

To: **Bucharest Stock Exchange  
Financial Supervisory Authority**

Current report according to Article 234 para. (1) letter c) of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of Article 99 letter c) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

**Important events to be reported:**

**Board of Nominees report on the selection process for a new sole director and alternative investment fund manager of Fondul Proprietatea**

The Board of Nominees of Fondul Proprietatea S.A. (the “**Board / BoN**”) would like to inform the investors regarding the publication of the BoN report on the selection process for a new sole director and alternative investment fund manager of Fondul Proprietatea (the “**Investors’ Report**”), as enclosed in the Annex to this report.

The Board would like to remind shareholders that the Investors’ Report is drafted in relation to Item 5 of the Ordinary General Shareholders Meeting Agenda of the Fund to be held on 29 September 2025; for further details, please consult the 29 September 2025 GSM Convening Notice available on the Fund’s website under the GSM Section, [here](#).

**Ilinca von Derenthall**  
**Chairperson of the Board of Nominees of Fondul Proprietatea SA**

**Report date:**  
26 August 2025

**Name of the issuing entity:**  
Fondul Proprietatea S.A.

**Registered office:**  
76-80 Buzesti Street  
7<sup>th</sup> floor, district 1,  
Bucharest, 011017

**Phone/fax number:**  
Tel.: + 40 21 200 96 00  
Fax: +40 31 630 00 48

**Email:**  
[office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro)

**Internet:**  
[www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)

**Sole Registration Code with  
the Trade Register Office:**  
18253260

**Order number in the Trade  
Register:**  
J40/21901/2005

**Subscribed and paid-up  
share capital:**  
RON 1,664,407,948.32

**Number of shares in issue  
and paid-up:**  
3,200,784,516

**Regulated market on which  
the issued securities are  
traded:**

Shares on Bucharest Stock  
Exchange

**Board of Nominees (“BoN”) report on the selection process for a new sole director and alternative investment fund manager of Fondul Proprietatea (“FP”)**

**A. Introduction**

- **Resolution no. 9 of September 25th, 2023** of the Ordinary General Meeting of FP Shareholders (“**Resolution no. 9/2023**”) approved Launching a transparent and competitive selection procedure for the appointment of a new sole director, based on investment expertise and experience for a mandate not exceeding four (4) years from 1 April 2024, in accordance with the legal provisions in force (the “**Selection Process**”). The same resolution empowered the BoN to initiate and organize the transparent selection procedure for a new alternative investment fund manager (“**AIFM**”), and to establish new objectives, performance criteria, and remuneration conditions realigned with these objectives, and present them for approval to the general meeting of shareholders of FP.
- **Resolution no. 13 of September 27th, 2024** of the Ordinary General Meeting of FP Shareholders (“**Resolution no. 13/2024**”) approved the selection criteria, as prepared and proposed by the BoN on the basis of advice received from Numis Securities Limited (the “**Selection Advisor**”), and based on which the BoN shall select the new AIFM.
- **Resolution no. 14 of September 27th, 2024** of the Ordinary General Meeting of FP Shareholders (“**Resolution no. 14/2024**”) approved the appointment of the Selection Advisor, assisting FP through the members of the BoN. According to Resolution no. 14/2024, the Selection Advisor shall provide services related to the Selection Process, assisting the members of the BoN in drafting the Request for Proposals (“**RfP**”) to be sent to potential candidates, selection and analysis of the offers received, project management of the selection process, and assistance during negotiation of the new terms of the management agreement to be negotiated with the selected candidate(s).
- **Resolution no. 15 of September 27th, 2024** of the Ordinary General Meeting of FP Shareholders (“**Resolution no. 15/2024**”) approved the maximum advisory budget for the Selection Process of RON 3.8 million (the advisory budget has been subsequently increased by an additional amount of RON 1,776,611 pursuant to resolution no. 8 of April 29, 2025).
- **Resolution no. 16 of September 27th, 2024** of the Ordinary General Meeting of FP Shareholders approved the authorization of Mrs. Ilinca von Derenthall, as the Chairperson of the BoN (with authority to be substituted by another member of the BoN), with the signature of such person being binding upon and mandatory for FP, to take the following actions and to act in the name of and on behalf of FP (the “**Authorization**”):
  - (i) to select and appoint any advisors;
  - (ii) to assist FP and the BoN in relation to the AIFM selection process;
  - (iii) to negotiate and agree, on behalf of FP, any documents (as well as any amendments thereto) regarding the Selection Process; and
  - (iv) to sign, execute, and deliver all agreements with advisors, written instruments, and all other documents which are necessary, desirable, and/or appropriate.

