

COMPARATIVE TABLE ON THE PROPOSED CHANGES OF FONDUL PROPRIETATEA'S CONSTITUTIVE ACT¹
- 28 APRIL 2020 SHAREHOLDERS' MEETING -

Article	Current form	Proposed changes	Comments
Article 2	<p>(1) "Fondul Proprietatea" - S.A., hereinafter referred to as Fondul Proprietatea, is a Romanian legal person, set up as a joint-stock company.</p> <p>(2) Fondul Proprietatea is organized, operates and ceases its activity under the provisions of Law No. 247/2005 on property and justice reform, and additional measures, as further amended and completed, of Law No. 297/2004 on the capital market, as further amended and completed, and of Company Law No. 31/1990, republished, as further amended and completed.</p> <p>(3) Fondul Proprietatea is set up as an undertaking for collective investment (A.O.P.C.), of the closed-end-type, as defined by Art. 114 (1) letter b) of Law No. 297/2004, as further amended and completed and qualifies as an Alternative Investment Fund as defined by Law no. 74/2015 regarding the alternative investment fund managers that implemented in Romania Directive 2011/61/EU on alternative investment fund managers, as amended.</p>	<p>(1) "Fondul Proprietatea" - S.A., hereinafter referred to as Fondul Proprietatea, is a Romanian legal person, set up as a joint-stock company.</p> <p>(2) Fondul Proprietatea is organized, operates and ceases its activity under the <u>legal provisions in force of Law No. 247/2005 on property and justice reform, and additional measures, as further amended and completed, of Law No. 297/2004 on the capital market, as further amended and completed, and of Company Law No. 31/1990, republished, as further amended and completed.</u></p> <p>(3) Fondul Proprietatea is set up as an <u>alternative investment fund (A.I.F.) undertaking for collective investments (A.O.P.C.), addressed to retail investors, constituted as investment company</u> of the closed-end-type; as defined by Art. 114 (1) letter b) of Law No. 297/2004, as further amended and completed and qualifies as an Alternative Investment Fund as defined by Law no. 74/2015 regarding the alternative investment fund managers that implemented in Romania Directive 2011/61/EU on alternative investment fund managers, as amended.</p>	<p>These amendments are imposed by the entry into force of 243/2019 on alternative investment funds and for the amendment and completion of other legislation („Law no. 243/2019”), on the basis of which the legal classification of FP was changed (from AOPC to AIF, according to art. 80 para. (1)).</p>
Article 3	<p>(1) The registered office of Fondul Proprietatea is located in Bucharest, 78-80 Buzesti Street, floor 7th, Sector 1; the headquarters may be changed to any other location in Romania, by decision of the asset management company (Alternative Investment Fund Manager), according to article 21 paragraph (3) xii).</p>	<p>(1) The registered office of Fondul Proprietatea is located in Bucharest, 78-80 Buzesti Street, floor 7th, Sector 1; the headquarters may be changed to any other location in Romania, by decision of the asset management company (Alternative Investment Fund Manager), according to article 21 paragraph (3) xii).</p>	<p>The amendment is only a correction of a drafting error, regarding a reference to another paragraph of the same article in the Constitutive Act.</p>

¹ If approved by shareholders, these amendments will be effective subject to their endorsement by the FSA, where required by applicable law or regulation.

	(2) The Company may set up secondary headquarters such as branches, representative offices, working points or other units with no legal personality, under the terms provided by law.	(2) The Company may set up secondary headquarters such as branches, representative offices, working points or other units with no legal personality, under the terms provided by law.	
Article 8 paragraph (2)	(2) The share capital may be increased, in accordance with the provisions of the law, by: a) by issuing new shares in exchange for cash contributions; b) incorporating reserves, except for the legal reserves and of the reserves created out of the re-evaluation of the patrimony, as well as of the benefits and issuing premiums.	(2) The share capital may be increased, in accordance with the provisions of the law, by : a) by issuing new shares in exchange for cash contributions; b) <u>by</u> incorporating reserves, except for the legal reserves and of the reserves created out of the re-evaluation of the patrimony, as well as of the benefits and issuing premiums.	The amendment is only a correction of a drafting error.
