FONDUL PROPRIETATEA S.A.
INTRARE ~~IEŞIRE~~ Nr. 920
Ziua 08 Luna 09 Anul 2025

To: Forvis Mazars Romania SRL

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Cc: **Fondul Proprietatea**, represented by Franklin Templeton International Services S.A.R.L., as sole director

Board of Nominees of Fondul Proprietatea

E-mail: office@fondulproprietatea.ro

Ref: **Reported acts under art. 164[1] par. (3) Law no. 31/1990 and request to perform an internal audit engagement covering the entire process carried out by the Board of Nominees for the selection of a new alternative investment fund manager**

We, the undersigned shareholders representing more than 5% of the voting rights of Fondul Proprietatea S.A.,

Axor Holding d.d., as a shareholder of Fondul Proprietatea holding **3,84 %** of its share capital and **4,06 %** of its voting rights;

Equinox d.d., as a shareholder of Fondul Proprietatea holding **2,88 %** of its share capital and **3,04 %** of its voting rights; and

Intus Invest d.o.o., as a shareholder of Fondul Proprietatea holding **0,20 %** of its share capital and **0,22 %** of its voting rights,

pursuant to our rights under art. 164[1] par. (3)[1] Law no. 31/1990 and Law no. 24/2017, hereby request that Mazars Romania, as internal auditor of the Fund, <u>ensure the performance of an internal audit engagement</u>

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[1] (1) Any shareholder has the right to report to the auditors any acts which they believe should be audited, and the auditors shall take these into account when drafting their report to the general meeting.

(2) If the report is made by shareholders representing, individually or together, at least 5% of the share capital - or a lower threshold, if provided by the articles of association - the auditors are obliged to investigate it. If they consider the complaint to be well-founded and urgent, they must immediately convene the general meeting and present their findings. Otherwise, they must submit the complaint for discussion at the next general meeting. The general meeting must adopt a resolution regarding the matters reported.

(3) In companies where internal auditors have been appointed pursuant to the law, any shareholder has the right to report to them any acts they believe should be verified. The internal auditors shall take these into account when drafting their report to the board of directors or, as applicable, the supervisory board. <u>If the report is made by shareholders</u>

covering the entire process carried out by the Board of Nominees for the selection of a new alternative investment fund manager and the engagement of related consultants.

Under Article 160 para. (2) of Law no. 31/1990 and Article 20 of Law no. 162/2017, entities subject to statutory audit are required to establish an internal audit function, operating in line with the International Standards for the Professional Practice of Internal Auditing. According to these standards, internal audit has the mandate to evaluate the effectiveness of governance, risk management, and control processes, including the review of procedures, documentation, and the use of allocated budgets.

Given the importance of the selection process, the concerns raised regarding the lack of transparency and the absence of a genuinely competitive assessment, the significant amounts already incurred by Fondul Proprietatea (based on the decision of the Board of Nominees) for engaging consultants, and the need to ensure transparency prior to the General Meeting of Shareholders scheduled for 29 September 2025, it is essential that the internal audit undertakes a thorough review of all procedures and operations related to this matter. Such a review will provide an objective assessment of how the process has been conducted and whether the resources allocated have been managed in accordance with applicable governance and control requirements.

The internal audit shall encompass all of the aspects set out below, together with any other related matters that are necessary for a comprehensive review of the process, all of which fall squarely within the mandate and professional responsibilities of the internal audit function as defined by law and applicable standards:

A. Selection and Engagement of Deutsche Numis as Consultant

- Reconstruct and analyse the timeline of the engagement of the consultant, from the first preliminary discussions with potential consultants, to requests of offers, signing of the engagement and the first deliverables.

- Review all preparatory discussions, correspondence, or documentation created prior to the formal request for offers and engagement, to establish whether all relevant consultants were considered on equal footing and whether the process was initiated in compliance with the applicable governance framework.

- Review requests for offers, terms of reference, any invitations sent to potential candidates and all correspondence with all potential candidates.

representing, individually or together, at least 5% of the share capital - or a lower threshold, if provided by the articles of association - the internal auditors are obliged to verify the reported acts. If the acts are confirmed, they shall be recorded in a report that will be communicated to the board of directors or, as applicable, the supervisory board, and made available to the general meeting. In this case, the board of directors or the supervisory board is obliged to convene the general meeting.

- Perform a comparative analysis of all offers received, including financial terms, scope of deliverables, and proposed methodologies, against the terms ultimately agreed with the selected consultant, in order to evaluate the consistency and objectivity of the decision-making process.

- Verify all offers/proposals received from candidates, the analyses performed, and the documentation supporting the decision to select Deutsche Numis.

- Review any negotiations of terms and conditions, including all correspondence of and between the BoN members, draft contracts, and final contractual arrangements.

- Verify approvals by the Board of Nominees for the engagement.

B. **Execution of Contract with Deutsche Numis**

- Review all deliverables prepared by Deutsche Numis (reports, analyses, presentations) and the correspondence of the BoN members with Deutsche Numis.

- Verify invoices issued and payments made, including supporting approvals and payment documentation.

- Review any correspondence or supporting documents evidencing the monitoring of Deutsche Numis' performance.

- Review any related BoN decisions.

C. Selection Process for the New Administrator (AIFM)

- Review the request for offers prepared and distributed by the Board of Nominees.