The abovementioned resolutions do not include any role in the selection process for the current fund manager, Franklin Templeton International Services S.à r.l. (“**FTIS**”), the rationale being that FTIS’ involvement could constitute a potential conflict of interest.

**BoN’s mandate in connection with the Selection Process and the limits of such mandate**

According to Resolution no. 9/2023, the BoN was empowered to launch a transparent and competitive selection procedure for the appointment of a new AIFM, based on investment expertise and experience for a mandate not exceeding four years. The BoN’s mandate, being broadly worded, included all tasks necessary for the selection and appointment of a new fund manager. The outcome of the Selection Process conducted by the BoN should

consist of presenting, for shareholders' approval, a selected candidate with terms of an Investment Management Agreement ("IMA") negotiated.

In running the selection process, the following aspects were observed:

- (i) **Observance of the selection criteria as approved through Resolution no. 13/ 2024** – the BoN followed the selection criteria, and, in BoN's assessment, the selected offer addressed each of the criteria approved by Resolution no. 13/2024.
- (ii) **Selection-related costs** were capped at the amount approved as the selection budget (as subsequently supplemented). Please note that the selection budget included not only costs related to the Selection Advisor but also all other costs incurred in the context of the selection process (advisor costs, legal assistance costs, meetings with candidates, etc.).
- (iii) **Competitive selection process** – several candidates were approached, several candidates expressed interest and received the opportunity to present their offers. For the purposes of the Selection Process, only two credible offers were presented, such offers being subsequently analysed **in detail** in the context the Selection Process.
- (iv) **Transparency** – the BoN ensured that the Selection Process is carried out in a transparent manner, by putting forward for to shareholders' approval aspect such as the selection budget, the advisor appointed, and the main selection criteria. In addition, the main phases and the outcome of the Selection Process were made public. A list of the public announcements made by the BoN during the selection process was included in the BoN annual report, presented for shareholders' consultation during the Ordinary General Meeting of Shareholders of April 2025. Moreover, the BoN organized a public consultation process with the shareholders during the first part of 2025, prior to selecting a preferred candidate, by disclosing the main elements of the strategies presented by each candidate and gathering shareholders' input.

One of the main elements of the BoN mandate, within the context of the selection process, pertains to its obligation to propose new objectives, performance criteria, and remuneration conditions realigned with the new objectives, all elements which will be subject to prior shareholders' approval.

In touching upon the elements included in its mandate, the BoN had to consider the following aspects:

#### **a. Regulatory limitations to BoN's mandate in connection with the Selection Process**

FP was established by Law no. 247/2005 to ensure the financial resources necessary to provide compensation to people abusively expropriated between 6 March 1945 and 22 December 1989, as subsequently amended and supplemented ("**Law no. 247/2005**"). The organization and operation of FP are regulated primarily by Law no. 247/2005 and other relevant provisions, which account for the purpose and portfolio structure of the fund as of its incorporation. These have their own particularities under the current legislative framework.

FP is a diversified alternative investment fund for retail investors. Therefore, in addition to the provisions of Law no. 247/2005, it is generally subject to the provisions of Law no. 243/2019 on the regulation of alternative investment funds and for the amendment and completion of certain normative acts, as subsequently amended and supplemented (the "**AIF Law**").

All alternative investment funds dedicated to retail investors must comply with the investment limits provided under Chapter III of the AIF Law, including the permitted investments regulated under Art. 35. One special reference must be made: the investment limits regulated under Art. 35 of the AIF Law do not apply to assets owned by FP according to Law no. 247/2005.

In the past, several consultations took place between FTIS, as the sole director and alternative investment fund manager of FP, and the Romanian Financial Supervision Authority ("**FSA**"), whereby the FSA stated that:

- (i) The investment limits provided under Art. 35 of the AIF Law do not apply to assets owned by FP by virtue of Law no. 247/2005.

- (ii) These investment limits are applicable to any other investments that FTIS might consider, in any of the categories of assets regulated under Art. 35 of the AIF Law.
- (iii) When performing any investments in any of the categories of assets regulated under Art. 35 of the AIF Law, FP needs to take into consideration the assets of the same category already in FP's portfolio.

