

Memo regarding the internal audit report prepared by the internal auditor related to the selection process conducted by the former Board of Nominees for choosing a new alternative investment fund manager

According to Art. 164¹ of Law no. 31/1990 on companies, republished, with subsequent amendments and completions:

- 1. Any shareholder has the right to report to the auditors any acts they believe should be audited, and the auditors shall take them into account when preparing their report to the general meeting.*
- 2. If the complaint is made by shareholders representing, individually or together, at least 5% of the share capital, or a smaller percentage if provided by the articles of incorporation, the auditors are required to verify it. If they consider the complaint well-founded and urgent, they must immediately convene the general meeting and present their observations. Otherwise, they must put the complaint on the agenda at the next meeting. The general meeting must make a decision regarding the matters complained of.*
- 3. In companies where internal auditors have been appointed as required by law, any shareholder has the right to report to them matters they believe should be checked. The internal auditors will consider these when preparing the report to the Board of Directors or Supervisory Board. If the complaint is made by shareholders representing, individually or together, at least 5% of the share capital, or a smaller percentage if provided by the articles of incorporation, the internal auditors are required to investigate the reported acts, and if confirmed, record them in a report to be communicated to the Board of Directors or Supervisory Board and made available to the General Meeting; in this case, the Board of Directors or Supervisory Board is required to convene the general meeting.*

Franklin Templeton International Services S.À R.L., as the alternative investment fund manager and sole administrator (“**Fund Manager**”) of Fondul Proprietatea SA (“**the Fund**” or “**Fondul Proprietatea**”), received on September 8, 2025, from shareholders of the Fund holding together more than 5% of the share capital, a request for an internal audit report to be prepared by the Fund’s internal auditor regarding the entire process of selecting a new alternative investment fund manager conducted by the Board of Nominees (“**Selection Process**”).

Following this request, Forvis Mazars Romania S.R.L., in its capacity as the Fund’s internal auditor (“**Forvis Mazars**” or “**Internal Auditor**”), was contracted by the Fund to perform a special internal audit mission regarding the Selection Process carried out by the Board of Nominees (“**BoN**”).

The purpose of the special mission was to evaluate the process carried out by the Board of Nominees up to September 29, 2025, for selecting a new alternative investment fund manager, to assess whether this process was conducted in accordance with regulatory requirements and the applicable internal guidelines and procedures, and to evaluate the effectiveness of the internal control system implemented by the Fund and BoN members.

The internal audit mission was completed by the Internal Auditor by preparing the Internal Audit Report regarding the process conducted by the Board of Nominees for selecting a new alternative investment fund manager, dated February 5, 2026 (“**Audit Report**”).

Regarding the recommendations of the Internal Auditor included in the Audit Report, the Fund Manager states the following:

- The Sole Director was not involved in the selection procedure of the selection consultant carried out by the BoN in accordance with the powers granted to the BoN by the OGMS Resolution no. 9/September 25, 2023, which approved: (i) the initiation of a transparent and competitive selection procedure for appointing the new Manager based on expertise and experience in investments for a term not exceeding 4 (four) years starting April 1, 2024, in accordance with the applicable laws; and (ii) empowering the BoN to initiate and organize the transparent selection procedure for a new Fund manager and set new objectives, performance criteria, and remuneration conditions aligned with these objectives, presenting them for approval by the General Meeting of Shareholders.
- The decisions and actions of the BoN regarding the Selection Process were undertaken independently by the BoN, in accordance with its responsibilities and the mandate given by the shareholders.
- The Fund Manager supports collaboration with the BoN to review any policy or procedure prepared by the BoN for mandates given by the shareholders, including compliance with Fund documentation, GSM approvals, and legal requirements. The Fund Manager will review the Fund’s current procurement procedure to better clarify roles, terms used, and the parties involved in each specific process.
- The Fund Manager has taken note of the Internal Auditor’s recommendation regarding the establishment of a process to ensure that all relevant aspects for GSM approval are properly included in the supporting materials for shareholder decisions. The Sole Director will continue to collaborate with the BoN regarding any GSM convening documentation, emphasizing to the BoN the necessary legal requirements that must be met, and will continue to provide support to the BoN if requested.
- Payments made by the Fund in connection with the Selection Process were processed in accordance with Fondul Proprietatea’s internal policies and procedures. Each invoice was approved by the BoN through official decisions, and supporting documents were obtained before payment, including substantiating documents for direct expenses, as provided in the Engagement Letter with the selection consultant.

In accordance with the Fund Manager’s legal obligation to make the Audit Report available to shareholders, the Fund Manager has convened the Ordinary General Meeting of Shareholders for March 30(31), 2026 with the following item on the agenda:

“Presentation of the Internal Audit Report prepared by the internal auditor of Fondul Proprietatea, Forvis Mazars Romania S.R.L., at the request of shareholders who together hold more than 5% of the

total voting rights, regarding the process conducted by the Board of Nominees for selecting a new alternative investment fund manager, as described in the supporting documentation.”

The full version of the Audit Report can be consulted by the shareholders of Fondul Proprietatea S.A. on the company’s website, in the *GSM Documents* section.

Franklin Templeton International Services S.À R.L., as alternative investment fund manager and sole administrator of FONDUL PROPRIETATEA S.A.

Daniel NAFTALI
Permanent representative