- Confirm the list of entities invited to participate and the list of entities that expressed interest and the list of entities that submitted an offer.

- Review whether the above (and the dates of the invitations and of the expressions of interest) are aligned with the dates of the current reports prepared by the Board of Nominees.

- Review all offers submitted, including accompanying documentation.

- Assess the evaluation criteria used and the analysis conducted on each candidate's offer.

- Assess whether all offers received from candidate administrators were analysed on a consistent and documented basis, including verification of whether evaluation criteria were applied uniformly across all candidates.

- Review the decision-making process of the Board of Nominees, including minutes, reports, and supporting documentation for the selection of the preferred candidate.

- Confirm whether the analysis addressed candidates' compliance with legal and regulatory requirements (e.g. licensing, authorization, eligibility to act as AIFM).

- Confirm whether the decisions of the BoN are consistent with the advice of Numis and any other advisor on the selection process.

D. **Due Diligence Process**

- Review the process for selecting the supplier(s) engaged to perform due diligence on candidates.

- Verify requests for offers, offers received, analyses performed, and decisions of the Board of Nominees.

- Review contracts with the due diligence providers, deliverables produced, invoices, payments, and approvals.

- Assess the adequacy of due diligence documentation obtained in relation to the requirements set out by the Board of Nominees and/or legal obligations.

- Review the timeline of the due diligence engagement, including any analyses or reports prepared before the formal conclusion of the engagement contract, and evaluate how such deliverables were considered in the decision to contract the selected due diligence provider.

- Assess the adequacy, objectivity, and depth of the due diligence deliverables obtained, by comparing the scope of work contracted with the actual content of the reports delivered, and by evaluating whether the reports appropriately addressed risks associated with the selected candidate.

- Review any related BoN decisions.

- Review the BoN evaluation of the financial strength of the Impetum Management SRL, which is presented in the construction of IRE AIFM application as the company that will play a key role in the proposed administration process of FP as such:

cod unic de identificare:43414766

DENUMIRE INDICATORI	
Indicatori din BILANT	
ACTIVE IMOBILIZATE - TOTAL	7965791
ACTIVE CIRCULANTE - TOTAL, din care	5380811
Stocuri (materii prime, materiale, productie in curs de executie, semifabricate, produse finite, marfuri etc.)	-
Creante	5328167
Casa si conturi la banci	52644
CHELTUIELI IN AVANS	169095
DATORII	10843799
VENITURI IN AVANS	29771
PROVIZIOANE	75084
CAPITALURI - TOTAL, din care:	2567043
Capital subscris varsat	45000
Patrimoniul regiei	-
Indicatori din CONTUL DE PROFIT SI PIERDERE	
Cifra de afaceri neta	9153577
VENITURI TOTALE	10193622
CHELTUIELI TOTALE	10580119
Profitul sau pierderea brut(a)	
-Profit	0
-Pierdere	386497
Profitul sau pierderea net(a) a exercitiului financiar	
-Profit	0
-Pierdere	481844
Indicatori din DATE INFORMATIVE	
Numar mediu de salariati	11
Tipul de activitate, conform clasificarii CAEN	Activitati de consultanta pentru afaceri si

According to the final financial data for 2024, and submitted in 2025 to the Ministry of Finance, publicly available data, the company Impetum Management SRL (CUI 43414766) has equity in the amount of RON 2567043 (EUR 500K) and debts of RON 10843799 (over EUR 2M). In addition, the company recorded a net loss of RON 481844 (EUR 96K) in the last fiscal year (2024).

Based on the above

- Review if the financial information reviewed as part of the due diligence process.
- If such process was performed, how were the following aspects addressed in the due diligence process:

1. Review what due diligence criteria have been employed. Inquire if and why the consortium was considered not only acceptable, but also worthy of recommendation.
2. Assess the due diligence process on the capital strength (the capital employed) if the shareholders of Fondul Proprietatea will have to resort to the financial responsibility of the administrator. Identify any gaps
3. Review the link between the financial strength of the Luxembourg company IRE AIFM Hub SARL (which, in turn, according to public data at the end of the 2023 accounting year (the last available) equity in the amount of EUR 0.4M and debts of EUR 0.8M, total revenues of EUR 1.1M at which it records a net loss of EUR 0.08M) and the strength of Impetum Management. Identify any gaps that will preclude the shareholders of Fond Proprietatea from protecting their investment against abuses, in the context of the capital committed by the proposed consortium is approximately 1000 times lower than the Fund's assets in the case of IRE AIFM Hub SARL, respectively 800 times lower in the case of Impetum Management SRL.

E. General Catch-All

- Review any other documents, correspondence, approvals, or materials related to the selection process, the engagement of consultants, and the execution of the approved budget, that may be necessary to provide a complete picture of the procedures followed by the BoN.

- Reconstruct the full chronology of events and verify consistency across documentation (budget approval, consultant engagement, offers, evaluations, decisions, contracts, invoices, disclosures).

- Identify any gaps, inconsistencies, or missing documentation in the process.

Axor holding d.d.	**Equinox d.d.**	**Intus Invest d.o.o.**
Executive director	**Executive director**	**Director**
Peter Krivc	**Matej Rigelnik**	**Peter Krivc**