keep accurate and detailed records of all investments, receipts, disbursements and other transactions relating to the Portfolio, which it shall send to the Customer in a monthly report.

11.4. The Fund Manager shall supply on demand to the Customer copies of all accounting entries and other records relating to Customer's Portfolio. The Fund Manager will extend its normal working hours as and when reasonably requested by the Customer and will provide, without unnecessary delay, all necessary facilities and assistance to the Customer's auditors and other authorised representatives, including representatives of its shareholders and/or of the BoN, to audit and verify the records booked by the Fund Manager relating to any of the financial instruments, securities and other assets and liabilities held by the Customer, according to the applicable legislation. The scope of the audit shall not be limited by the Fund Manager and may include the examination of the Fund's accounting system, procedures, records, internal controls, and any other documents or information in the Fund Manager's possession to the extent relevant to the Customer (and subject to redaction to the extent required to respect the confidentiality of other clients) that the Customer or the auditor deems necessary acting reasonably to verify in order to facilitate formulation by the Customer of any opinion on the costs, both direct and indirect, or other amounts billed to the Customer, the performance of the Customer's Portfolio and on the Fund Manager. The Fund Manager shall co-operate as necessary and facilitate the performance of any such audits, including securing for the aforementioned auditors and other authorised representatives assistance from the Fund Manager's compliance officer and internal auditors.

11.5. The Fund Manager shall report to the Customer within two business days of its discovery of any non-compliance with or breach of the provisions of this Management Agreement (including the Annexes) and shall take all steps required to remedy such non-compliance as soon as possible.

11.6. The Fund Manager will liaise as necessary with the Depositary to enable the Depositary, on the Customer's behalf, to fulfil any obligations to disclose shareholdings in companies in which the Portfolio is invested in accordance with relevant legislation and will provide timely information to the Depositary for this purpose.

12. CONFIDENTIALITY AND ACTS WITH FISCAL CONSEQUENCES

12.1. The Fund Manager shall, except only in so far as:

- (a) otherwise required by laws or regulations; or
- (b) necessary for effecting settlement and the performance of operations with the Depositary and any sub-custodian for the assets of the Portfolio; or
- (c) reasonably required for the proper performance of the services and for the enforcement of its rights and obligations under this Management Agreement; or
- (d) otherwise permitted in writing by the Customer; or
- (e) necessary for the purpose of setting up foreign exchange facilities (disclosure in this case shall be limited to credit and compliance departments of the banks),

ensure that all matters relating to the Portfolio and the Customer will be kept strictly confidential. Before the Fund Manager discloses confidential information under sub-clause (a) above, it shall inform the Customer to this end.

The Fund Manager shall procure that the Delegate provides to the Customer a confidentiality undertaking in the relevant delegation agreement in respect of all matters relating to the Portfolio, its role as a Delegate, in form and substance acceptable to the BoN.

12.2. The Fund Manager shall not disclose information relating to the Portfolio and the Customer to other companies of the Fund Manager's Group (except to and to the extent required for their role as Delegates) who carry on to a material extent any activities other than investment management outside those members of staff engaged in investment management functions, except in circumstances permitted in Clause 12.1. (a)-(d). The Fund Manager shall (and shall procure that any Associated Company who acts as a Delegate in accordance with clause 14.3 shall) in any event operate confidentiality procedures which oblige its staff only to disclose information relating to the Portfolio and the Customer within the Fund Manager (or any Associated Company who acts as a Delegate in accordance with clause 14.3) on a "need to know" basis and to observe strictest confidentiality in relation to price sensitive information.

12.3. The Fund Manager shall not (and shall procure that no Associated Company who acts as a Delegate in accordance with clause 14.3 shall) knowingly take or omit to take any action which might prejudice the interests of the Customer with respect to the applicable tax legislation. Without prejudice to the generality of the foregoing, the Fund Manager may (i) create any new taxable presence of the Customer, (ii) subject the Customer to new tax filing or reporting obligations, or (iii) expose the Customer to any significant tax charge outside the ordinary course of business, in each case only if the Fund Manager, after due diligence and careful investigation, considers it to be in the best interests of the Customer.

13. TERMINATION

13.1 This Management Agreement may be terminated in accordance with this Clause 13 and will automatically terminate with immediate effect upon (i) the expiry of the period set out in Clause 15, always subject to Clause 13.5 and (ii) the expiry of any of the terms set out in Clause 13.9.

13.2. The Customer may unilaterally and at its sole discretion terminate this Management Agreement, at any time, on three months' prior written notice to the Fund Manager, based on an OGM resolution for approving the simultaneous termination of the mandate and of this Management Agreement. For the avoidance of any doubt, termination of the mandate and this Management Agreement in accordance with this Clause 13.2 will not entitle the Fund Manager to any Damages or the payment of any amounts other than the fees to be paid in accordance with Clause 13.6 below. This is without prejudice to Clause 17.4(c) but, for the avoidance of any doubt, such Clause 17.4(c) will never extend to Damages for termination in accordance with this Clause 13.2.

13.3 The Fund Manager may terminate this Management Agreement before its term and resign its mandate as Sole Director and alternative investment fund manager with six months' prior written notice. Not later than five business days following the Termination Notice Date, but subject to timely approval of the GSM agenda by the BoN, the Fund Manager will call the OGM having on the agenda the approval of the procedure for the selection of a new Sole Director and Fund Manager. Such procedure will be prepared by the Fund Manager and agreed with the BoN before its submission to an OGM for approval.

13.4 The Fund Manager may terminate this Management Agreement before its term and resign its mandate as Sole Director and alternative investment fund manager by as much prior written notice to the Customer as is reasonably practicable, if:

- (a) the termination has been required by, or as a result of, a binding decision issued by any competent regulatory authority; or
- (b) if material obligations under this Management Agreement can no longer be fulfilled due to changes in the applicable law compared to the date of signing of this Management Agreement, provided that the Fund Manager has used reasonable endeavours to comply with or (if it is not possible for the Fund Manager to do so) to propose a reasonable alternative arrangement involving an Affiliate which would comply with the relevant law, in accordance with Clause 14.4 below, but despite those efforts compliance would not be possible; or
- (c) if the Customer becomes the subject of any definitive winding up order.

13.5 In the event a Termination Notice is sent (except under Clause 13.4) or in the event of the expiry of the period mentioned in Clause 15, the Fund Manager shall (except to the extent otherwise required in writing by the Customer) continue to carry out all such acts as it is empowered and required to do by any part of this Management Agreement until the New Appointment Date provided that this obligation is subject to the continuing satisfaction of the following cumulative conditions:

- (a) the terms of this Management Agreement (including, without limitation, all authorisations from the Customer to the Fund Manager and all terms of remuneration and indemnity in favour of the Fund Manager) continue to apply, except that from the expiry of the period mentioned in Clause 15, the Fund Manager shall receive the fees set forth as per Clause 5 of Annex 1 (Fees);
- (b) the shareholders at a GSM approve resolutions proposed by the Fund Manager to ratify and approve, to the extent legally possible:
 - (i) the Fund Manager's mandate as Sole Director and alternative investment fund manager of the Customer, with effect until the New Appointment Date; and
 - (ii) all legal acts (including decisions and contracts) concluded, adopted and issued on behalf of the Customer by the Fund Manager and any implementation acts, facts and operations based on such, including the management of the Customer under a unitary system, but, in each case, without prejudice to any grounds for termination given by the Customer in any prior Termination Notice and to any rights of the Customer under Clause 17 hereunder; for the avoidance of any doubt, the condition under this paragraph (b) will not apply in the event that the ratification from the GSM is requested for acts performed by the Manager in breach of its legal and/or contractual obligations as Sole Director and Fund Manager;
- (c) the BoN shall use all reasonable endeavours to ensure that the New Appointment Date occurs as soon as possible; and
- (d) the mandate as Sole Director and alternative investment fund manager does not end between the Termination Notice Date and the New Appointment Date, unless (i) such ending is caused by deliberate actions of the Fund Manager or (ii) the conditions provided under Clause 13.9. item (ii) are met, in which cases the condition under this paragraph (d) will not apply.

13.6 Termination of this Management Agreement shall not terminate rights and obligations which are capable of surviving termination, including in particular, duties of the Fund Manager to report to the Customer, to provide information to the Customer and to keep matters confidential and for the Customer to indemnify the Fund Manager in accordance with Clause 17.4(c), which, for the avoidance of any doubt, will never extend to Damages for termination in accordance with this Clause 13. Transactions in progress shall be dealt with in accordance with the Customer's instructions or, in the absence of such instructions, having regard to the best interests of the Portfolio.

13.7. In the event a Termination Notice is sent, the Fund Manager shall be paid in respect of its services hereunder on a pro rata basis with the duration of the provision of these services in accordance with Clause 13.5 above, in compliance with the Annex 1 (*Fees*), up to the New Appointment Date. For the avoidance of doubt, in such a case, the Fund Manager's pro rata remuneration will be for a period of at least 3 months (regardless of whether the New Appointment Date is sooner).

13.8. In case of:

- (i) fraud, wilful default or negligence by the Fund Manager in performing the obligations assumed under this Management Agreement; or
- (ii) material breach by the Fund Manager of obligations assumed under this Management Agreement that may bring a serious loss to the Customer and that, if capable of remedy, have not been remedied within 10 business days of a notice of breach, this Management Agreement may be terminated by the Customer with full right with immediate prior notice but without any court intervention.