**b. Statutory limitations to BoN's mandate in connection with the Selection Process**

In accordance with FP's Articles of Association, any decision regarding the investment policy of FP belong to the AIFM and sole director of FP, while the BoN has a limited supervision or prior approval role. Please see below excerpts of the relevant statutory provisions:

- (i) In accordance with Art. 34 para. (1) of the Articles of Association:

*"The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitations provided by the legal provisions in force for a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors and of this Constitutive Act."*

- (ii) In accordance with Art. 21 para. (3) of FP's Articles of Association:

*"In addition to the duties provided by the applicable law, the Alternative Investment Fund Manager (FT) shall propose for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the investment policy of Fondul Proprietatea and is responsible for the implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio. The Alternative Investment Fund Manager undertakes to inform the Board of Nominees regularly, and as and when required by the Board of Nominees, about any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio."*

- (iii) Art. 17 para. (11) of the Articles of Association provides that the BoN:

*"Monitors the following, based on information and reports received from the Alternative Investment Fund Manager:*

- *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 companies and comparison 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;*
- *the performance evaluation report."*

Taking into consideration the relevant regulatory and statutory restrictions referred above, the BoN has no legal or statutory competencies to establish investment objectives or propose a significant change to the investment objectives.

Although members of the BoN must have the proper experience and knowledge to receive reports from FTIS and consultants and judge the merits of FTIS's management within the limits of the current objectives and principles set by the applicable investment policy, BoN members are not qualified, nor certified, nor have the power to establish or propose new investment objectives.

Thus, the BoN considered that the best approach for selecting a new fund manager of FP was to embark on a discovery process, together with its Selection Advisor, whereby candidates interested in participating in the process would need to present their proposed investment strategy and new investment objectives, taking into consideration the regulatory restrictions and FP's current portfolio and investment limits.

**c. Process for gathering expressions of interest in circumstances where no Romanian AIFM expressed interest in participating in the Selection Process**

Upon finalizing the RfP documentation together with the Selection Advisor (detailing the terms and conditions applicable to potential candidates and the elements mandatory to be included in their submissions), 32 potential candidates (international or local fund managers of alternative investment funds) were approached by the BoN and/or the Advisor with a request to receive the RFP documentation. Out of these candidates, only 13 candidates solicited or received the RFP.

Upon sending the RfP documentation, the BoN also participated in introductory calls with interested candidates who expressed an interest in having exploratory discussions with the BoN. Out of the list of candidates approached, only four international candidates submitted an expression of interest, and two international candidates submitted an actual offer for the BoN to consider (no Romanian AIFM expressed interest in participating in the Selection Process). Out of the candidates who submitted their offers, one candidate proposed an advisory model, whereby an EU registered AIFM would be supported in exercising its mandate by a Romanian advisory firm, whereas the other candidate proposed a delegation model, where the EU registered AIFM would delegate certain functions to an investment manager.

**d. BoN's professional assessment of the strategies proposed by each candidate versus the practical feasibility of implementing it**

Eventually, the BoN received two distinct proposals:

- (i) a private equity investment strategy; and
- (ii) a long-term infrastructure investment strategy.

In assessing the two candidates that submitted offers, the BoN, using its professional judgment and the advice provided by the Selection Advisor, evaluated the actual feasibility of each candidate's ability to implement its proposed strategy in the context of:

- (i) the historical background of FP;
- (ii) the market and regulatory environment in which the proposals were to be implemented;
- (iii) FP's current portfolio and the appropriateness of each candidate's strategy with respect to these assets in terms of implementation; and
- (iv) the practical ease with which each candidate could implement its strategy.

## **B. Executive Summary**

This report details the outcome of the selection process for the appointment of a new AIFM and sole director for FP, in accordance with the mandate granted to the BoN by Resolution no. 9/2023.

The BoN undertook a clear objective: to identify and propose an alternative investment fund manager with the operational capacity, strategic vision, regulatory readiness, and stakeholder alignment necessary to effectively oversee the Fund's evolving mandate. As explained in Section A (*Introduction*) above, it was not within the BoN's authority to define FP's strategy; rather, its role was to select the most qualified candidate from those presented via the Selection Process.

This report outlines the selection process and presents the selected candidate following the Selection Process and their proposed strategy, enabling shareholders to determine whether they wish to proceed with the appointment of such candidate.

With advisory support from Deutsche Numis, acting as Selection Advisor appointed in the basis of Resolution no. 14/2024, the BoN conducted a structured, multi-phase selection process grounded in transparency, governance, and thorough analysis of all relevant information. Deutsche Numis, a member of the Deutsche Bank Group, is a UK-based investment firm, authorised and regulated by the Financial Conduct Authority (Firm Reference Number 144822), with a dedicated Investment Companies team.