Article 12	(1) The general meeting of the shareholders may be ordinary and extraordinary. (2) The ordinary general meeting of the shareholders has the following competencies, duties and functions: a) to discuss, approve and amend the annual financial statements after reviewing the reports of the Alternative Investment Fund Manager and financial auditor; b) to establish the distribution of the net profit and to establish the dividends; c) to appoint the members of the Board of Nominees (“BoN”) and to cancel their appointment; d) to appoint the Alternative Investment Fund Manager in accordance with the law and to cancel its appointment; e) to appoint and cancel the appointment of the financial auditor and to set the minimum duration of the financial audit agreement; f) to set the level of the remuneration of the members of the Board of Nominees, the Alternative Investment Fund Manager and of the financial auditor for financial audit services for the ongoing fiscal year;	(1) The general meeting of the shareholders may be ordinary and extraordinary. (2) The ordinary general meeting of the shareholders has the following competencies, duties and functions: a) to discuss, approve and amend the annual financial statements after reviewing the reports of the Alternative Investment Fund Manager and financial auditor; b) to establish the distribution of the net profit and to establish the dividends; c) to appoint the members of the Board of Nominees (“BoN”) and to cancel their appointment; d) to appoint the Alternative Investment Fund Manager in accordance with the law and to cancel its appointment; e) to appoint and cancel the appointment of the financial auditor and to set the minimum duration of the financial audit agreement; f) to set the level of the remuneration of the members of the Board of Nominees, the Alternative Investment Fund Manager and of the financial auditor for financial audit services for the ongoing fiscal year;	(a) The introduction of letter (l) at the second paragraph: we aim to introduce the approval by the GMS of the conclusion of significant transactions with related parties, if their value exceeds 5% of the net assets value, in order to align the FP corporate governance with the one practiced in the UK system, taking into account the fact that the depositary receipts having as support shares issued by FP are traded on the London Stock Exchange. We also consider that the approval by the GMS of the conclusion of significant transactions with related parties increases the transparency towards shareholders and anticipates the issuers’ position towards such transactions once the draft amendment of Law no. 24/2017 regarding issuers of financial instruments and market

	<p>g) to rule over the management of the Alternative Investment Fund Manager and to evaluate his/her performances and to discharge him/her from its management,</p> <p>h) to decide on the action in a court of law against the Alternative Investment Fund Manager or, as the case may be, against the financial audit, for damages caused to Fondul Proprietatea;</p> <p>i) to approve the strategies and the development policies of Fondul Proprietatea;</p> <p>j) to establish the annual income and expenditure budget for the following financial year;</p> <p>k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea;</p> <p>l) to decide on any other aspects regarding Fondul Proprietatea, according to the legal duties.</p> <p>(3) The extraordinary general meeting of the shareholders is entitled to decide on the following:</p> <p>a) set-up or closing of some secondary units: branches, agencies, representative offices or other such units with no legal personality;</p> <p>b) share capital increase;</p> <p>c) share capital decrease or re-completion thereof by issuing new shares;</p> <p>d) conversion of shares from one category to another;</p> <p>e) conversion of a category of bonds to another category or to shares;</p> <p>f) issue new bonds;</p> <p>g) approves the admission for trading and nominates the regulated market on which the shares of Fondul Proprietatea will be traded;</p>	<p>g) to rule over the management of the Alternative Investment Fund Manager and to evaluate his/her performances and to discharge him/her from its management,</p> <p>h) to decide on the action in a court of law against the Alternative Investment Fund Manager or, as the case may be, against the financial audit, for damages caused to Fondul Proprietatea;</p> <p>i) to approve the strategies and the development policies of Fondul Proprietatea;</p> <p>j) to establish the annual income and expenditure budget for the following financial year;</p> <p>k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea;</p> <p><u>l) to approve significant related parties' transactions, if their value is greater than 5% of the net asset value, at the proposal of the AIFM;</u></p> <p>m) to decide on any other aspects regarding Fondul Proprietatea, according to the legal duties.</p> <p>(3) The extraordinary general meeting of the shareholders is entitled to decide on the following:</p> <p>a) set-up or closing of some secondary units: branches, agencies, representative offices or other such units with no legal personality;</p> <p>b) share capital increase;</p> <p>c) share capital decrease or re-completion thereof by issuing new shares;</p> <p>d) conversion of shares from one category to another;</p> <p>e) conversion of a category of bonds to another category or to shares;</p> <p>f) issue new bonds;</p>	<p>operations through which Shareholder's Rights Directive (SRD II) is transposed.</p> <p>(b) Elimination of the abbreviations "S.A." at letter (h) of the third paragraph: this amendment is justified by reasons of simplification and fluency of the Constitutive Act's text, with the aim of eliminating the abbreviation throughout the entire text of the Constitutive Act.</p>