13.9. Notwithstanding Clause 13.5, in no circumstances shall the Fund Manager be obliged to continue its mandate as a Fund Manager and compliance with this Management Agreement beyond (i) the date twelve months from the Termination Notice Date or (ii) the expiry of a period of six months as of the date of the OGM which has selected and/or appointed a new fund manager and sole director, regardless of whether the New Appointment Date has occurred, unless otherwise expressly agreed in writing by the Parties.

14. AMENDMENT OF THIS MANAGEMENT AGREEMENT, ASSIGNMENT OF RIGHTS AND DELEGATION

14.1. This Management Agreement may be amended at any time by an addendum signed by the legal representatives of the Fund Manager and of the Customer, with the prior approval of the GSM and the endorsement of the competent authority, if required by applicable law.

14.2. This Management Agreement is concluded in consideration of the person of the Fund Manager and is personal to the Fund Manager. The Fund Manager shall not be entitled to assign or to transfer any of its rights or obligations hereunder save as expressly provided in this Management Agreement.

14.3. (a) The Fund Manager may delegate to an Associated Company performance on its behalf of the portfolio management functions as well as administration and marketing activities which the Fund Manager has agreed to render to the Customer, subject in each case to entering into a delegation agreement, which has received the prior written approval of the BoN and which the Fund Manager has ensured that it is in compliance with the AIFM Rules. The performance of each Delegate of the delegated obligations and duties shall be on the terms and be subject to the conditions contained in this Management Agreement and shall be without prejudice to the obligations and responsibilities of the Fund Manager to the Customer under this Management Agreement.

(b) The Fund Manager shall be responsible for the acts or omissions of such Delegate, if any, in performing such functions, activities and services, and despite any such delegation, shall remain primarily liable for its obligations under this Management Agreement. Any such delegation by the Fund Manager shall not involve any additional cost to the Customer, unless expressly authorised in writing by the Customer, and the appointment of each Delegate shall be subject to the prior written approval of the BoN and the prior endorsement of any regulatory authority required by applicable legislation.

(c) The Fund Manager shall not delegate functions so that it is no longer the Customer's

manager and to the extent that it becomes a letter-box entity within the meaning of AIFM Rules.

(d) The Fund Manager shall procure that each Delegate does not delegate any functions delegated to it according to this Management Agreement without the BoN's prior written approval and the endorsement of any regulatory authority required by applicable law. This Clause 14 shall apply, *mutatis mutandis*, to any such delegation by a Delegate, and the Fund Manager shall continue to remain liable towards the Customer with respect to any such further delegation.

14.4 To the extent that changes in applicable law or regulation following the signing of this Management Agreement impose requirements on the Fund Manager in the performance of this Management Agreement with which the Fund Manager cannot comply, the Fund Manager undertakes to use reasonable endeavours to continue performance of the services to the extent legally possible and, to the extent not legally possible, to procure that a reputable Affiliate shall agree to provide the same services on substantially the same terms to the Customer. For the avoidance of any doubt, the appointment of such Affiliate, as well as the implementation of any amendments to this Management Agreement or any other alternative arrangement proposed by the Fund Manager are subject to consent by the Customer, at its full discretion and nothing in this Management Agreement shall be construed as an expressed prior consent in this respect.

15. DURATION OF THIS MANAGEMENT AGREEMENT

15.1. Subject to the provisions of Clause 13 regarding early termination of this Management Agreement, the duration of this Management Agreement and of the Fund Manager and the Sole Director mandates contained in this Management Agreement is for a period of **one (1) year**, simultaneously starting on 1 April 2024.

16. COMMUNICATIONS, INSTRUCTIONS, NOTIFICATIONS

16.1. Subject to a GSM resolution to the contrary, as regards the relationship between the Customer and the Fund Manager/Sole Director under or in relation to this Management Agreement, any reference in this Management Agreement to the Customer shall be deemed a reference to the BoN acting as the representative of the Customer towards the Fund Manager/Sole Director. For the avoidance of doubt, any right or benefit of the Customer under this Management Agreement in relation to or against the Fund Manager/Sole Director shall be exercised by the BoN acting in the name and on behalf of the Customer.

16.2. All notifications and other communications from the Customer shall be made by BoN to the Fund Manager.

16.3. For the purpose of any communication between the Customer and the Fund Manager in relation to this Management Agreement, the Customer shall be represented by BoN.

16.4. The Fund Manager shall be entitled to rely on any notification or communication given by the BoN above without further enquiry, provided the instruction, notification or communication is given in one of the ways permitted in this Management Agreement and provided that oral instructions may not be relied upon by the Fund Manager.

16.5. All notices or any other communication to be given under this Management Agreement must be in writing, in Romanian or English, and must be: (i) personally delivered; (ii) delivered by fax; (iii) sent by courier with return receipt; or (iv) by e-mail.

16.6. The Parties details for transmitting notifications or any other communications related to

the present Management Agreement are the following:

- (a) If addressed to the Fund Manager:
Address:
Premium Point Building
76-80 Buzești Street, 7th -8th floor, Bucharest
District 1, Postal Code 011017
Fax: (021) 200 96 31/32
To the attention of: Mr. Johan Meyer
- (b) If addressed to the Customer:
At the contact details provided by the representative of the Customer.

17. PARTIES' LIABILITIES

17.1. The Fund Manager is liable for any Damages suffered by the Customer as a result of:

- a) any actual or alleged act, error, omission, misleading statement or breach of fiduciary duty or other duty committed in the performance of, or failure to perform its administrative functions by the Fund Manager as sole director of the Customer in accordance with the Constitutive Act, the provisions of the Companies Law, the Law No. 297/2004, Law no. 24/2017 and the Romanian Civil Code;
- b) infringement by the Fund Manager of the applicable legislation;
- c) infringement by the Fund Manager of the Customer's internal rules, including the investment restrictions under the IPS;
- d) Fund Manager's fraud or fraudulent misrepresentation;
- e) wilful default by the Fund Manager in performing this Management Agreement;
- f) negligence by the Fund Manager in the performance of this Management Agreement's obligations;
- g) material breach by the Fund Manager of this Management Agreement; or
- h) death or personal injury caused by the Fund Manager's negligence.

17.2. The Fund Manager's liability towards the Customer and its investors shall not be affected by any delegation. The Fund Manager shall also be liable for the negligence, wilful default, fraud or material breach of this Management Agreement by its Delegates, or its or their employees. The Fund Manager shall exercise all due care in its selection, use and monitoring of Delegates and shall indemnify and hold harmless the Customer from and against any Damages suffered or incurred by the Customer and caused by any failure to exercise all due care. The Fund Manager shall make reasonable efforts to resume normal performance of the services following, and to mitigate the consequences of, an event beyond its and its Delegates' reasonable control.

17.3. The Fund Manager shall not be liable for the actions of brokers (not being Associated Companies of the Fund Manager) save to the extent that the Fund Manager has acted negligently in selecting, contracting or monitoring or using such persons. Without prejudice to Clause 6.11 above, in selecting a broker for a particular transaction, the Fund Manager shall attempt to obtain best execution for the Customer. Notwithstanding this responsibility, the Fund Manager will pursue counterparties on the Customer's behalf and account to the Customer for all recoveries against such counterparties.

17.4. (a) The Fund Manager agrees to indemnify and hold harmless each Indemnified Party from and against any and all Damages, to which the Indemnified Party may become subject under law, including allegations of negligence or breach of fiduciary duty, or otherwise, insofar as such Damages are caused by or arise out of: (i) wilful misconduct of the Fund Manager or any of its Delegates (or its or their employees); (ii) breach by the Fund Manager or any of its Delegates (or its or their employees) of any representation or warranty made to the Customer relating to the

services hereunder or in respect of any AIFM Rules; (iii) breach or non-fulfilment by the Fund Manager or any of its Delegates (or its or their employees) of any obligation pursuant to this Management Agreement or the investment restrictions under the IPS; (iv) any untrue statement of a material fact contained in information furnished to an Indemnified Party by the Fund Manager or any of its Delegates (or its or their employees) or the omission to state a material fact necessary in order to make the statements not misleading in light of the circumstances under which they were made; (v) breach by the Fund Manager or any of its Delegates (or its or their employees) of any fiduciary duty or infringement of applicable law.

(b) The Fund Manager shall indemnify and hold harmless each Indemnified Party for all Damages incurred by such Indemnified Party, in connection with any investigation, claim, action, suit, proceeding, demand or judgment, which is subject to any of the indemnities in this Clause 17.4.

(c) Save to the extent arising from Fund Manager's or its employees' negligence, fraud, wilful default or breach of this Management Agreement, the investment restrictions under the IPS or the applicable legislation or that of any of its employees or Delegates, Associated Companies or their respective employees, the Customer agrees to indemnify and hold harmless the Fund Manager from and against Damages arising from following the Customer's specific instructions (including, for the avoidance of doubt, informed decisions of the GSM in addition to instructions from the BoN), provided that:

(i) the Fund Manager notifies the Customer in writing by fax or email (to such fax or email address as the BoN shall have notified the Fund Manager), as soon as reasonably practicable, but no later than 3 business days after becoming aware of the relevant Damage;

(ii) the Fund Manager does not make any admission of liability or agree to any settlement or compromise of any claim for which indemnity is sought without the prior written consent of the Customer;

(iii) on a prompt and timely basis the Fund Manager shall have provided all such documents, information and assistance and have done all such acts and things as the Customer may have reasonably required in order to assist the Customer in relation to such claims; and

(iv) the Fund Manager will provide evidence that it has taken all reasonable steps necessary to mitigate such Damages, including by advising the Customer in writing against such instructions, prior to the notification mentioned at point (i) above.