The Investment Companies team of the Selection Advisor has extensive experience in advising on a broad range of corporate actions, including primary and secondary equity issuance, mergers and acquisitions, and comprehensive corporate advisory services. This includes significant experience in matters such as changes of investment managers within closed-ended funds, similar to FP. The process encompassed the preparation and issuance of a Request for Proposal, interaction with inbound enquiries from potential candidates, outreach to a wide pool of qualified managers, and review of proposals received by way of a structured evaluation through a formal framework, in person presentations, site visits, and legal reviews.

The majority of potential candidates contacted by the Selection Advisor ultimately declined to participate in the Selection Process (the key factors cited are set out subsequently in this report).

Regarding the current AIFM of FP, Franklin Templeton International Services S.À R.L. ("FT"), it announced on 29 November 2024 that it had taken the decision not to participate in the selection process for FP's AIFM and would not submit a response to RfP.

**Two candidates advanced to the final phase of the selection process, following which the BoN selected the ROCA FP consortium (composed of IRE AIFM HUB S.à R.L. ("IRE") and Impetum Management S.R.L. ("Impetum") as advisor), with IRE acting as the AIFM (without any delegation arrangements being put in place) and Impetum appointed as the advisory company to IRE (providing general corporate finance advice and local support). This decision was based on an assessment of IRE 's operational readiness in the context of its advisory structure, the relevance to FP of its proposed investment strategy, the consistency of its structure to the applicable regulatory framework, and its commercial alignment with shareholders through the proposed remuneration terms.**

The BoN highlights that Roca FP's proposal and its negotiated fee structure were analysed to establish new objectives and performance criteria aligned with these objectives, according to the mandate granted by the OGSM.

**These have been divided into two phases, being (i) an initial period under the existing strategy of Fondul Proprietatea; and (ii) Roca FP's proposed new strategy, as detailed in this document, which will be subject in due course to obtaining the necessary, additional regulatory and shareholder approvals. If the necessary regulatory or shareholder approvals are not secured, the existing strategy will continue in its current form.**

## **C. Overview of proposed candidate**

### **1. Background to Roca FP**

#### **IRE**

- IRE is an authorised Alternative Investment Fund Manager based in Luxembourg, operating under Law of July 12th, 2013, on alternative investment fund managers (“**AIFM Law**”) and is registered with the Luxembourg Trade and Companies Register (R.C.S.) under number B245.918. As an authorised AIFM, IRE provides services in portfolio management, risk management, regulatory reporting, and other governance areas essential for alternative investment funds.
- IRE works with EU and non-EU alternative asset managers focused on Private Equity, Real Estate, Venture Capital, and Fund of Funds alternative investment funds. Drawing on the platform, managers are able to set up, manage and market their Alternative Investment Fund’s throughout the EU.

#### **Impetum**

- Impetum Management is part of Impetum Group, an ecosystem that includes AGISTA (growth capital and IPO facilitation on the AeRO market), ROCA X (venture capital), and CITR (insolvency and restructuring). Also, ROCA Investments – a private equity firm focused on small and medium enterprises – was founded by the Impetum Group and shares a common vision on empowering Romanian entrepreneurship and the role of private capital in the country’s economic development.

### **2. Proposed operating framework**

ROCA FP has proposed an approach under an AIFM advisory structure, which allows the partnership between IRE and Impetum to capitalise on IRE’s authorisation status, portfolio management, risk management and other AIFM-specific functions, and Impetum’s local market expertise, allowing IRE to provide FP with investment management services in the following manner:

