**To: Fondul Proprietatea**
**To the attention of the Board of Nominees**

**Dear Madam President,**
**Dear members of the Board of Nominees,**

We, the undersigned, a group of investors of Fondul Proprietatea, are sending you this letter regarding the selection process of the new Fund manager. We believe that the appointment of Impetum Management SRL (part of Impetum Group) as an associate in this partnership raises serious questions regarding the suitability of this choice in relation to the objectives and responsibilities of a mandate of such importance.

The analysis of the profile of the proposed entity reveals that it does not meet the fundamental criteria of experience, performance and reputation necessary for the management of a listed fund of the size of Fondul Proprietatea. Impetum Group, through its vehicle, ROCA Investments, has limited exposure in the field of management of listed funds and has not proved a sustained ability to generate competitive returns for shareholders. The performances of companies such as ROCA Industry (ROC1), Bittnet (BNET) or Softbinator Technologies (CODE) indicates a chronic underperformance, with yields well below the market average, despite a very good development of the capital market, reflected by the increase of over 100% of the BET-TR index in the same period.

Moreover, the group's approach method in the Prebet Aiud case and the cross-investments between Prebet and Impetum/ROCA Group raises serious questions regarding the corporate governance and compliance with the principles of transparency and legality. The Financial Supervisory Authority (FSA) had to intervene, repeatedly sanctioning the companies with which ROCA Investments had consulted for failure to comply with several legal obligations, including the notification of exceeding the reporting threshold, the launch of a public offer to buy and the lack of approval of Prebet Aiud shareholders for the acquisition of ROCA Investments shares. We believe that such background is incompatible with the expectations regarding the integrity and transparency of a public fund manager, with over 20,000 individual shareholders.

Another issue that needs clarification is the involvement of IRE AIFM Hub S.a.R.L, a Luxembourg entity with a formal role as alternative fund manager (AIFM) in the proposed structure.

Since our understanding following the GMS is that you have not yet carried out a *due diligence process*, we provide you with some information from available public reports: this company had a subscribed capital of euro 136,000, total assets of about euro 1.3 million and a net profit of only euro 17,000 in 2023. Given the extremely small size of this entity and the lack of a substantial background of managing funds comparable in size and complexity to Fondul Proprietatea, we believe that this association does not provide real guarantees regarding the efficient and professional management capacity of a fund of over lei 2.4 billion / euro 500 million.

In addition, the team proposed by Impetum to manage the Fund lacks consistent experience in managing listed investments or private equity. From the available public information, only one of the investment managers within the team has over two years of experience in the field, but associated with below-expected performance in the management of the afore-mentioned companies.

Impetum Management SRL is a business and management consultancy company according to the NACE code, has no investment management activities, and therefore has no type of FSA registration or authorization. According to the information in the balance sheet for 2023, the

company had a share capital of lei 45000 / euro 9000, total assets of about lei 13 million / euro 2.6 million, debts of lei 10 million / euro 2 million and 12 employees.

We can rightly ask ourselves, by also taking into consideration the selection criteria proposed by the Board following the advice of NUMIS and approved by the shareholders in September 2024, which you should have respected: Do these two partners have the capacity to manage Fondul Proprietatea? (for example, criterion "a": "*Entity... who has experience and expertise in* ***invested mandates*** *in Romania and/or similar markets*" or criterion "d.": "*Internal resources necessary for the implementation of the investment mandate of Fondul Proprietatea...*")

**As we have reached this late stage in the selection process, shareholders need to be properly and fully informed about the compliance with the mandate given to the Board of Nominees.**

In view of all this, we call for the urgent and transparent publication of the following information:

1. **What was the selection matrix used to assess the candidates?**
2. **What information was requested when offers were submitted in November 2024? Have the candidates submitted the proposal to the remuneration structure (selection criterion "e")?**
3. **Please detail to what extent the CR preferred candidate meets the selection criteria based on which you have implemented this shareholder mandate.**
4. **What are the individual scores assigned to each candidate according to each evaluated criterion?**
5. **Who was the second-placed candidate and why was it not nominated, what experience and reputation does it have in fund management?**
6. **Have you consulted the views of significant shareholders, institutional or retail, in this process? If yes, please provide details of the consultations carried out.**
7. **What will the "*bidirectional due diligence*" process consist of? What exactly does the term "*bidirectional*" refer to?**
8. **Why has the full report by Deutsche Numis not been published and when do you intend to make it available to shareholders, given that it was the basis of a decision of strategic importance for the future of the Fund and has been paid from its resources?**

Fondul Proprietatea has solid reputation built in over a decade of professional administration under Franklin Templeton, with high standards of corporate governance, communication and performance. Fondul Proprietatea also made the Romanian capital market known internationally, thus attracting foreign investors. It is essential that this legacy be continued by a credible manager with proven expertise and an impeccable track record of capital market regulation and the protection of shareholders' interests.

In this regard, we respectfully ask the Board of Nominees to promptly respond to the questions submitted, to review this decision with maximum responsibility and to ensure a truly transparent, objective selection process, in the interest of all shareholders of the Fund.

Please post this letter as well as your reply. We agree to publish it and our names, as signatories.

Sincerely yours,

**Annex**

We recall the selection criteria ("*prepared and proposed by the Board of Nominees following the advice received by the Board of Nominees from Numis Securities Limited, member of the Deutsche Bank Group, and based on which the Board of Nominees will select the alternative investment fund manager* ") approved in the GMS of 27 September 2024

a. Established investment management entity operating to global standards in asset management, client servicing, compliance, financial reporting, investor relations, and risk management, and with experience and expertise in mandates invested in Romania and/or similar markets.

b. Proposal for Fondul Proprietatea's investment mandate which should predominantly be focused on continued investment in domestic entities, including state-owned enterprises, and which may involve further direct or indirect investment in unquoted entities.

c. Regulatory authorization necessary to implement Fondul Proprietatea's investment mandate, specifically an AIFM authorized as an alternative investment fund manager by the Romanian Financial Supervisory Authority or an EU-authorized AIFM with a credible basis for seeking a passport to operate in Romania.

d. Internal resources necessary to implement Fondul Proprietatea's investment mandate including operational capacity in Romania (or credible basis for establishing a Romanian office) (or credible proposal to put resources in place which may involve an outsourcing model).

e. Remuneration structure aligned with interests of shareholders as a whole in the long-term delivery of Fondul Proprietatea's investment mandate.

*Translation from Romanian language*

**Ensuring transparency at Fondul Proprietatea**

Given that the selection process for the new manager of Fondul Proprietatea ended with an expense of €700,000 paid to an external consultant and, in the end, with the selection of a local manager with relatively little experience, we would like to send an open letter to the Board of Nominees, requesting maximum transparency on how the selected candidate was reached at and the objective criteria that were used to make the selection.

The full document is available on our Facebook group:
https://www.facebook.com/groups/investitorifp

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3. **Please detail to what extent the BoN preferred candidate meets the selection criteria based on which you have implemented this shareholder mandate.**
4. **What are the individual scores assigned to each candidate according to each evaluated criterion?**
5. **Who was the second-placed candidate and why was it not nominated, what experience and reputation does it have in fund management?**
6. **Have you consulted the views of significant shareholders, institutional or retail, in this process? If yes, please provide details of the consultations carried out.**
7. **What will the "*bidirectional due diligence*" process consist of? What exactly does the term "*bidirectional*" refer to?**
8. **Why has the full report by Deutsche Numis not been published and when do you intend to make it available to shareholders, given that it was the basis of a decision of strategic importance for the future of the Fund and has been paid from its resources?**

Sarkany Istvan