17.5. Subject to observance of clause 6.17, the Fund Manager shall maintain the following insurance:

(a) Professional Liability to provide against any failure to duly perform this Management Agreement if that failure is due to a wrongful act, negligent act, error, omission for an insured amount of at least €50 million;

(b) Fidelity Bond to provide against any failure to account to the Customer for any money or investments if that failure is due to: (i) dishonest or fraudulent act of any employee; (ii) forgery of instructions, cheques, security or currency and damage caused to office premises and contents due to burglary or vandalism; and (iii) electronic and computer crime for an insured amount of at least €50 million.

17.6. Upon request of the Customer, the Fund Manager shall provide to the Customer evidence that the premium for each insurance described in Clause 17.5 above has been paid.

17.7. The Fund Manager's liability towards the Customer and the shareholders shall not be affected by the fact that the Fund Manager has delegated functions to a third party, or by any further sub-delegation.

18. FORCE MAJEURE

18.1 If a Party (the "**Affected Party**") is, or could reasonably be expected to be, materially prevented, hindered or delayed from performing any of its obligations under this Management Agreement by reason of a Force Majeure Event, such obligations of the Affected Party and any corresponding or related obligations of the other Party shall remain in effect but shall be suspended without liability and without having occurred by virtue of the Force Majeure Event a breach of this Management Agreement for a period equal to the duration of the Force Majeure Event, provided that:

(i) as soon as reasonably practicable after the start of the Force Majeure Event, to the extent permitted by the applicable law, the Affected Party notifies the other Party in writing of the act, event or circumstance relied on, the date on which such act, event or circumstance commenced and the effect of the Force Majeure Event on the Affected Party's ability to perform its obligations under this Management Agreement; and

(ii) the Affected Party makes all reasonable efforts to mitigate the effects of the Force Majeure Event on the performance of its obligations under this Management Agreement and to the extent permitted by the applicable law furnishes written reports every 10 business days to the other Party on its progress in doing so, and to the extent permitted by the applicable law provides any information relating to the Force Majeure Event and its effects that the other Party may reasonably request.

18.2 Immediately after the end of the Force Majeure Event, the Affected Party, to the extent permitted by the applicable law, shall notify the other Party in writing that the Force Majeure Event has ended and shall resume performance of its obligations under this Management Agreement.

18.3 No Party shall be released from any of its obligations under this Management Agreement as a result of a Force Majeure Event, including, without limitation, the Customer's obligations to any counterparty or broker for any transaction effected by the Fund Manager pursuant to this Management Agreement, and this Management Agreement shall remain in effect for the duration of the Force Majeure Event.

18.4 If any Force Majeure Event shall substantially impair the ability of the Fund Manager to carry out its duties under this Management Agreement, the Customer shall be entitled to appoint a replacement manager until such event is rectified. If the Fund Manager remains unable to deliver (whether through Delegates or outsources or otherwise) substantially all its services under this Management Agreement after three months from the appointment of the relevant replacement manager have elapsed, the Customer shall be entitled to terminate the appointment of the Fund Manager on immediate notice.

18.5 For the avoidance of doubt, no Party may rescind, terminate or treat as void, voidable or unenforceable this Management Agreement on the basis of any non-performance by other Party arising from a Force Majeure Event.

19. APPLICABLE LAW AND JURISDICTION

19.1. This Management Agreement is governed by and shall be construed in accordance with the laws of England & Wales.

19.2. Dispute Resolution

(a) Any dispute or difference arising out of or in connection with this Management Agreement, including without limitation any disputes regarding its valid conclusion, existence,

interpretation, nullity, breach, amendment, termination in any way of this Management Agreement (each a “**Dispute**”), that cannot be resolved by amicable negotiations within a reasonable period of time from the notice served by any of the Parties relating to the potential Dispute shall be finally resolved by the LCIA (London Court of International Arbitration) under the LCIA Rules of Arbitration. The Party requesting the initiation of the arbitration proceedings shall serve the other Party with a written notice that such proceedings will be initiated.

(b) The place of the arbitration shall be London, the language of the arbitration shall be English, and the tribunal shall consist of three (3) arbitrators appointed in accordance with the LCIA Rules.

(c) Any award of the arbitral tribunal rendered in accordance with this clause shall be final and binding on the Parties.

(d) The award shall be voluntarily executed by the Parties in any jurisdiction, or else award enforcement proceedings may be instituted in any court in the country where the recognition of such arbitration award is requested.

(e) In the event of a Dispute, the Party prevailing in such Disputes shall be entitled to recover all expenses, including without limitation reasonable legal fees and expenses and arbitral and court-related costs, incurred in ascertaining such Party’s rights under this Management Agreement and preparation of application and enforcement of such Party’s rights, as determined by the arbitration tribunal, whether or not it was necessary for such Party to institute any enforcement proceedings to achieving the enforcement of its rights.

19.3. Notwithstanding the above, the Fund Manager acknowledges that any decision of the Customer to terminate the Fund Manager’s mandate as Sole Director will take effect pursuant to the provisions of Clause 13 above.

20. REPRESENTATIONS AND WARRANTIES

20.1. The Fund Manager represents and warrants to the Customer that at all times:

(i) the Fund Manager has full power and authority to execute, deliver and to carry out the terms of this Management Agreement and that this Management Agreement constitutes a legal, valid and binding obligation of the Fund Manager;

(ii) the Fund Manager is duly incorporated in Luxembourg and has received relevant authorisations to passport its investment management services into Romania in accordance with the AIFMD and it has at the time of entering into this Management Agreement at least the minimum level of capital and own funds required under the AIFM Rules;

(iii) the Fund Manager has the legal capacity, as per the law applicable in its home country and Romania, as the case may be, and has received all relevant authorisations and approvals by each relevant authority to provide investment management and other services of the type contemplated under this Management Agreement to an entity such as the Customer;

(iv) the Fund Manager has special knowledge and skill relevant to the services for which it is engaged under this Management Agreement;

(v) the Fund Manager, is not subject of any regulatory or governmental actions, claims or investigations relevant to its investment management activities which could impair its ability to carry out the terms of this Management Agreement;

(vi) neither the Fund Manager nor any of its subsidiaries, Associated Companies, divisions or other affiliates involved with the affairs of the Customer has ever had its registration revoked, suspended or its activities restricted;

(vii) The Fund Manager maintains adequate back up and disaster recovery systems and procedures, conflicts of interest policies, risk management policies and any other policies or procedures required by the applicable legislation with respect to the activity carried out by the Fund Manager as regards the Customer;

(viii) The Fund Manager takes investment decisions solely with reference to the interests of

the respective funds it manages;

(ix) its financial statements are subject to regular audit by financial auditors; and

(x) to the best of the Fund Manager's knowledge, neither the execution, delivery, nor performance of this Management Agreement by the Fund Manager will violate any law, statute, order, rule, or regulation of, or judgment, order or decree by, any federal, state, local, or foreign court or governmental authority, domestic or foreign, to which the Fund Manager is subject nor will the same constitute a breach of, or default under, provisions of any agreement or contract to which it is a party or by which it is bound.

The Fund Manager shall notify the Customer forthwith of any event or matter, which would, if these warranties were repeated, render them untrue, inaccurate or misleading.

20.2. For the duration of this Management Agreement the Fund Manager undertakes that if more than half of the Key Employees give notice to terminate their employment at the same time, the Fund Manager shall promptly notify the Board of Nominees of this event and will consult with the Board of Nominees when formulating its plan for replacements. If after 6 months a replacement plan has not been agreed between the Fund Manager and the Board of Nominees, the Board of Nominees may recommend to the shareholders the continuation or termination of this Agreement.

20.3. The Fund Manager has in place a competitive remuneration scheme including a 'team-share' mechanism for various employees of the FTIS Bucharest Branch all of which is subject to the remuneration rules as set out under the AIFM Rules. Under the AIFM's remuneration policy it will ensure that the appropriate employees in the FTIS Bucharest Branch are properly remunerated, including but not limited to a significant proportion of the distribution fee. Any applicable variable remuneration is linked to the risk and performance of the Fund, and subject to any endorsement of any competent authority (as required). The AIFM remuneration policy together with any relevant guidelines will be made available from time to time to the Board of Nominees.

20.4. The Fund Manager will provide on annual basis, within 30 days from the beginning of the calendar year, a list with portfolio managers, the main persons with responsibilities in respect to the Portfolio, and senior staff responsible for setting the business and investment policy within the Fund Manager. In case of a need to change a portfolio manager or a main person with responsibilities in respect of the Portfolio, the replacement shall have equal or superior qualifications and professional experience and similar time allocation for the Customer.

20.5. By this Management Agreement, the Customer represents and certifies that it is the legal owner of the assets comprised in the Portfolio, as at the signing date of this Management Agreement.

20.6. The Customer warrants that on the date this Management Agreement is signed, the Portfolio is free from any charge, lien, pledge or encumbrance other than those resulting from normal custody and settlement arrangements or through action or omission of the Fund Manager under its previous mandate as fund manager with the Customer. If the Customer shall create in the future or be informed about the creation of any charge, lien, pledge or encumbrance (other than through action of the Fund Manager) which may affect the Fund Manager's freedom to trade in such securities, it undertakes that it will inform the Fund Manager of such action as soon as reasonably practicable.

20.7. The Customer, in the form of its BoN and shareholders, represents that it took all reasonable steps to approve and execute all such documents and to give all authorizations and consents as are reasonably necessary to have the necessary capacity and authority to enter into this Management Agreement. This representation is subject to all information publicly available

as regards the corporate decisions taken by the Customer as of its incorporation.

