

Response letter

To Mr. István SÁRKÁNY and Mr. Mihai SEBEA

Shareholders of Fondul Proprietatea S.A.

Ref: Letter dated November 11th 2024

Dear Sirs,

Thank you for expressing your interest. On behalf of the members of the Board of Nominees (“BoN”) of Fondul Proprietatea S.A. (“FP”) please find below our response to your inquiry.

We hope that we have addressed all your inquiries and if you require additional clarifications, we would be happy to respond to you.

As a general aspect please note that we will not detail further aspects which were subject to shareholders’ approval and all information and details are already published on FP website.

Regarding specific information related to the selection process, we kindly inform you that the BoN has already published information related to the commencement of the selection procedure and the number of entities expressing an interest in participating in the process ([the link is provided here](#)). For reasons pertaining to confidentiality and given the initial status of the process, we cannot disclose the names of the entities expressing an interest.

Please rest assured that BoN will ensure an appropriate level of transparency of the selection process, as this process will progress.

We hope that we have addressed your inquiries, and we look forward to addressing any questions that you might have.

With best regards

Ilinca von Derenthall

Chairperson of the BoN

To Fondul Proprietatea

To the attention of the Board of Nominees

Madam President,

Members of the Board of Nominees,

We, István SÁRKÁNY and Mihai SEBEA, shareholders of Fondul Proprietatea, contact you as representatives of all shareholders of Fondul Proprietatea, with reference to the concerns related to the transparency of the process for the selection of the manager.

We especially address to the members of the Board of Nominees that have been active when making the GMS decisions on 25 September 2023 (decisions that have led to the commencement of the selection process).

We consider our concerns about the uncertain future of the Fund as reasonable, the change of the manager representing a particularly important, perhaps even critical, moment for any Investment Fund. That is why such a change requires the implementation of a **transparent** and **competitive selection procedure**, as also mentioned in the GMS Decision of September 27th.

Following discussions with a wider group of shareholders, we raise our concerns about the following:

- We find that there are no documents and communications of the Board of Nominees ensuring the transparency between September 2023 and the GMS of 27 September 2024. The responses of the Board of Nominees to the letter I sent on October 22nd confirm this;
- The Shareholders were not informed of the criteria and the manner in which the selection consultant, "Numis Securities Limited/Deutsche Numis" was elected; until the publication of the GMS convening notice of September 27th, we are not aware of the publication of any information in this regard;
- There is no clarity on the stages of the new manager selection process; also, the concrete tiebreaker criteria for the selection of the future Manager of Fondul Proprietatea are unknown; we consider that these should be known by the shareholders;
- The criteria voted at the GMS of 27 September 2024 are very general, lacking in consistency and may generate confusion: even if they are named "*Selection criteria*", they are partly *Eligibility criteria*, of a mandatory nature. Investors' expectations were higher, given the involvement of a professional consultant;
- The entities that have expressed their interest in the selection process are not known so far (for both deadlines: October 21st, **respectively November 4th**). We believe that the publication of a list of candidates is essential to inform the shareholders, as this information is not or should not be confidential;
- It is also important for shareholders to understand what the "manifestation of interest" of the candidates consisted of (for the new term – November 4th) and possibly where confidentiality clauses or restrictions regarding the disclosure of the names of these entities were included;
- We note the existence of a relevant precedent for the current selection process, worthy of being used as a good practice: the selection of Franklin Templeton as manager of Fondul Proprietatea in the period 2009-2010. The tender book of 19 November 2008, published in the Official Gazette no. 806 of 3 December 2008 professionally details the selection process,

and the benchmarks published at that time (including the list of candidates) demonstrate transparency (at that time several types of information were published, which are now considered confidential).

Taking into consideration the above-mentioned aspects, please consider the following:

1. We consider it essential that the Fund publishes a **current report** detailing the entities that have expressed an interest in accordance with the deadlines, even in a brief manner within the limits of confidentiality. We do not want an answer just for us, as individual shareholders, but we consider it necessary to inform all shareholders.
2. To clarify this process, we request the publication of a current report including the details of the selection process, such as: the main stages of the process, indicative timetable, performance criteria, participation criteria, percentage scores applied to the technical offer and the financial offer, confidentiality provisions, other issues related to relevant aspects. We consider this report mandatory according to the GMS decision no. 9 / 25 September 2023, *“Approval of the commencement of a **transparent** and **competitive** selection process to appoint the new Manager based on the expertise and experience in investments (...)*”.
3. In the spirit of decision-making transparency, we consider it necessary to publish the report prepared by Deutsche Numis for the GMS of 27 September 2024, including information on the new targets, performance criteria and remuneration conditions. *(“For this purpose, FP has concluded an assistance agreement on 12 August 2024 with Deutsche Numis, to prepare a report presenting the new objectives, performance criteria and remuneration conditions of a new AIFM and specific selection criteria and experience aligned to such objectives.” – according to the Presentation of Fondul Proprietatea S.A. AIFM selection criteria – GMS 27 September 2024).*

We respectfully request the publication of these reports within a reasonable time frame, preferably within a maximum of 3 days, to ensure the transparency and clarity of the process.

We hope that these measures will help maintain shareholders' confidence and strengthen the governance of the Fund, which could send a positive message to the market.

We hereby consent to the publication of our full names, of the letter sent and of your response.

Sincerely,

István SÁRKÁNY

Mihai SEBEA

11/11/2024