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	<p>h) the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;</p> <p>i) change of the management system of Fondul Proprietatea;</p> <p>j) limitation or cancellation of the preference right of the shareholders;</p> <p>k) approves the Investment Policy Statement;</p> <p>l) any other amendment of the constitutive act or any other resolution requiring the approval of the extraordinary general meeting of the shareholders, according to applicable law or to this Constitutive Act.</p>	<p>g) approves the admission for trading and nominates the regulated market on which the shares of Fondul Proprietatea will be traded;</p> <p>h) the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea S.A., whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea S.A., less receivables;</p> <p>i) change of the management system of Fondul Proprietatea;</p> <p>j) limitation or cancellation of the preference right of the shareholders;</p> <p>k) approves the Investment Policy Statement;</p> <p>l) any other amendment of the constitutive act or any other resolution requiring the approval of the extraordinary general meeting of the shareholders, according to applicable law or to this Constitutive Act.</p>	
<p>Article 14 paragraphs (1), (2) and (7)</p>	<p>(1) Upon the first calling, for the validity of the deliberations of the ordinary general meeting of the shareholders it is required that the shareholders representing at least a fourth of the total shares with right to vote to attend. The decisions of the ordinary general meeting of the shareholders are taken with the majority of votes.</p> <p>(2) In case the ordinary general meeting of the shareholders cannot operate due to lack of quorum under paragraph (1), the meeting that will meet upon a second convocation may deliberate on the items included in the agenda of the first meeting, irrespective of the met quorum, taking decision by majority of the expressed votes.</p> <p>.....</p>	<p>(1) Upon the first calling, for the validity of the deliberations of the ordinary general meeting of the shareholders it is required that the shareholders representing at least a fourth of the total shares with right to vote to attend. The decisions of the ordinary general meeting of the shareholders are taken with the majority of expressed <u>votes held by the shareholders attending or being represented.</u></p> <p>(2) In case the ordinary general meeting of the shareholders cannot operate due to lack of quorum under paragraph (1), the meeting that will meet upon a second convocation may deliberate on the items included in the agenda of the first meeting, irrespective of the met quorum, taking decision by majority of the expressed <u>votes held by the shareholders attending or being represented.</u></p> <p>.....</p>	<p>(a) The amendment of paragraphs (1) and (2): we intend to introduce the same formula for calculating the majority for the adoption of an OGMS decision with the one used for the adoption of an EGMS decision, respectively: the total of the votes “for” computed against the sum of all the present votes “for”+ votes “against”+ votes “abstain” + votes annulled + votes not expressed at all.</p> <p>Considering that by modifying the voting formula, a higher majority requirement is introduced, we consider that the modification of the voting formula for adopting the OGMS decisions is in line with the</p>

	<p>(7) On the day and hour established in the convocation, the general meeting of the shareholders shall be opened by the permanent representative of the Alternative Investment Fund Manager or, in its absence, by the one holding its place. A legal representative of the Alternative Investment Fund Manager or a person appointed by the legal representative of the Fund Manager shall be the chairman of the meeting. The members of the Board of Nominees shall participate at the meetings, as well.</p>	<p>(7) On the day and hour established in the convocation, the general meeting of the shareholders shall be opened by the permanent representative of the Alternative Investment Fund Manager or, in its absence, by the one holding its place. A <u>legal permanent</u> representative of the Alternative Investment Fund Manager or a person appointed by the <u>it</u> legal representative of the Fund Manager shall be the chairman of the meeting. The members of the Board of Nominees shall participate at the meetings, as well.</p>	<p>provisions of art. 112 para. (1) of the Companies' Law no. 31/1990, according to which: <i>"The decisions of the ordinary shareholders meetings are taken with the majority of casted votes. The constitutive act may provide for higher quorum and majority requirements"</i>.</p> <p>The purpose of this amendment is to avoid repeating the situation created at the September 4, 2019 OGMS, when, due to the OGMS voting formula, both points on the agenda were approved for the election of a member of the FP Board of Nominees, even if there was only one vacant role.</p> <p>(b) The amendment of paragraph (7): according to the legal requirement described in art. 153¹³ Companies' Law no. 31/1990, Franklin Templeton International S.a.r.l. Luxembourg, as sole manager of FP, legal entity, appointed several natural persons as permanent representatives. Legally, the representation of a legal person by a natural person is confined to the legal institution of legal representation. The amendment that we have introduced thus aims to highlight that the permanent representatives are the persons appointed by the sole manager for the management of FP.</p>