- **IRE** shall serve as the AIFM, overseeing portfolio and risk management in compliance with EU regulations. IRE will act as the external AIFM and sole director of Fondul Proprietatea.
- IRE is authorised by the Luxembourg Commission de Surveillance du Secteur Financier (the “**CSSF**”) as an AIFM as per the provisions of the Law of July 12th, 2013, on alternative investment fund managers (“**AIFM Law**”).
- IRE is therefore authorised to provide services related to portfolio management, risk management, regulatory reporting, and other governance services as required by the AIFM Law, in compliance with the EU regulatory framework. IRE will be able to operate within Romania by passporting its AIFM license upon formal notification to the CSSF. This process aligns with the regulatory structure under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the “**AIFMD**”), which facilitates cross-border AIFM operations within the EU. Upon formal notification to the Luxembourg regulator being complete, IRE can begin operations in Romania in compliance with the AIFMD framework
- **Impetum** will act as the advisory company to IRE and shall provide relevant support for executing FP’s strategy locally, providing advisory services regarding IRE’s portfolio management function regarding FP, based on its in-depth understanding of the Romanian market. Impetum’s responsibilities include providing local insights, strategic input (*i.e.*, high-level insights, which will be used by the AIFM in shaping the directions, priorities and decision-making at the level of FP), and local operational support, enabling IRE to deliver a portfolio management approach that is responsive to both regional dynamics and FP’s investment goals, ensuring that FP’s strategy is executed within the domestic market, with regard to the local specificities.

### **3. Regulatory considerations**

- According to Romanian Law 31/1990 on Companies, republished, as subsequently amended and supplemented, and the applicable regulatory framework related to alternative investment funds (Law No. 74/2015 regarding alternative investment fund managers, as subsequently amended and supplemented, Law No. 243/2019 on alternative investment funds, as subsequently amended and supplemented, FSA Regulation No. 7/2020 on the authorisation and functioning of alternative investment funds, as subsequently amended and supplemented, FSA Regulation No. 10/2015 regarding the management of alternative investment funds, as subsequently amended and supplemented. and other applicable bodies of regulations), the AIFM of FP also acts as its sole director.
- Romanian Law 31/1990 allows a foreign legal entity (such as the IRE) to act as a sole director of a Romanian company.
- Such director must appoint a permanent representative to act on its behalf in Romania. IRE indicated in its proposal that it will appoint **Mr. Andrei Cionca** as the AIFM's permanent representative, overseeing daily operations and representing FP. Additionally, Mr. Andrei Cionca will serve on the AIFM's Investment Committee, ensuring strategic alignment and governance oversight while acting as the official liaison between the AIFM and the advisor. The AIFM holds fiduciary responsibility for the fund's management and must act in the best interest of investors.

**Upon specific instruction issued by the BoN, Filip SCA (commonly known as Filip & Company) has provided legal advice that IRE AIFM satisfies the applicable legal requirement of being authorised as an AIFM within the European Union and that the operating framework proposed by ROCA FP (i.e., the advisory structure with the involvement of Impetum) does not breach the regulations which apply to FP. In addition, the BoN has received advice from a Luxembourg legal advisor, stating that the Impetum does not need additional licensing in Luxembourg and that Mr. Andrei Cionca, as the permanent representative of the AIFM, does not need to be authorised or licensed by the CSSF.**

**The BoN, with assistance from Deutsche Numis, has analysed the offer submitted by ROCA FP and its proposed advisory arrangement with Impetum from the perspective of the fulfilment of the selection criteria approved by Resolution no. 13 / 2024, and has found that the selection criteria have been fulfilled.**

#### **4. Key individuals**

The designated persons responsible for the permanent engagement with the ASF on behalf of the AIFM will be:

- **David Luksenburg – Conducting Officer & Manager at IRE AIFM Hub**, overseeing AIFM regulatory compliance, investment strategy adherence, and direct communication with ASF on key matters.
- **Michel Batter – Risk Manager & Conducting Officer at IRE AIFM Hub**, responsible for risk oversight, ASF regulatory filings, and compliance with Romanian and EU AIFM regulations.
- **Andrei Valentin Cionca – who will act as the Permanent Representative of the AIFM**, leading strategic engagement with ASF, ensuring alignment between FP's governance and regulatory expectations.

IRE's legal and compliance team, with support from Impetum (where the case, within the limits of the advisory arrangements and in compliance with the applicable legal provisions), will ensure support on all Romanian and Luxembourg regulatory matters, including periodic reporting, investment approvals, and regulatory filings, ensuring full compliance with Romanian, Luxembourg and EU regulations.

#### **Legal Representatives for Third-Party Engagement:**

The designated legal representatives of the AIFM who will engage on behalf of Fondul Proprietatea with third parties are:

#### **Andrei Cionca – Permanent Representative of the AIFM.**

Andrei Cionca will have in place a **mandate agreement** with IRE that will formalize the role of permanent representative.