21. DATA PROTECTION

21.1 The Parties hereby confirm that, by reference to different personal data flows resulting from or related to the Management Agreement,

- A. they act in their capacity of **independent controllers** of personal data that they respectively process. In connection with such processing, the Parties confirm that they do not hold the capacity of joint controllers and preclude any form of mutual or joint liability toward third parties as regards the personal data processing.

The Parties confirm that, in connection with the performance of the Management Agreement, certain personal data (*e.g., including data of the legal or conventional representatives of each Party, contact persons/ collaborators/ subcontractors, as well as personal data in relation to processing activities in the context of certain services by reference to which, on a case by case basis, the Parties qualify as independent data controllers*) may be processed by each of them acting as independent data controllers, including by transfer abroad, for the purpose of monitoring the interactions between the Fund Manager and the Customer and in general for the performance of the Management Agreement.

Each Party undertakes to comply with its obligations under the Data Protection Laws in relation to such personal data it processes in relation to this Management Agreement including amongst others, informing and obtaining the relevant consent from the data subjects, where required and as incumbent upon it under the Data Protection Laws, or otherwise substantiating a relevant lawful basis for processing, without that creating or leading to a contractual liability of one Party towards the other in relation to their respective obligations as independent data controllers.

- B. they act as **data controller (the Customer) – data processor (Fund Manager)** in relation to those services which involve FP Data processing for the purpose and means of processing set by the Customer, as controller.

The Fund Manager stores on its computer system and processes FP Data in connection with the implementation of its mandate. The Customer authorises the Fund Manager to perform such FP Data processing and recognises that the Fund Manager is free to use the FP Data, but only for the purposes of performing this Management Agreement and of the implementation of its mandate in accordance with the law.

The Parties confirm that the Fund Manager, acting as data processor, when processing FP Data on behalf of the Customer in connection with the Management Agreement (*including personal data relating to investors natural persons to the extent the purpose and means of processing are set by the Customer*) will only act based on the Customer's documented instructions and will observe and apply the security measures provided by the Data Protection Laws (including to apply the adequate technical and organizational measures in order to protect the FP Data against accidental or unlawful destruction, loss, alteration, disclosure or unauthorized access, notably if the respective processing involves the data's transmission within a network, as well as against any other form of illegal processing).

Specifically in consideration of the General Data Protection Regulation, when acting as data processor, the Fund Manager undertakes to:

- a) process the FP Data only on documented instructions from the Customer, including with regard to transfers of FP Data to a third country or an international organisation, unless required to do so by European Union or Member State law to which the Fund Manager is subject; in such a case, the Fund Manager shall inform the Customer of that legal requirement before processing, unless that law prohibits such information on important grounds of public interest;
- b) ensure that persons authorised to process the FP Data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;
- c) take all measures required pursuant to Article 32 of the General Data Protection Regulation;
- d) respect the conditions referred to in the General Data Protection Regulation for engaging a sub-processor, as follows:
 - (i) The Fund Manager shall not engage another sub-processor without prior specific or general written authorisation of the Customer. In the case of general written authorisation, the Fund Manager shall inform the Customer of any intended changes concerning the addition or replacement of other processors, thereby giving the Customer the opportunity to object to such changes;
 - (ii) Where there is a written approval for the Fund Manager to engage a sub-processor, the Fund Manager shall, prior to such disclosure engagement, enter into a written, valid and enforceable agreement with the sub-processor, that includes the same data protection obligations as contained in this Management Agreement. Where the sub-processor fails to fulfil its data protection obligations, the Fund Manager shall remain fully liable to the Customer for the performance of the sub-processor's obligations;
- e) take into account the nature of the processing, assist the Customer by appropriate technical and organisational measures, insofar as this is possible, for the fulfilment of the Customer's obligation to respond to requests for exercising the data subject's rights laid down in the General Data Protection Regulation;
- f) assist the Customer in ensuring compliance with the obligations pursuant to Articles 32 to 36 of the General Data Protection Regulation, taking into account the nature of processing and the information available to the processor;
- g) at the choice of the Customer, delete or return all the personal data to the Customer after the end of the provision of services relating to processing, and to delete existing copies unless the European Union or Member State law requires storage of the FP Data;
- h) make available to the Customer all information necessary to demonstrate compliance with the obligations laid down in this article and allow for and contribute to audits, including inspections, conducted by the Customer or another auditor mandated by the Customer; with regard to this last point, the Fund Manager shall immediately inform the Customer if, in its opinion, an instruction infringes the General Data Protection Regulation or other European Union or Member State data protection provisions; and
- i) maintain a written record in accordance with Article 30 of the General Data Protection Regulation, including in an electronic format, of the types and categories of data

processing activities that it undertakes on behalf of the Customer in connection with this Management Agreement.

Subject to applicable provisions of the Data Protection Laws, the FP Data shall not be shared by the Fund Manager with third-parties other than the persons designated by the Customer and the companies or persons whose involvement is necessary to carry out all or part of the Fund Manager's duties and obligations contemplated under this Management Agreement (consisting in the Fund Manager's "parent" company, the Investment Manager, and the Fund Manager's Affiliates, any Delegates, subcontractors and/or outside service providers) and in accordance with the Fund Manager's internal procedures.

In this context, the Customer acknowledges and agrees that FP Data may be transmitted, stored and processed on systems located outside of Romania, in the European Union, which systems are or may be operated by the Fund Manager or third parties indicated in the above paragraph. In case FP Data will be envisaged to be transmitted, stored and processed in other countries than those mentioned in this clause, the Fund Manager shall not do so without the prior written consent of the Customer and unless permitted by the applicable provisions of the Data Protection Laws.

FP Data is kept for the duration of the contractual relationship and may be kept for the maximum period legally possible, if any, following the termination of this relationship.

22. TRANSITORY AND FINAL PROVISIONS

22.1. If any of the provisions of this Management Agreement is held to be invalid or unenforceable, or impossible to perform, such invalidity, unenforceability or impossibility shall not affect any other provisions of this Management Agreement, and this Management Agreement shall be construed and enforced as if such invalid, unenforceable or impossible to perform provisions had not been included.

22.2. For the duration of this Management Agreement the Fund Manager undertakes to inform the BoN in advance of any proposed change, replacement or dismissal of the permanent representative designated for Fondul Proprietatea. The Fund Manager will ensure and procure that the permanent representative devote, at all times, the necessary time for the management of the Portfolio.

23 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Except as expressly stated herein, this Management Agreement does not confer any rights on any person or party (other than the Parties) under the Contracts (Rights of Third Parties) Act 1999.

24. SIGNATORIES

This Management Agreement will be signed in the English and Romanian language, and executed in 3 originals, one for the Fund Manager and two for the Customer. The English version will prevail in case of discrepancies.

This Management Agreement is executed as of the date mentioned on its cover page:

by FONDUL PROPRIETATEA SA as duly represented by:

Name: **Ilinca von DERENTHALL**
Position: **Chairperson of the Board of Nominees**
Execution date: [•] 2024

on the one part;

and by FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.À R.L. as represented by:

Name: _____
Position: *Conducting Officer*
Execution date: _____ 2024

and

Name: _____
Position: *Conducting Officer*
Execution date: _____ 2024

on the other part.

Annex 1 - Fees

The fees due to the Fund Manager in accordance with Clause 10 of this Management Agreement shall be calculated in RON and invoiced and paid in Euro by the Customer in compliance with the following: the amount calculated in RON will be converted into Euro using the official exchange rate for RON to Euro published by National Bank of Romania in the last banking day of the period invoiced.

The fees shall be calculated as (i) a Base Fee, and (ii) a Distribution Fee, in each case as set out below and in respect of each Calculation Period. For the avoidance of any doubt, the first Calculation Period shall start on 1 April 2024.

1. Base Fee

A base fee (the “**Base Fee**”) shall be calculated as follows:

Base Fee Rate *multiplied by* the notional amount, *multiplied by* the number of calendar days during the applicable Calculation Period *divided by* 365,

where:

the “**Base Fee Rate**” = 135 basis points per year;

1 basis point = 0.0001; and

the “**notional amount**” is the market capitalization of the Customer, which is defined as:

- (a) the number of the Customer’s paid shares considered on daily basis, *minus*
- (b) the weighted average over the applicable Calculation Period of the number of the Customer’s settled own shares together with the number of the Customer’s equivalent ordinary shares represented by Global Depositary Receipts (“**FP GDRs**”), in each case where those shares or FP GDRs are held by the Customer as treasury shares,
- (c) then multiplying the resulting number by the weighted average market price of the Customer’s shares calculated for the applicable Calculation Period.

The “**weighted average market price**” shall be computed based on the daily average market prices of the Customer’s shares and corresponding daily volumes, as published by Bucharest Stock Exchange REGS section.

If the number of shares relevant for the computation of the Base Fee described above in (a) and (b) changes over the Calculation Period, the Base Fee will be an aggregation of the computation for each sub-period.

“**Sub-period**” is defined as the number of days between two buy-backs trading dates. The calculation of the Sub-periods starts on the settlement date of the first buy-back transaction within the mandate period (or at the beginning of the mandate, in case of the first month of the mandate) and shall end on the date prior to the settlement date of the next buy-back transaction (or the end of the mandate, in case of the last month of the mandate). During the full quarters within the mandate, the calculation of the quarterly fees starts at beginning of the relevant quarter and shall be ended at the end of the respective quarter.

