FONDUL
PROPRIETATEA

INFORMATION REGARDING THE SHAREHOLDERS' REQUEST FOR THE PREPARATION OF A SUPPLEMENTARY AUDIT REPORT BY THE FINANCIAL AUDITOR OF FONDUL PROPRIETATEA

Franklin Templeton International Services S.À R.L, as alternative investment fund manager and sole director (the "**Fund Manager**") of Fondul Proprietatea SA ("**Fondul**" or "**FP**"), further to the discussions between the Fund Manager, the Board of Nominees and FP's financial auditor, Ernst & Young Assurance Services SRL ("**EY**"), concerning the type and content of the supplementary audit report to be prepared by EY in order to address the FP shareholders' request from 14 August 2025 (the "**Supplementary Audit Report**"), informs shareholders that, on 20 August 2025, it received clarifications from EY regarding the Supplementary Audit Report.

We are attaching EY's clarifications, which will remain published on the Fund's website in the *News* section, with a corresponding link in the *Frequently Asked Questions* section.

The Fund Manager and the Board of Nominees will continue to collaborate with EY in order for EY to finalize the supplementary audit report in accordance with the applicable deadlines and legal provisions and will duly inform the shareholders.

Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 21st Floor
15-17 Ion Mihalache Blvd., District 1
011171 Bucharest, Romania

Tel: +40 21 402 4000
Fax: +40 21 310 7193
office@ro.ey.com
ey.com

Shape the future
with confidence

To: Fondul Proprietatea

20 August 2025

Regarding: Answer to the request for clarifications from 18 August 2025 from Fondul Proprietatea, regarding the Fondul Proprietatea (the "Fund") minority shareholders request received on 14 August 2025, concerning the preparation of an additional report.

Dear Sirs,

Ernst & Young Assurance Services S.R.L., Romanian company, registered with the Trade Register under number J40/5964/1999, having CUI RO11909783, having head office in Bd. Ion Mihalache nr. 15-17, floor 21, sector 1, zip code 011171, Bucharest ("**EY**"),

I. As response to your request from 14 August 2025 and registered by us as received on 14 August 2025 to prepare a report presenting to the shareholders all aspects related to the management of the budget allocated for the selection process for appointing the new administrator of the Fund, as approved by the General Shareholders' Meeting (GSM) Resolution no. 9 of 25 September 2023, and initiated by the Board of Nominees through the current report published on 7 October 2024 ("Selection Process")

we have informed you on the 18th August 2025 of the following matters:

(1) in accordance with Art. 111 (1) b) of the Law no. 24/2017 and with Art. 144 C) of the Regulation no. 5/2018, EY intends to fulfil its legal obligations and prepare the additional report as response to the Request, and it will only answer to those matters it is under the legal obligation to do so;

(2) EY has already started taking steps internally and with the Fund's management to obtain the necessary approvals, including from the Audit Committee in accordance with the requirements in Law 162/2017 to allow us signing the contract and to request and obtain the information necessary to prepare the report;

(3) EY will make all efforts to comply with the 30-day legal deadline, subject to signing the contract and receiving the information from the Fund's management, in accordance with the corroborated interpretation of par. (3) and (8) of Art. 144 C) of the Regulation no. 5/2018;

(4) The additional report will comply with the applicable legislation,

(5) In accordance with Art. 144 C) (8) of the Regulation no. 5/2018, after preparation, the additional report will be sent by the Fund.

The Fund is obligated, within 24 hours of receiving the additional report, to prepare, publish, and transmit to the Financial Supervisory Authority and the market operator, according to the model in Annex No. 12 of Regulation No. 5/2018, the report that submits the additional report prepared by the financial auditor for publication.

II. As response to your clarifications request dated 19th August 2025, please find below the following:

(6) On 18th August we have provided the Fund management with the draft proposed procedures to be agreed with the management and the Board of nominees and be performed by EY that will allow EY to report

(7) The procedures address all the points (from 1-5) included in the minority shareholders request letter and are of a nature that is under the legal responsibility of a financial auditor

(8) Specifically, to address the matters notified by the minority shareholders in the letter received at point 4:

Cost–benefit analysis *– assessment of the proportionality between the costs incurred and the relevance of the deliverables for a reasonably high-quality selection process, carried out through:*

a) *verification of the factual information in the cost–benefit analysis prepared by the Board of Nominees – examination of the documentation and data underlying the analysis prepared by the Board;* ***and/or***

b) *performance by the auditor of an independent cost–benefit assessment, based on the documents and information available, to determine the extent to which the expenses incurred were justified in relation to the objectives and outcomes of the selection process.*

we agreed to perform the following procedures:

a) Obtain a cost – benefit analysis prepared by the Board of Nominees. (the "Analysis")

b) Compare the financial data and supporting documentation for the financial data included in the analysis with information obtained from the procedures performed to address points 1-3 in the minority shareholders request letter.

(9) We have also communicated that the scope of our work requires that the administrator and the Board of Nominees of the Entity prepare the required information which will be included in the additional report as Annexes (the list of deliverables, a schedule prepared by management including information regarding: invoices received, payments performed to the Consultants and other suppliers related to the selection process, detailing how these relate to the contractual provisions - the schedule shall include a comparison with the budget approved by the GSM for this specific purpose, the cost-benefit analysis) and providing other information necessary for EY to perform the agreed procedures such as, without being limited to: engagement letters, invoices, payments proof.

(10) As regards the form of the report:

a) We will conduct an agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the **Engaging Party**, and reporting the findings, which are the factual results of the agreed-upon procedures performed.

b) An ISRS 4400 Agreed-Upon Procedures (AUP) engagement, allows us to provide detailed findings based on the specific procedures agreed upon with the client. This format is particularly well-suited for addressing the shareholders' detailed and specific concerns regarding certain operations. Unlike ISAE 3000, which concludes with a high-level assurance opinion, ISRS 4400 enables the auditor to present the detailed procedures performed and the corresponding findings, offering the transparency and granularity that the shareholders are seeking.

c) Moreover, in practice, additional reports prepared in the recent years by financial auditors for specific transactions are predominantly conducted under ISRS 4400. This standard ensures that all stakeholders have visibility into the procedures undertaken and the exact results, and not only to an overall assurance opinion that ISAE 3000 requires. Please refer to examples of additional reports Autoritatea de Supraveghere Financiară - Rapoarte suplimentare întocmite de auditori financiari.

We remain at your disposal should further clarifications be needed.

Yours truly,

Ernst & Young Assurance Services S.R.L.

Represented by Alina Dimitriu, Partner

____