<p>Article 15 paragraph (2)</p>	<p>(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. The members of the Board of Nominees may be shareholders of Fondul</p>	<p>(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. <u>The nomination will be accompanied by the questionnaire regarding the independence of the candidate, completed</u></p>	<p>The completion of questionnaires on their independence by the candidates to the positions of members of the Board of</p>

	<p>Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the Alternative Investment Fund Manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by the investment policy as well as by the applicable laws and regulations. Also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Alternative Investment Fund Manager needing the approval of the Board of Nominees are made to the advantage of the shareholders.</p>	<p><u>and signed by the candidate, whose template shall be available in the informative materials, following that, this questionnaire will be brought to the attention of the shareholders.</u> The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the alternative investment fund manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by the investment policy as well as by the applicable laws and regulations. also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the alternative investment fund manager needing the approval of the Board of Nominees are made to the advantage of the shareholders.</p>	<p>Nominees is already a practice in place at the level of the FP, so, by this amendment, we aim to increase the transparency of the selection process towards the FP shareholders.</p>
<p>Article 17 paragraph (11) and (21)</p>	<p>(11) Monitors the following, based on information and reports received from the Fund Manager:</p> <ul style="list-style-type: none"> • the list of all portfolio investments and percentage breakdown by each investment type; • a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review; • the total profit of the portfolio and comparison of profit with the appropriate market benchmark; • comparison of the obtained profit with the initial objective; • the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out therein are achieved, as well as any variations and actions taken to achieve such objectives and improve investment results; 	<p>(11) Monitors the following, based on information and reports received from the <u>Alternative Investment</u> Fund Manager:</p> <ul style="list-style-type: none"> • the list of all portfolio investments and percentage breakdown by each investment type; • a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review; • the total profit of the portfolio <u>companies</u> and comparison of profit with the appropriate market benchmark; • comparison of the obtained profit with the initial objective; • the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out therein are achieved, as 	<p>(a) The amendment of paragraph (11): aims to describe more accurately describe the type / method of monitoring and reporting that the AIFM performs towards the Board of Nominees regarding FP portfolio companies.</p> <p>(b) The amendement of paragraph (21): has the purpose of aligning the provisions of the Constitutive Act with the correct name of the management agreement concluded between FP and the AIFM.</p>

	<ul style="list-style-type: none"> • the performance evaluation report. <p>The Board of Nominees shall draft and present to the general meeting of the shareholders an annual report regarding the monitoring activity performed or a monitoring report for another period agreed by the general meeting of shareholders;</p> <p>.....</p> <p>(21) Is responsible for monitoring the Alternative Investment Fund Manager performance of the Investment Management Agreement.</p>	<p>well as any variations and actions taken to achieve such objectives and improve investment results;</p> <ul style="list-style-type: none"> • the performance evaluation report. <p>The Board of Nominees shall draft and present to the general meeting of the shareholders an annual report regarding the monitoring activity performed or a monitoring report for another period agreed by the general meeting of shareholders;</p> <p>.....</p> <p>(21) Is responsible for monitoring the Alternative Investment Fund Manager performance according to of the investment-Management Agreement.</p>	