As the Base Fee is computed using the number of days in a calendar year (365 days), the Base Fee Rate used for non-trading days will be the rate applied for the prior trading day.

2. Distribution Fee

It is recognized that distributions beneficial to shareholders would reduce the notional amount upon which the Base Fee is calculated. To reward the Fund Manager for arranging such distributions, a fee shall be calculated as follows (an amount so calculated in respect of a particular period a "**Distribution Fee**"):

- 175 basis points of distributions.

"**Distributions**" means:

- (i) buy-backs of Fund shares;
- (ii) buy-backs of Fund GDRs and/or Depositary Interests ("DI");
- (iii) dividends; and
- (iv) returns of share capital.

The calculation of the Distribution Fee shall be made when such distributions become available to shareholders (i.e. on the distribution Payment date as defined in the GSM approving such distribution) and shall take into consideration the gross distribution amount available to shareholders on the distribution Payment date. In case of a buy-back of own shares or of FP GDRs, the calculation of the Distribution Fee shall be made at the date when the own shares buy-back transactions or FP GDRs transactions are settled (i.e. settlement date).

For FP GDRs transactions, the Distribution fee will be computed taking into account the official exchange rate published by the National Bank of Romania for the date of settlement of FP GDRs transactions.

Any failure on the part of any shareholder to collect, or to take the necessary steps to facilitate the receipt of the distributions made available will not result in any adjustment of the calculation of the Distribution Fee due to the Fund Manager.

3. Payments

- (a) The Base Fee shall be paid by the Customer quarterly, based on the invoices to be issued by the Fund Manager within twenty (20) business days following the end of the quarter for which payment is to be made.
- (b) The Distribution Fee shall be paid by the Customer quarterly, based on the invoices to be issued by the Fund Manager within twenty (20) business days following the end of the quarter for which the Distribution Fee was calculated.
- (c) The invoices for the Base Fee and the Distribution Fee shall be submitted to the Depositary for their review and certification.
- (d) The Fund Manager shall provide to the BoN quarterly and upon reasonable request of the BoN a detailed report regarding the fees collected under this Management Agreement, in the form reasonably required by the BoN.
- (e) The payment of each fee shall be done within 30 business days of the receipt of the

applicable invoice.

4. Verification

The payment of the Base Fee and the Distribution Fee shall be arranged only after the verification and certification by the Depositary of the correctness of the following amounts used in the calculation of those fees: the notional amount, the value of distributions, and all the other items used in calculation of the fees, as well as the methods for determining the fees.

5. Base Fee applicable upon the expiry of the term of the Management Agreement

In the event that, in accordance with Clause 13.5, upon the expiry of the period mentioned in Clause 15, the Fund Manager continues to carry out all such acts as it is empowered and required to do by any part of this Management Agreement until the New Appointment Date or the expiry of the period mentioned in Clause 13.9 item (ii), the Fund Manager shall receive the fees provided by and determined in accordance with Clause 1 of this Annex 1, except that the Base Fee Rate shall be equal to 100 basis points per each Calculation Period.

Annex 2 – Specific duties and obligations

Without prejudice to the obligations of the Fund Manager specified in the Management Agreement, the below is a non-exhaustive list of additional specific duties and obligations the Fund Manager undertakes to provide.

- **Portfolio Management services**

The Fund Manager shall provide portfolio management services to the Customer as mentioned in Clause 6 of the Management Agreement.

- **Risk Management services**

The Fund Manager shall provide risk management services to the Customer in order to assess the exposure of the Customer to market, liquidity and counterparty risks and the exposure of the Customer to all other relevant risks, including operational risks which may be material for the Customer, subject to and in accordance with the terms and provisions of this Management Agreement, the applicable AIFM Rules and any applicable circular to be issued by the CSSF (the "**CSSF Circular**"), and the risk management systems implemented by the Fund Manager, as may be amended and supplemented from time to time (the "**RMS**").

The Fund Manager shall have and perform the following powers and duties:

1. in addition to the obligations in Clause 6 of the Management Agreement, to prepare, in the manner and with the level of detail prescribed by the AIFM Rules, the CSSF Circular and the AIFM Law, for submission to the Customer compliance reports at regular intervals in relation to the RMS in accordance with procedures agreed from time to time between the Customer and the Fund Manager;
2. to provide to the Customer in the frequency and the form stipulated in the RMS from time to time by the Customer, such information as is required by the Customer to comply with the risk management process requirements of the applicable law.

In addition, the Fund Manager shall at least:

- i. implement an appropriate, documented and regularly updated due diligence process when investing on behalf of the Fund, according to the investment strategy, the objectives and risk profile of the Fund;
- ii. ensure that the risks associated with each investment position of the Customer and their overall effect on the Customer's portfolio can be properly identified, measured, managed and monitored on an on-going basis, including through the use of appropriate stress testing procedures;
- iii. ensure that the risk profile of the Customer shall correspond to the size, portfolio structure and investment strategies and objectives of the Customer as laid down in the applicable legislation, Constitutive Act and IPS.

The Fund Manager shall set a maximum level of leverage which it may employ on behalf of the Customer as well as the extent of the right to reuse collateral or guarantee that could be granted under the leveraging arrangement (if any), taking into account all elements as required by the applicable legislation including the AIFM Rules, Constitutive Act and IPS.

- Administration Functions

The Fund Manager shall have and perform the following duties:

1. Managing the relationship with the Central Depository with regard to its shareholders register functions – the only entity that has the right to keep the register of shareholders under Romanian legislation.
2. Keeping all the books, records, agreements, forms, papers, files and other corporate documents required by Romanian law.
3. Determining and issuing the net asset value of the Fund as well as the net asset value per share of the Fund.
4. Monitoring the compliance with the regulations in force.
5. Receiving any and all notices, correspondence, telegrams, telex messages, telephonic advice or other representations and communications received for account of the Fund.
6. Keeping with due diligence and caring any and all such Fund documents and information entrusted to it.
7. Providing and supervising facilities and services for the preparation and dispatch of statements, reports, notices, announcements, proxies, minutes and other documents to the shareholders and the BoN.
8. Co-operating at the drafting of the entire documentation for calling the General Meeting of Shareholders of the Fund.
9. Drafting the annual budget.
10. Drafting the Investment Policy Statement.

11. Proposing the conclusion of the financial audit agreement.
12. Proposing the change of the location of the registered office of the Fund.
13. Providing appropriate conference rooms for meetings of the BoN and the shareholders of the Fund.
14. Providing for any legal filing and publications and file any tax returns.
15. Maintaining contacts with all supervisory, regulatory, tax or other state authorities or Fund-related professional organisations in Romania, complying with any information request from these authorities and advising the Fund thereof (including the current reports).
16. Co-operating at the establishment of the annual reports, accounts, financial reports, financial statements and of any other documents, which have to be sent to investors or to the relevant authorities in accordance with applicable laws, regulations or the Constitutive Act.
17. Dealing with investor queries and sending correspondence and all other documents to the investors.
18. Public Relations activities.

The Fund Manager, in its capacity as Sole Director, shall undertake in the name of the Customer the necessary administrative work required by the applicable legislation and the Constitutive Act and the IPS. The Fund Manager, in its capacity as Sole Director, shall have and perform the following powers and duties:

- i. to establish the books and records of the Customer in compliance with the legal provisions and the accounting practices in force at the relevant time in Romania and to keep them in Romania where all accounting documents shall be available at any time;
- ii. to determine the net asset value of the Customer as well as the net asset value per share of the Customer in accordance with Romanian legal provisions in force and the relevant provisions of the Constitutive Act;
- iii. to properly fulfil its legal obligations regarding the establishment of the annual accounts, financial reports and of any other documents which have to be sent to shareholders or to the relevant authorities in accordance with applicable laws, regulations or the Constitutive Act;
- iv. to take care, at the expenses of the Customer, of the dispatch of the correspondence, the financial reports and all other documents to the shareholders and to the relevant authorities;
- v. to prepare the financial statements and reports in accordance with the provisions of Romanian regulations and of the countries where the Customer is registered;
- vi. to co-operate, as necessary, with the Customer's auditors, the Romanian authorities and the authorities in the countries where the Customer is registered.

- **Marketing**

The Fund Manager is in charge of marketing the shares of the Customer globally. For the avoidance of doubt, the Fund Manager must carry out any notification or other formalities contemplated in Articles 29 and 30 of the AIFM Act or the equivalent provisions in legislation in another relevant Member State, where required in view of the marketing of the Customer's shares in any Member State which has implemented the AIFMD, as defined in the AIFM Act.

**Resolution no. 3 / 26 March 2024
of the Shareholders' Ordinary General Meeting of
FONDUL PROPRIETATEA S.A.**

Headquarters: 76-80 Buzești Street, 7th floor, 1st district, Bucharest, Romania,
Registered with the Trade Registry under number J40/21901/2005, fiscal registration code
18253260

Today, 26 March 2024, 11:00 AM (Romanian time), the shareholders of Fondul Proprietatea S.A. (the “Fund” or “Fondul Proprietatea”) have met during the Shareholders' Ordinary General Meeting (“OGM”) of the Fund, at its first summoning, at “**INTERCONTINENTAL ATHÉNÉE PALACE BUCHAREST**” Hotel, Le Diplomate Salon, 1-3 Episcopiei Street, 1st District, Bucharest, zip code 010292, Romania, the OGM being opened by its Chairman, namely Mr. Johan MEYER, in his capacity of permanent representative of Franklin Templeton International Services S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016, in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. (“**Sole Director**”).

