FONDUL
PROPRIETATEA

Position Paper Regarding the Proposed Revocation of Board of Nominees Members
To the Shareholders of Fondul Proprietatea S.A.

We refer to the request submitted by a group of shareholders ("Shareholders") of Fondul Proprietatea S.A. ("FP"), holding more than 5% of the total shares, to immediately revoke the mandates of the members of the Board of Nominees ("BoN")—hereinafter referred to as the "Shareholders Request." This proposal is outlined in paragraphs 10 to 13 of the revised Summoning Notice for the Ordinary General Shareholders Meeting (OGSM) scheduled for 29 September 2025.

On behalf of the BoN members, we hereby present our response to the Shareholders Request. For clarity and conciseness, our reply addresses the main categories of accusations without detailing each individual allegation.

a. Alleged Lack of Transparency

In managing transparency, the BoN had to navigate both the complexity of the selection process and the confidentiality obligations imposed by participants, ensuring a competitive environment.

- For example, the deliverables provided by the selection consultant were contractually restricted from publication under the terms of their Engagement Letter. Breaching these terms could have led to termination of the engagement. Furthermore, certain documents—such as the process timeline and the scoring matrix used to evaluate offers—were not suitable for disclosure until the process was finalized. We deemed useful to preserve the confidentiality on certain aspects either not to mislead shareholders (the timeline for the selection process was a work in progress document, adjusting as we advanced in the process, with a view of the final outcome to strictly observe the GSM selection process mandate given to the BoN) while other documents were not disclosable until the end of the selection process (the scoring matrix used to evaluate offers and participants), in order to comply with the competitive aspect of the process. The BoN considers it has provided sufficient and accurate details in the publicly available Investor Report, which outlines the key milestones and the rationale behind the candidate selection as well as in previous market communiques.

- Additionally, we were explicitly prohibited from disclosing the identity of the other candidate involved in the selection process. Breaching this confidentiality could have resulted in the candidate's

withdrawal or refusal to participate, thus undermining the competitive aspect asked for by the shareholders starting the selection process, and a potential liability to FP.
When deciding on how to observe specific transparency requirements, the BoN's decision was based upon advisors' opinions.

b. Alleged Improper Use of Funds

As confirmed by the independent auditor (Ernst & Young) Agreed Upon Procedure (AUP) audit, commissioned at the same Shareholders' request, the BoN utilized only a portion of the selection budget (3,6 mln RON including VAT utilised out of a total budget of 5,6 mln RON) approved by shareholder resolution. All expenses were appropriately documented and accounted for. In comparison we advise shareholders to compare the actually used selection budget versus the incurred costs following Shareholders requests with multiple audits exercises and request for clarification which cover the same topics

c. Alleged Lack of Transition Plan and Due Diligence Shortcomings

- All concerns raised by shareholders were considered during the evaluation of offers. Together with the selection advisor, the BoN assessed the operational capacity of participants through on-site visits and presentations and performed thorough due-diligence exercises (Red Flag Due Diligence analysis performed by Refinitive member of London Stock Exchange Group).

- Regarding the transition plan, the BoN consistently requested Franklin Templeton ("FT"), the current manager of FP, to provide their perspective on transitioning to a new fund manager. We note that operational transition falls into the obligations of the Fund Manger and not the BoN. To date, FT has submitted to the BoN a high level draft plan, noting that no actions will be taken and no information shared with potential candidates (not even due diligence activities subject to appropriate non-disclosure agreements) without prior shareholder approval of ta new Fund Manager. These requests and concerns of the BoN are well documented in on the FT Board secretarial platform.

d. Alleged Poor Management of the Process

Many of the arguments presented in the Shareholders Request stem from differing interpretations of the process stages or from the specific structure proposed by the selected candidate.

- The initial phase involved expressions of interest, during which participants received the RFP documentation. At this stage, the BoN did not assess regulatory compliance, as it was premature and not applicable within that stage. All participants confirmed that their official submissions would meet all applicable requirements and include the necessary documentation.

- In the official submission phase, both candidates proposed similar models involving an authorized AIFM (based in Luxembourg) and an advisor providing services. To ensure regulatory compliance—including alignment with MiFID requirements—the BoN obtained legal opinions from its advisors. The model presented for shareholder approval at the OGSM on the 29th of September 2025 passed all necessary compliance checks.

- Please note that this process involved a significant degree of complexity, requiring review of documentation from several jurisdictions, involvement of several advisors (financial and legal advisors) and OGSM approvals for certain aspects (selection budget, selection criteria).

Final Remarks

We affirm that we have acted in good faith and fulfilled our mandate to the best of our abilities, given the specific circumstances. We took reasonable measures to protect sensitive information whilst creating and maintaining a competitive bidding environment and mitigate potential conflicts of interest—particularly as FT remained a participant in the process without taking part in the competitive selection and expressed its intention to continue managing FP (see agenda item 7).

To summarize, we believe the proposal for our revocation is unjustified, based on the following:

- In addition to all previous market communication and specific GSM approvals, the Investor Report provides comprehensive details on the selection process, its milestones, and the rationale behind the proposed candidate. We have also responded to all shareholder questions regarding the process and the selected offer.
- A change in shareholding structure does not constitute grounds for revocation.

- This Shareholders Request was submitted prior to the completion of the independent AUP audit by the external financial auditor EY, thus deliberately making any possible positive conclusion of the audit report irrelevant for the purpose of this Shareholders request and thus intentionally putting the BoN in a a-priori default position.
- Immediate revocation would disrupt FP's proper governance, as per its statutory framework. Without a functioning BoN—or a BoN composed of one newly selected member—there would be no statutory oversight of the current or a new manager. Furthermore, no new management agreement could be negotiated or signed, whether with the proposed candidate or FT (if agenda item 7 is approved) nor a new selection process could be started (if agenda item nr 14 is approved).

We trust that shareholders will consider our position in good faith and exercise their vote against this proposed point of the agenda.

With best regards,
The Board of Nominees

Ilinca von Derenthall

Chairperson of the BoN