<p>Article 19</p>	<p>(1) Shareholders of Fondul Proprietatea designate the Alternative Investment Fund Manager (AIFM) for the purpose of managing it. The AIFM has also the sole director role.</p> <p>(2) The Alternative Investment Fund Manager is elected by the general meeting of the shareholders, with the observance of the legal provisions and of this constitutive act.</p> <p>(3) The mandate of the AIFM is of 2 years. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of the mandate of the AIFM and will ensure that the agenda for such meeting will include points granting the options to (i) approve the renewal of the AIFM's mandate and (ii) appoint a new AIFM in accordance with the legal provisions in force, with the shareholders being granted the opportunity to propose candidates for such position; the agenda will also include provisions for the authorization of the negotiation and execution of the relevant investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment.</p>	<p>(1) Shareholders of Fondul Proprietatea designate the Alternative Investment Fund Manager (AIFM) for the purpose of managing it. The AIFM has also the sole director role.</p> <p>(2) The Alternative Investment Fund Manager is elected by the general meeting of the shareholders, with the observance of the legal provisions and of this constitutive act.</p> <p>(3) The mandate of the AIFM is <u>for</u> of 2 years. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of <u>its</u> the mandate of the AIFM and will ensure that the agenda for such meeting will include <u>points granting the options to (i) approve the renewal of the AIFM's mandate. If such point is rejected, the AIFM or the Board of Nominees will immediately convene an Ordinary General Meeting of Shareholders for</u> and (ii) the appointment of a new AIFM in accordance with the legal provisions in force, with the shareholders being granted the opportunity to propose candidates for such position; the agenda will also include provisions for the authorization of the negotiation and execution of the relevant investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment.</p>	<p>(a) The amendment of paragraph (3): we intend to eliminate the introduction of alternative voting points on the agenda, in order to avoid affirmative / negative votes for both such points. Thus, the shareholders will initially have the right to express their option regarding the continuation of the current mandate of the AIFM, and, if voting against the continuation of the mandate, the AIFM will organize another OGM for the election of a new AIFM.</p> <p>(b) The amendments of paragraphs (4) and (5): these amendments aim to align the language used in the entire Constitutive Act, respectively for the purpose of aligning the provisions of the Constitutive Act with the correct name of the management agreement concluded between FP and the AIFM.</p>

	<p>(4) The legal entity appointed as Alternative Investment Fund Manager of Fondul Proprietatea must expressly accept such position, by executing the management agreement and must have in place professional liability insurance.</p> <p>(5) The Investment Management Agreement can be modified or replaced in accordance with article 12 and 14, with the approval of the shareholders. Any replacement document or addendum of the Investment Management Agreement will be signed on behalf of Fondul Proprietatea by the chairman of the Board of Nominees or by a member of the Board of Nominees empowered by the chairman.</p>	<p>(4) The AIFM legal entity appointed as Alternative Investment Fund Manager of Fondul Proprietatea must expressly accept such position, by executing the management agreement and must have in place professional liability insurance.</p> <p>(5) The Investment Management Agreement can be modified or replaced in accordance with articles 12 and 14, with the approval of the shareholders. Any replacement document or addendum of the Investment Management Agreement will be signed on behalf of Fondul Proprietatea by the chairman of the Board of Nominees or by a member of the Board of Nominees empowered by the chairman.</p>	
<p>Article 21 paragraph (4)</p>	<p>(4) In excess of the duties provided by the applicable law, the Alternative Investment Fund Manager shall be liable to:</p> <p>i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;</p> <p>ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining the prior approval of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;</p> <p>iii) ensure that, if requested by any of the shareholders, a copy of or extract of the minutes of the general meeting shall be given to them and also, after the announcement of the ordinary annual general meeting of the shareholders is published, make available to the shareholders the financial statements of the company and the reports of the Fund Manager and of the company's financial auditors,</p> <p>iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors'</p>	<p>(4) In excess of the duties provided by the applicable law, the Alternative Investment Fund Manager shall be liable to:</p> <p>i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;</p> <p>ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses after obtaining the prior approval of the Board of Nominees, regarding the aspects concerning the business of Fondul Proprietatea;</p> <p>iii) ensure that, if requested by any of the shareholders, a copy of or extract of the minutes of the general meeting shall be given to them and also, after the announcement of the ordinary annual general meeting of the shareholders is published, make available to the shareholders the financial statements of the company and the reports of the AIFM Fund Manager and of the company's financial auditors;</p>	<p>(a) The amendments of letters (iii), (ix) and (x): are aimed to align the language used in the entire Constitutive Act.</p> <p>(b) The introduction of letter (xvii): is justified by the same arguments described for the introduction of letter (l) in the second paragraph of Article 12, respectively the anticipation of the entry into force of the corporate governance rules to be imposed by SRD II and the harmonization with the practice of the companies listed on the LSE. Thus, if the value of the transactions with related parties will be between 0.25% and 5% of the net assets value, the AIFM will request the approval of the Board of Nominees, and if the value exceeds 5%, the AIFM will request the GMS approval.</p>