Whereas:

- The convening notice of the OGM was published on the Fund's website (www.fondulproprietatea.ro) on 5 February 2024 and in the Official Gazette of Romania, Part IV, number 632 of 7 February 2024 and in Jurnalul number 1581 of 7 February 2024 and republished with supplements on the Fund's website on 26 February 2024 and in the Official Gazette of Romania, Part IV, number 1007 of 28 February 2024 and in “Adevărul” newspaper number 9099 of 28 February 2024;
- The provisions of Companies' Law no. 31/1990, republished, with its subsequent amendments and supplementations (“**Companies' Law no. 31/1990**”);
- The provisions of Emergency Government Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and supplementation of Law no. 297/2004;
- The provisions of Regulation of the Financial Supervisory Authority no. 4/2013 regarding depositary receipts, with its subsequent amendments and supplementations;
- The provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished (“**Issuers' Law**”);
- The provisions of Regulation of the Financial Supervisory Authority no. 5/2018 on issuers of financial instruments and market operations, with its subsequent amendments and supplementations (“**Regulation no. 5/2018**”);
- The provisions of Law no. 243/2019 on alternative investment funds and for the amendment and completion of other legislation, with its subsequent amendments and supplementations (“**Law no. 243/2019**”);

- The provisions of Regulation of the Financial Supervisory Authority no. 7/2020 on the authorization and operation of alternative investment funds, with its subsequent amendments and supplementations (“**Regulation no. 7/2020**”);
- The provisions of Commission Implementing Regulation (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights (“**CE Regulation 1212/2018**”),
- The provisions of the Fund’s constitutive act (“**Constitutive Act**”),

it is necessary to have a number of shareholders holding at least 25% of the total voting shares in order to meet the quorum conditions, in the present OGM, manifesting their vote 232 of shareholders, which represents a number of 1,591,932,553 voting rights (i.e. 44.7621% of the total voting rights at the reference date 29 February 2024, i.e. 3,556,427,239; i.e. 28.0823% of the total number of issued shares at the reference date 29 February 2024, i.e. 5,668,806,128),

the conditions regarding the quorum for holding this meeting and the majority for shareholders to decide legally are met, under the legally required majority (according to art. 112 paragraphs (1) of the Companies’ Law no. 31/1990 and art. 14 I paragraph (1) of the Constitutive Act).

Following debates, the Fund’s shareholders decide as follows:

- I. The approval of the Remuneration Policy of Fondul Proprietatea in force starting 1 April 2024, to reflect the provisions of the Management Agreement, in the form provided in the supporting documentation related to item 2 on the OGMS agenda with a change in the base commission rate so that the base commission is 1.35%, as reflected in the Annex of the herein Resolution.

(Item added on the agenda at the request of the shareholder Ministry of Finance)

This item is approved with 1,266,023,565 votes, representing 79.4687% of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies’ Law no. 31/1990.

The votes were recorded as follows:

- 1,266,023,565 votes „for”;
- 316,793,063 votes „against”;
- 8,818,098 abstentions;
- 20,192,705 votes „not given”;
- 0 votes annulled from correspondence;
- 0 votes annulled in the OGM meeting.

- II. The approval of:

- (a) The date of 11 April 2024 as the Ex – Date, in accordance with Article 176 paragraph (1), computed with the provisions of Article 2 paragraph (2) letter (I) of Regulation no. 5/2018;

The date of 12 April 2024 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 OGM, the shareholders do not decide on the other aspects provided by Article 176 paragraph (1) of Regulation no. 5/2018 such as the payment date and the date of the guaranteed participation.

- (b) The empowerment, with authority to sub-delegate, 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' resolutions, including formalities for publication and registration thereof with the Trade Registry or with any other public institution.

This item is approved with 1,591,892,086 votes, representing 99.9236 % of the total votes held by the present or represented shareholders, in accordance with Article 14 (1), second paragraph of the Constitutive Act corroborated with Article 112 (1), second paragraph of Companies' Law no. 31/1990.

The votes were recorded as follows:

- 1,591,892,086 votes „for”;
- 786,987 votes „against”;
- 151,203 abstentions;
- 18,997,155 votes „not given”;
- 0 votes annulled from correspondence;
- 0 votes annulled in the OGM meeting.

This OGM Resolution no. **3** is drafted on behalf of the shareholders today, 26 March 2024, in 3 original counterparts by:

Johan MEYER
Chairman

Ionuț IOANĂ
Meeting secretary

Livia DUMITRESCU
Technical secretary

THE REMUNERATION POLICY OF FONDUL PROPRIETATEA SA

Effective starting with 1 April 2024

Chapter I. Preamble

The Remuneration Policy (*“the Policy”*) of Fondul Proprietatea SA, a joint-stock company incorporated under the laws of Romania, qualifying as an alternative investment fund under Law no. 74/2015 on alternative investment fund managers, Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts and as an issuer under Law no. 24/2017 on issuers of financial instruments and market operations (the *“Issuers Law”*), an entity supervised by the Financial Supervisory Authority (*“FSA”*), is adopted by the Board of Nominees of Fondul Proprietatea SA (*“Fondul Proprietatea / the Fund”*) and is presented for approval to the general meeting of shareholders of in accordance with the Issuers Law.

Given that (i) Fondul Proprietatea is managed by Franklin Templeton International Services S.à r.l., as Sole Director and Alternative Investment Fund Manager (the *“Fund Manager”*), (ii) the commercial terms related to the management of Fondul Proprietatea by the Fund Manager are set out in the relevant management agreement, which is subject to Fondul Proprietatea’s shareholders approval (the *“Management Agreement”*), (iii) Fondul Proprietatea does not have its own staff, (iv) the Fund Manager has its own remuneration policy (*“Fund Manager Remuneration Policy”*) in accordance with Directive 2011/61/EU on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (*“AIFMD”*)¹, this Policy mainly reflects the understandings already in place with the Fund Manager, in accordance with the Management Agreement.

The Policy contributes to the Fund’s business strategy and long-term interests and sustainability. This is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or the constitutive act of the Fund.

The intention is that this Policy to be valid until the expiration of the mandate of the current Fund Manager, unless significant events occur (i.e., change of remunerations’ level), case in which an updated Policy will be presented for approval to the General Meeting of Shareholders.

Chapter II. Purpose

The purpose of this Policy is to set forth the corporate governance principles with regards the remuneration of the (i) Fund Manager and of the (ii) Board of Nominees members, as stipulated under the Issuers Law and the Corporate Governance Code issued by the Bucharest Stock Exchange.

Chapter III. General criteria

In order to promote the development of the corporate governance subject to the application of the best practices and achievement of a prudent management, while also considering that the

¹ A summary of the Fund Manager remuneration policy is available at <https://www.franklintempleton.lu/about-us/regulatory-information#remuneration>

representatives of the Fund Manager are remunerated in accordance with the Fund Manager Remuneration Policy and AIFMD, the Fund should follow certain requirements underlying the application of corporate governance principles with respect to the remuneration of executive management/senior management, as follows:

- a) The remuneration policy shall be analyzed and set by the Board of Nominees so that it corresponds to the business strategy, objectives and long-term interests of the Fund and that it covers measures for the prevention of conflicts of interest;
- b) The Board of Nominees shall ensure that all commitments to remuneration are properly and responsibly structured and that the remuneration policies allow and promote an efficient risk management without leading to a risk-taking which may exceed the level of the regulated entity's risk tolerance;
- c) The level of the remuneration shall be established in close connection with the responsibilities and commitments of the duties;
- d) The existence of the procedure for the recruitment and selection of the Fund Manager and of its permanent representative, appointed in accordance with article 153¹³ of Companies' Law no. 31/1990, and of the members of the Board of Nominees, as well as for the renewal of the existing mandates.

Taking into consideration that the Fund Manager has its own remuneration policy, the Board of Nominees acknowledges that the Fund Manager Remuneration Policy reflects sound remuneration principles, aligning the personal objectives of its staff with the long-term interest of the Fund Manager and Fondul Proprietatea SA.

Chapter IV. Governance and decision-making process

In order to comply with the legal provisions in force with respect to corporate governance principles, Fondul Proprietatea shall pay the remuneration to the Fund Manager and to the members of the Board of Nominees in accordance with a remuneration policy that has been approved by the ordinary general meeting of shareholders, but also complying with the Management Agreement. The Policy is submitted to a vote by the general meeting at every material change and, in any case, at least every four years.

In case the ordinary general meeting of the Fund's shareholders does not approve the proposed new policy, the Fund shall continue to pay remuneration in accordance with the existing approved policy and shall submit a revised policy for approval at the following ordinary general meeting of shareholders.

The revised policy will also include (i) a description of all significant policy's amendments and how shareholders' votes and views on remuneration policy are taken into account, and (ii) a report since the last vote of the general meeting of shareholders on the remuneration policy.

In terms of decision-making process, the following corporate bodies are involved within the drafting, submission for approval, approval and implementation of the Policy.

The Ordinary General Meeting of Shareholders

- Approves the Policy and any amendment thereto;
- Reviews the Performance Report, as defined below, prepared by the Fund Manager, as well as the review report of the Board of Nominees, in accordance with the Management Agreement;

- Approves the remuneration of the Fund Manager and of the Board of Nominees' members.

The Fund Manager

- Submits to the Board of Nominees a report on activities and performance of the Fund Manager in the relevant period, in accordance with the Management Agreement (the "Performance Report").

The Board of Nominees

- Drafts the Policy and any related remuneration document (based on the recommendations of the Nomination and Remuneration Committee);
- Prepares and submit for the information of shareholders at the Annual GSM a review of the Performance Report, evaluating the performance of the Fund Manager, in accordance with the Management Agreement;
- Oversees and assesses the performance of the duties by the Fund Manager, in accordance with the Management Agreement and constitutive act of the Fund.

The Nomination and Remuneration Committee

A Nomination and Remuneration Committee composed of members of the Board of Nominees was established to help the governing bodies of the Fund in the area of nomination and changes in remuneration, to take well-grounded decisions based on adequate and thorough analysis.

The Nomination and Remuneration Committee:

- Prepares recommendations to the Board of Nominees, regarding the remuneration of the Fund Manager and of the Board of Nominees' members;
- Provides its support and advice to the Board of Nominees on the design of the Fund's overall remuneration policy;
- Reviews the appointment of external remuneration consultants that the Board of Nominees may decide to engage for advice or support;
- Supports the Board of Nominees in overseeing the remuneration system's design and operation;
- Devotes specific attention to the assessment of the mechanisms adopted to ensure that the overall remuneration policy is consistent with the business strategy, objectives, values and interests of the Fund and the investors of Fondul Proprietatea.

Chapter V – Remuneration of the Fund Manager and of the Board of Nominees

A. The remuneration of the Fund Manager

1. Corporate Governance principles setting the remuneration of the Fund Manager

The remuneration of the Fund Manager of Fondul Proprietatea is part of the Management Agreement negotiated with the Fund Manager and approved by shareholders.

2. The description of the Fund Manager's remuneration

The remuneration due to the Fund Manager is calculated in RON and invoiced and paid in Euro by Fondul Proprietatea in compliance with the following: the amount calculated in RON will be converted into Euro using the official exchange rate for RON to Euro published by National Bank of Romania in the last banking day of the period invoiced.

The remuneration is calculated as (i) a Base remuneration, and (ii) a Distribution remuneration, in each case as set out below and in respect of each Calculation Period.

2.1 Base Remuneration

A base remuneration (the “**Base Remuneration**”) shall be calculated as follows:

Base Remuneration Rate *multiplied by* the notional amount, *multiplied by* the number of calendar days during the applicable Calculation Period *divided by* 365,

where:

the “**Base Remuneration Rate**” = 135 basis points per year;

1 basis point = 0.0001; and

the “**notional amount**” is the market capitalization of Fondul Proprietatea, which is defined as:

- (a) the number of Fondul Proprietatea’s paid shares considered on daily basis, *minus*
- (b) the weighted average over the applicable Calculation Period of the number of Fondul Proprietatea’s settled own shares together with the number of Fondul Proprietatea’s equivalent ordinary shares represented by Global Depositary Receipts (“**FP GDRs**”), in each case where those shares or FP GDRs are held by Fondul Proprietatea as treasury shares,
- (c) then multiplying the resulting number by the weighted average market price of Fondul Proprietatea’s shares calculated for the applicable Calculation Period.

The “**weighted average market price**” shall be computed based on the daily average market prices of Fondul Proprietatea’s shares and corresponding daily volumes, as published by Bucharest Stock Exchange REGS section.

If the number of shares relevant for the computation of the Base Remuneration described above in (a) and (b) changes over the Calculation Period, the Base Remuneration will be an aggregation of the computations for each sub-period.

“**Sub-period**” is defined as the number of days between two trading dates. The calculation in each subperiod starts on the settlement date of the first transaction (or the beginning of the mandate) and shall end on the date prior to the settlement date of the next transaction (or the end of the mandate).

As the Base Remuneration (including any additional remuneration determined under the previous two paragraphs) is computed using the number of days in a calendar year (365 days), the Base Remuneration Rate used for non-trading days will be the rate applied for the prior trading day.

If, upon the expiry of the one (1) year period starting 1 April 2024, the Fund Manager continues to carry out all such acts as it is empowered and required to do by any part of the Management Agreement until the New Appointment Date (as defined in the Management Agreement) or the expiry of a period of six months as of the date of the OGM (as defined in the Management Agreement) which has selected and/or appointed a new fund manager and sole director, regardless of whether the New Appointment Date has occurred, the Base Remuneration Rate shall be equal to 100 basis points per each Calculation Period.

2.2 Variable remuneration - Distribution Remuneration

It is recognized that distributions beneficial to shareholders would reduce the notional amount upon which the Base Fee is calculated. To reward the Fund Manager for arranging such distributions, a variable remuneration shall be calculated as follows (an amount so calculated in respect of a particular period, a “**Distribution Fee**”): 175 basis points applied to the value of distributions taking place between 1 April 2024 and 31 March 2025.

“**Distributions**” mean:

- (i) Repurchases of Fund shares;
- (ii) Repurchases of Fund GDRs and/or Depository Interests (“DI”);
- (iii) Dividends; and
- (iv) Returns of share capital.

The calculation of the Distribution Fee shall be made when such distributions become available to shareholders. In case of a repurchase of own shares or of FP GDRs, the calculation of the Distribution Fee shall be made at the date when the own shares repurchase transactions or FP GDRs transactions are settled (i.e. settlement date).

For FP GDRs transactions, the Distribution Fee will be computed taken into account the official exchange rate published by the National Bank of Romania for the date of settlement of FP GDRs transactions.

Any failure on the part of any shareholder to collect, or to take the necessary steps to facilitate the receipt of the distributions made available will not result in any adjustment of the calculation of the Distribution Fee due to the Fund Manager.

2.3 Remuneration of the staff

Fondul Proprietatea does not have own staff, all the necessary services being provided by the Fund Manager, through its own staff and contractors.

The remuneration of the Fund Manager’s staff is detailed under the Fund Manager Remuneration Policy.

While a summary of the Fund Manager Remuneration Policy is available at <https://www.franklintempleton.lu/about-us/regulatory-information#remuneration>, the Board of Nominees acknowledges that the key principles of the Fund Manager Remuneration Policy are adequate, as follows:

- (i) alignment of the personal objectives of the staff with the long-term interest of the Fund Manager and of Fondul Proprietatea;
- (ii) aiming at mitigating incentives practices which could encourage employees to take unnecessary risks;
- (iii) remuneration shared between fixed and variable components, with fixed salaries set as a sufficiently high proportion of the total remuneration so that the Fund Manager is able to operate a fully flexible bonus policy, including the possibility to pay no bonus.

2.4 Payments

2.4.1. Fund Manager

- (a) The Base Remuneration shall be paid by Fondul Proprietatea quarterly, based on the invoices to be issued by the Fund Manager within twenty (20) business days following the end of the quarter for which payment is to be made.
- (b) The Distribution remuneration shall be paid by Fondul Proprietatea quarterly, based on the invoices to be issued by the Fund Manager within twenty (20) business days following the end of the quarter for which the Distribution remuneration was calculated.
- (c) The invoices for the Base remuneration and the Distribution remuneration shall be submitted to the Depositary.
- (d) The Fund Manager shall provide to the Board of Nominees quarterly and on an annual basis and upon any reasonable request of the Board of Nominees a detailed report regarding the remunerations collected under the Management Agreement, in the form reasonably required by the Board of Nominees.
- (e) The payment of the remuneration shall be done within thirty (30) business days of the receipt of the applicable invoice.

2.4.2. Fund Manager's staff

The remuneration of the Fund Manager's staff is approved by the Compensation Committee of Franklin Resources Inc., the ultimate parent company, in accordance with the Fund Manager Remuneration Policy.

The FRI Compensation Committee is composed of five non-executive members of the Board of Directors of Franklin Resources Inc. who are independent under applicable corporate governance standards of the New York Stock Exchange.

The FRI Compensation Committee meets at least once a quarter and periodically reviews the general principles of the FRI remuneration policy. Each year the FRI Compensation Committee sets the annual incentive compensation plan (AIP) pool by considering in particular factors such as FRI's pre-bonus operating income, the overall company performance (actual and projected) as well as investment performance, profitability growth and the overall market environment.

The Fund Manager Remuneration Policy also provides for specific bonuses' claw back and deferral provisions with respect to the Fund Manager's staff.

2.5 Verification

The payment of the Base remuneration and the Distribution remuneration shall be arranged by the Fund Manager only after the verification and certification by the Depositary of the correctness of the following amounts used in the calculation of those fees: the notional amount, the value of distributions, and all the other items used in calculation of the remuneration, as well as the methods for determining the remuneration.

3. Duration of the mandate of the Fund Manager, notice period and potential compensation for revocation without cause

In accordance with the Resolution no. 8 of 25 September 2023 of the ordinary general meeting of the Fund's shareholders, the duration of the Fund Manager's mandate is of one (1) year, starting on 1 April 2024 and ending on 31 March 2025.

Fondul Proprietatea may unilaterally and at its sole discretion terminate the Management Agreement, at any time, on three months' prior written notice to the Fund Manager, based on an OGM resolution for approving the simultaneous termination of the mandate and of the Management Agreement.

For the avoidance of any doubt, termination of the mandate and of the Management Agreement will not entitle the Fund Manager to any damages or the payment of any amounts other than the remuneration to be paid in accordance with the clauses above.

The Fund Manager may terminate the Management Agreement and resign its mandate with six months' prior written notice.

Not later than five business days following the termination notice date provided by the Fund Manager, but subject to timely approval of the GSM agenda by the Board of Nominees, the Fund Manager will call the OGMS having on the agenda the approval of the procedure for the selection of a new sole director and alternative investment fund manager. Such procedure will be prepared by the Fund Manager and agreed with the Board of Nominees before its submission to an OGMS for approval.