	<p>report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;</p> <p>v) manages the relationship with the Central Depository with regard to its shareholders register functions,</p> <p>vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;</p> <p>vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;</p> <p>viii) approves the outsourcing of certain activities, within the limits of the approved budget, respectively the delegation of the performance of certain activities, subject to the observance of the applicable legislation;</p> <p>ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;</p> <p>x) execute contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value does not exceed, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables, without the approval of the ordinary or extraordinary general shareholders' meeting;</p>	<p>iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;</p> <p>v) manages the relationship with the Central Depository with regard to its shareholders register functions;</p> <p>vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;</p> <p>vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;</p> <p>viii) approves the outsourcing of certain activities, within the limits of the approved budget, respectively the delegation of the performance of certain activities, subject to the observance of the applicable legislation;</p> <p>ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea S.A., whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea S.A., less receivables;</p> <p>x) execute contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea S.A., whose value does not exceed, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea S.A., less receivables, without the approval of</p>	
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<p>xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;</p> <p>xii) decide the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;</p> <p>xiii) make available to the Board of Nominees the reports, as well as other necessary documents for exercising the monitoring duties, in accordance with art. 17 paragraph (11);</p> <p>xiv) inform at once the Board of Nominees of any litigation or infringement of legislation regarding Alternative Investment Fund Manager, any operation which might be an infringement to the investment policy and about the plans/ correction measures for approaching these matters;</p> <p>xv) ask for the calling of the general meeting which shall decide properly whenever an issue appears on which the Board of Nominees has a disagreement with the Alternative Investment Fund Manager, which cannot be resolved amiably;</p> <p>xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration, when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea.</p>	<p>the ordinary or extraordinary general shareholders' meeting;</p> <p>xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;</p> <p>xii) decide the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;</p> <p>xiii) make available to the Board of Nominees the reports, as well as other necessary documents for exercising the monitoring duties, in accordance with art. 17 paragraph (11);</p> <p>xiv) inform at once the Board of Nominees of any litigation or infringement of legislation regarding Alternative Investment Fund Manager, any operation which might be an infringement to the investment policy and about the plans/ correction measures for approaching these matters;</p> <p>xv) ask for the calling of the general meeting which shall decide properly whenever an issue appears on which the Board of Nominees has a disagreement with the Alternative Investment Fund Manager, which cannot be resolved amiably;</p> <p>xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration, when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea;</p> <p><u>xvii) approve any related parties transactions, and, if the related parties transactions' value is greater than 0.25% of the net asset value, to ask for the Board of Nominees'</u></p>	
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Article 24 paragraphs (1) and (10)	<p>(1) The financial statements of Fondul Proprietatea are subject to financial audit. Also, Fondul Proprietatea shall organise its internal audit in accordance with the legal provisions in force.</p> <p>.....</p> <p>(10) The internal audit shall give quarterly reports to the Board of Nominees of Fondul Proprietatea and the Alternative Investment Fund Manager regarding the purpose of the internal audit activity, authority, responsibility and performance according to its plan. The reports shall include also the significant risks and aspects of the control and management, as well as other necessary problems or as requested by the Board of Nominees and the Alternative Investment Fund Manager.</p>	<p>(1) The financial statements of Fondul Proprietatea are subject to financial audit <u>in accordance with the applicable laws and regulations</u>. Also, Fondul Proprietatea shall organise its internal audit in accordance with the legal provisions in force.</p> <p>.....</p> <p>(10) The internal audit shall <u>present give periodical quarterly</u> reports to the Board of Nominees of Fondul Proprietatea and the Alternative Investment Fund Manager regarding the purpose of the internal audit activity, authority, responsibility and performance according to its <u>internal audit</u> plan. The reports shall include also the significant risks and aspects of the control and management, as well as other necessary problems or as requested by the Board of Nominees and the Alternative Investment Fund Manager.</p>	<p>(a) The introduction of the completion in paragraph (1): aims to cover the fact that the financial statements of FP are subject not only to financial audit in accordance with the Romanian legislation, but also in accordance with the international financial audit standards. It also clarifies that not all financial statements of FP are audited as it could have been understood from the previously used wording, but only those for which it is stipulated in the legislation that the financial audit must be performed (for example, interim financial statements are not subject to financial audit, but only the annual financial statements are audited).</p> <p>(b) The amendment of paragraph (10): this amendment aims to clarify the recurrence and method used by the internal audit to report to the Board of Nominees and to the AIFM (respectively whenever is considered necessary according to the requirements of the members of the Board of Nominees and of the AIFM).</p>
Article 27	<p>(1) The accounting is kept in Romanian language and in national currency.</p> <p>(2) Fondul Proprietatea must draft the annual financial statements according to legal provisions in force.</p>	<p>(1) The accounting is kept in Romanian language and in national currency.</p> <p>(2) Fondul Proprietatea must draft the annual financial statements according to legal provisions in force <u>and to</u></p>	<p>This completion aims to cover the fact that the financial statements of FP are not only prepared in accordance with the Romanian legislation, but also in accordance with the international</p>

		<u>the applicable accounting and financial reporting standards.</u>	accounting and financial standards (IFRS).
Article 28	<p>(1) The result of the financial year is determined at the end of the year and represents the final balance of the profit and loss account.</p> <p>(2) The profit of Fondul Proprietatea after the payment of the profit tax shall be distributed according to the decision of the general meeting of the shareholders and to the legal provisions in force.</p> <p>(3) Fondul Proprietatea creates legal reserves and other reserves, pursuant to the law.</p> <p>(4) The payment of dividends owed to the shareholders is made by Fondul Proprietatea, according to the law.</p> <p>(5) The dividends are distributed between the shareholders proportional with the number of held shares.</p> <p>(6) In case of loss of the net asset, the general meeting of the shareholders shall analyse the causes and decide properly, according to the law.</p>	<p>(1) The result of the financial year is determined at the end of the year and represents the final balance of the profit and loss account.</p> <p>(2) The <u>accounting</u> profit of Fondul Proprietatea, <u>as reflected in the audited financial statements</u>, after the payment of the profit tax shall be distributed <u>by applying the Annual Cash Distribution Policy and</u> according to the decision of the general meeting of the shareholders and to the legal provisions in force.</p> <p>(3) Fondul Proprietatea creates <u>must record the</u> legal reserves and <u>any</u> other reserves, pursuant to the law.</p> <p>(4) The payment of dividends owed to the shareholders is made by Fondul Proprietatea, according to the law.</p> <p>(5) The dividends are distributed between the shareholders proportional with the number of <u>paid</u> shares <u>held at the relevant registration date</u>.</p> <p>(6) In case of loss of the net asset, the general meeting of the shareholders shall analyse the causes and decide properly, according to the law.</p>	<p>(a) The amendments of paragraph (2): specifying that only the accounting profit as reflected in the audited financial statements can be distributed clarifies the situation that may result as there are other elements that need to be deducted before arriving at distributable profit (e.g. legal reserves).</p> <p>The reference to Annual Cash Distribution Policy aims to increase transparency towards shareholders regarding this corporate document assumed by the AIFM in its management of FP.</p> <p>(b) The amendment of paragraph (3): considering that legal reserves are not the only reserves constituted by FP, we aligned the language to more accurately reflect the situation of the FP reserves.</p> <p>(c) The amendment of paragraph (5): considering the difference between the subscribed and the paid share capital of FP (the difference being equal to the unpaid shares of the Romanian State), we introduced this amendment to clarify that only the shares paid on the registration date give the right to dividends for the shareholders.</p>
Article 29	Fondul Proprietatea shall maintain, by care of the Alternative Investment Fund Manager and internal	Fondul Proprietatea shall maintain, by care of the Alternative Investment Fund Manager and internal	The elimination is due to the fact that, according to the legal provisions, the

	auditors, all registries provided by the law. The shareholders registry is kept by the Central Depository.	auditors , all registries provided by the law. The shareholders registry is kept by the Central Depository.	internal auditors of FP do not keep any register.