In the event a termination notice is sent, the Fund Manager shall be paid on a pro rata basis with the duration of the provision of the services. For the avoidance of doubt, in such a case, the Fund Manager's pro rata remuneration will be for a period of at least 3 months.

B. The remuneration of the Board of Nominees' members

1. Corporate Governance principles setting the remuneration of the Board of Nominees' members

Each member of the Board of Nominees receives a fixed remuneration; no malus/claw back arrangement is in place.

The remuneration of the members of the Board of Nominees is approved by the shareholders, within the Ordinary General Meeting.

2. Description of the remuneration of the Board of Nominees' members

With effect from 16 November 2022, the gross monthly remuneration of each member of the Board of Nominees is RON 26,535.30 (the "**Base Monthly Remuneration**").

With effect from 16 November 2022, an additional fixed gross monthly remuneration is paid to the Chairperson of the Board of Nominees, the Chairpersons of the Audit and Valuation Committee and of the Nomination and Remuneration Committee, as follows:

- (i) an additional fixed gross monthly remuneration of fifteen (15) per cent of the Base Monthly Remuneration, for the Chairperson of the Board of Nominees; and
- (ii) an additional fixed gross monthly remuneration of ten (10) 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 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).

The Base Monthly Remuneration and the additional fixed gross monthly remuneration shall be paid in accordance with the provisions of the mandate agreement signed between each member of the Board of Nominees and the Fund.

The format of the mandate agreement for the members of the Board of Nominees is approved by the Fund's Ordinary General Shareholders' Meeting.

3. Duration of the mandates of the Board of Nominees' members, their notice period and possible compensation for revocation without cause

The mandate of the members of the Board of Nominees is of three (3) years, period to be extended by right, until the first meeting of the Ordinary General Meeting of the Shareholders. The notice period for withdrawal from the position of a member of the Board of Nominees is three (3) months - 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.

There is no compensation for revocation without cause.

Chapter VI - The recruitment and selection procedure for the Fund Manager and the Board of Nominees

Fondul Proprietatea, as an entity supervised by the FSA, shall have in place a procedure for the recruitment and selection of the Fund Manager and of the members of the Board of Nominees, as well as certain provisions for the renewal of the existing mandates.

The recruitment and the selection procedure of both the Fund Manager and of the Board of Nominees of Fondul Proprietatea are set out under the Fund's Constitutive Act.

Thus, according to Article 12 paragraph (2) of the Fund's Constitutive Act, the Ordinary General Shareholders' Meeting has, among its competencies, the following:

- to appoint the members of the Board of Nominees and to cancel their appointment;
- to appoint the Alternative Investment Fund Manager in accordance with the law and to cancel its appointment;
- to rule over the management of the Alternative Investment Fund Manager and to evaluate his/her performances and to discharge him/her from its management.

A. The procedure of the recruitment and the selection of the Fund Manager

As Fondul Proprietatea's management system is a unitary system, the ordinary general shareholders meeting has appointed a sole director and alternative investment fund manager, which is represented in Romania as sole director, by the individual as permanent representative appointed in accordance with Article 153¹³ of Companies' Law no. 31/1990.

The mandate of the Alternative Investment Fund Manager shall not exceed two (2) years. The Alternative Investment Fund Manager may be reelected.

In accordance with the Resolution no. 8 of 25 September 2023 of the ordinary general meeting of the Fund's shareholders, the duration of the Fund Manager's mandate is of one (1) year, starting on 1 April 2024 and ending on 31 March 2025.

The Alternative Investment Fund Manager will call an Ordinary General Meeting of the Shareholders to be held at least six (6) months before the termination of the duration of the mandate of the Alternative Investment Fund Manager with the agenda of approving the renewal of the Alternative Investment Fund Manager's mandate or starting the selection process of a new Alternative Investment Fund Manager and the negotiation of the management agreement to be concluded.

As per Resolution no. 9 of 25 September 2023, the ordinary general meeting of the Fund's shareholders approved the launch of a transparent and competitive selection procedure for the appointment of a new manager based on investment expertise and experience for a mandate not exceeding four (4) years from 1 April 2024, in accordance with the legal provisions in force. The Board of Nominees is empowered to initiate, organize the transparent selection procedure for a new Fund Manager and to establish new objectives, performance criteria and remuneration conditions realigned with these objectives and present them for approval by the general shareholders meeting.

B. The procedure of the recruitment and the selection of the members of the Board of Nominees

The procedure for the selection and the recruitment of the members of the Board of Nominees is set out under the provisions of the Fund's Constitutive Act.

Thus, Article 13 paragraph (8) mentions that: *"In case the agenda includes the appointment of the members of the Board of Nominees, the notice shall mention that the list including information regarding the name, the residence and professional training of the persons proposed for the position of member of the Board of Nominees is available to the shareholders, to be further reviewed and completed by shareholders."*

Further, Article 15 provides that the ordinary general meeting of the shareholders shall appoint the Board of Nominees, formed of 5 members, and shall establish their remuneration.

Any shareholder will have the right to make proposals on the members of the Board of Nominees.

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 needing the approval of the Board of Nominees are made to the advantage of the shareholders.

The mandate of the members of the Board of Nominees is of three (3) years, period to be extended by right, until the first meeting of the Ordinary General Meeting of the Shareholders.

The Board of Nominees elects amongst its members a chairman.

Chapter VII. Avoiding conflicts of interest

This Policy is drafted based on the principle of avoiding conflicts of interest and includes measures that ensure professional and responsible behavior at the level of Fondul Proprietatea.

The Fund Manager and the Board of Nominees' members are required to act with due diligence and to conduct themselves in a manner and with such ethics and integrity so as to avoid a conflict of interest, either real or apparent.

A "conflict of interest" represents that situation or circumstance that may arise in the operational or decision-making process, where the private interest, directly or indirectly, of a person holding a key position within the Fund interposes with the interests of the Fund and affects or could affect her/his independence and impartiality in decision-making, professional reasoning or the timely and objective performance of duties or that could affect, by its nature, the integrity or stability of Fondul Proprietatea and the financial market. In this respect, the Fund Manager and the Board of Nominees' members should avoid activities, interests and other relationships that might be opposed to the interests of the Fund or might cause a conflict with the performance of their duties.

Measures for avoiding conflicts of interest:

- the remuneration level of the Fund Manager and of the Board of Nominees' members shall be established in close connection with the responsibilities and commitments of their duties, in accordance with the provisions of the Management Agreement or of the mandate agreement;
- the shareholder who is also a member of the Board of Nominees will not participate in the decision on his / her remuneration package and / or mandate contract;
- the removal of any direct link between the remuneration of relevant persons who mainly carry out a particular activity and the remuneration of other relevant persons, who carry out mainly other activity, when the activities in question may give rise to a conflict of interests;
- the use of the position held within the Fund in the interest of persons with whom there are blood relations or other extra-professional relations in remuneration practices is prohibited; in order to avoid conflicts of interest, the aim is to avoid appointing people to such positions, which is why each candidate for the position of Board of Nominees must provide a questionnaire on his independence which will be the basis of the independence analysis carried out by the Board of Nominees.

Chapter VIII. Deviations from the Policy

The Board of Nominees, upon recommendations of the Nomination and Remuneration Committee, in exceptional circumstances, may temporarily derogate from any section of the Policy, based on its full discretion, within the limits of the legal provisions and of the Constitutive Act, in the following exceptional circumstances:

- (a) upon change of the Fund Manager, in accordance with the new management agreement;
- (b) upon material changes in the Fund's structure, its overall financial and/or operational performance which may require adjustment of the remuneration components;
- (c) in any other circumstance where the derogation may be objectively required to serve the long-term interests and sustainability of the Fund or to assure its viability,

but without increasing the remuneration of the Board of Nominees' members.

In addition, change of the relevant legislation may result in derogations from the Policy, outside the discretion of the Fund.

Chapter IX. Disclosure

Once voted by the Ordinary General Meeting of shareholders, the Policy, together with the date and the results of the vote, will be available on the Fund's website, and remains publicly available, free of charge, at least as long as it is applicable.

A paper version will be made available upon request to the Fund.

Chapter X. Revisions to the previous Remuneration Policy

This policy represents the revised version of the previous Remuneration Policy (approved by the shareholders on 15 November 2022). The previous version reflected the changes related to the increase of the base remuneration for the members of the Board of Nominees, as well as additional remuneration for certain positions in the Board of Nominees and the increase of the notice period in case of withdrawal from the position of member of the Board of Nominees.

The quorum of the ordinary general shareholders meeting on 15 November 2022 was 59.4725% of the total voting rights at the reference date 17 October 2022), and the approval was made as follows:

- 1,934,087,153 votes „for”; representing 56.7900% of the total votes held by the present or represented shareholders;
- 1,439,273,510 votes „against”; representing 42.2610% of the total votes held by the present or represented shareholders;
- 32,268,365 abstentions;
- 51,693 votes „not given”;
- 568,306 votes annulled.

The revisions to the Remuneration Policy are aimed at aligning the provisions therein with the commercial terms set out in the Management Agreement related to the Fund Manager's remuneration related to the mandate starting on 1 April 2024 and ending on 31 March 2025, i.e.:

- a) **Base Remuneration Rate** = 135 basis points per year
- b) **Distribution Fee**): 175 basis points applied to the value of distributions taking place between 1 April 2024 and 31 March 2025.

For details, please refer to section 2 above.