Article 31 paragraph (1)	<p>(1) The dissolution of Fondul Proprietatea shall take place in the following cases:</p> <p>a) impossibility of performing the company's business object;</p> <p>b) declaring the company's nullity;</p> <p>c) by decision of the extraordinary general meeting of the shareholders, in accordance with article 14 paragraphs (4) and (5);</p> <p>d) as consequence of losses, if the net asset value, determined as difference between the total asset and company's debts, represents less than half of the value of the subscribed share capital and if, not later than the termination of the financial year subsequent to the one during which the losses have been ascertained, the general meeting of the shareholders fails to decrease the share capital with an amount at least equal with the one of losses which could not be covered from reserves or to reconstitute the company's net asset up to the value at least equal with half of the subscribed share capital.</p> <p>e) opening of the bankruptcy procedure;</p> <p>f) the number of shareholders reduces under the legal minimum;</p> <p>g) other causes provided by the law or by this constitutive act.</p>	<p>(1) The dissolution of Fondul Proprietatea shall take place in the following cases:</p> <p>a) impossibility of performing the company's business object;</p> <p>b) declaring the company's nullity;</p> <p>c) by decision of the extraordinary general meeting of the shareholders, in accordance with article 14 paragraphs (4) and (5);</p> <p>d) as consequence of losses, if the net asset value, determined as difference between the total asset and company's debts, <u>as reflected in the audited financial statements</u>, represents less than half of the value of the subscribed share capital and if, not later than the termination of the financial year subsequent to the one during which the losses have been ascertained, the general meeting of the shareholders fails to decrease the share capital with an amount at least equal with the one of losses which could not be covered from reserves or to reconstitute the company's net asset up to the value at least equal with half of the subscribed share capital;</p> <p>e) opening of the bankruptcy procedure;</p> <p>f) the number of shareholders reduces under the legal minimum;</p> <p>g) other causes provided by the law or by this constitutive act.</p>	<p>The completion is intended to emphasize that the elements considered for the calculation of the net assets for the purpose of this article are those resulted from the audited financial statements of the Fund and not those from the monthly NAV report submitted to the ASF, whereas the net assets value as per financial statements may differ from the value of net assets as per monthly FSA NAV report due to the different standards applicable for the preparation of the two reports.</p>
Article 32	<p>(1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure.</p> <p>(2) The liquidation of Fondul Proprietatea and distribution of the patrimony are made in accordance with the law.</p>	<p>(1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure.</p> <p>(2) <u>Without being set a certain date for liquidation of Fondul Proprietatea</u>, the liquidation of Fondul Proprietatea and distribution of the patrimony are made in accordance with the law.</p>	<p>This completion transposes the provisions of art. 20 para. (2) corroborated with art. 8 para. (1) letter c) of Law no. 243/2019, according to which the constitutive act of an alternative investment fund constituted as and investment company of closed-end</p>

			type must provide the liquidation date, in FP's case this date being undetermined.
Article 34	<p>(1) The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitation provided by the legal provisions in force and of this Constitutive Act.</p> <p>(2) Fondul Proprietatea shall be subject to the investment restrictions provided under Law No. 247/2005 on property and justice reform, and additional measures, as further amended and completed, of Law No. 297/2004 on the capital market, as further amended and completed as well as any other applicable law or regulation.</p> <p>(3) Subject to the terms of this Constitutive Act, of the IMA and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.</p> <p>(4) Prudential rules concerning the investment policy will be by approved by the shareholders through Investment Policy Statement.</p>	<p>(1) The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitation provided by the legal provisions in force and of this Constitutive Act.</p> <p>(2) Fondul Proprietatea shall be subject to the investment restrictions provided under Law no. <u>243/2019 on alternative investment funds and for the amendment and completion of other legislation</u> Law No. 247/2005 on property and justice reform, and additional measures, as further amended and completed, of Law No. 297/2004 on the capital market as well as any other applicable law or regulation.</p> <p>(3) Subject to the terms of this Constitutive Act, of the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.</p> <p>(4) Prudential rules concerning the investment policy will be approved by the shareholders through Investment Policy Statement.</p>	<p>Given the fact that the Law no. 243/2019 introduces and modifies the investment limits applicable to FP, this completion has the role to reflect the new applicable provisions.</p>