#### **5. Proposed strategy**

- ROCA FP proposes to implement a new strategy for FP, starting in 2027 (assuming a Q4 2025 mandate), focusing on investments in listed companies in Romania and the broader CEE region, with indirect exposure to promising unlisted firms via listed vehicles to stay compliant with Romanian regulations.
- The strategy includes expanding FP's scope through a fund-of-funds approach in private equity and venture capital backed by public funding. An interim phase will prioritize portfolio growth, earnings enhancement, and risk management.
- A flexible distribution policy will balance dividends with reinvestment in high-growth opportunities. To tackle limited liquidity, the plan involves liquidity management, partial exits, IPOs, refinancing, capital raising, and bond issuance.

**The BoN highlights that the proposal for a new strategy for Fondul Proprietatea will require both regulatory and shareholder approvals. If necessary regulatory or shareholder approvals are not secured, the existing strategy will persist, focusing on share buybacks, full dividend payouts (net of expenses), and value growth of portfolio companies, supported by public grants.**

## **6. Proposed objectives**

### **a) Investment objective:**

#### ***Phase I***

Until necessary shareholder and regulatory approvals are secured for a new investment policy statement, to be proposed by the new AIFM following its appointment becoming effective, the investment objective will consist of the maximization of returns to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities, as set out in the current Investment Policy Statement of FP.

#### ***Phase II***

The investment objective which will be proposed to shareholders of FP, should IRE be appointed as the AIFM, is to deliver an attractive risk-return profile for shareholders including the increase of the net asset value per share, through a diversified portfolio of investments predominantly in Romanian equities and equity linked securities, including transactions where FP can gain indirect exposure to unlisted companies with high growth potential, subject to legislation and regulations in force.

**If necessary regulatory or shareholder approvals are not secured, the current FP strategy will continue, focusing on share buybacks and full dividend payouts (net of expenses), sourced from dividends and divestments from existing portfolio companies, with intended additional value growth supported by public grants.**

### **b) Performance criteria:**

#### ***Phase I***

Until necessary shareholder and regulatory approvals are secured for a new investment policy statement, to be proposed by the new AIFM following its appointment becoming effective, the performance criteria applicable to the new AIFM will be the ones set out in the current Investment Policy Statement of FP.

#### ***Discount Objective***

The discount between the closing price for each Trading Day on the Bucharest Stock Exchange (the "Trading Day") of the shares issued by FP and the latest reported NAV per Share should be equal to or lower than 15% in at least two thirds of the Trading Days during the Reporting Period (as defined in the IMA) (the "Discount Objective").

#### ***NAV Objective***

The AIFM should achieve a level of Adjusted NAV per Share (as defined below) higher than the reported NAV as at the end of the previous Reporting Period (term used herein as defined in the IMA) (the "**NAV Objective**").

The adjusted NAV (the “**Adjusted NAV**”) for a given date will be calculated as the sum of:

- (i) the reported NAV as at the end of the Reporting Period;
- (ii) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in this last case following reductions of the par value of the shares and distribution of the decreasing amount to the shareholders), implemented after the end of the previous Reporting Period, and
- (iii) any Distribution Fee (as defined in the investment management agreement to be concluded with IRE) and any transaction and/or distribution costs relating to either dividend or non-dividend distributions including buybacks of shares and/or depositary interests executed, through daily acquisitions or public tenders, after the end of the previous Reporting Period.

The Adjusted NAV per Share will be equal to the Adjusted NAV divided by the total number of the Fund’s paid shares, less treasury shares (FP ordinary shares bought back), on the last day of the Reporting Period (the “**Adjusted NAV per Share**”).

## **Phase II**

### **Return Objective**

The performance criterion which will be proposed to shareholders of FP, should IRE be appointed as the AIFM, will be for the AIFM to achieve an internal rate of return of 8% per annum, comprised of returns from share price appreciation, dividends and share buybacks, which will apply once necessary shareholder and regulatory approvals are secured for a new investment policy statement, to be proposed by the new AIFM following its appointment becoming effective.

## **D. Overview of the Selection Process**

### **1. Mandate and Governance**

According to the Resolution no. 9/2023, shareholders decided that a transparent and competitive selection procedure would be launched for the appointment of a new director based on investment expertise and experience for a mandate not exceeding four years, in accordance with the legal provisions in force.

According to the same resolution, the BoN was empowered to initiate, organize the transparent selection procedure for a new AIFM and to establish new objectives, performance criteria and remuneration conditions realigned with these objectives and present them for approval by the general meeting of shareholders of FP.

In fulfilling this mandate, the BoN has performed several tasks, namely:

#### **a. The appointment of Deutsche Numis as Selection Advisor**

Given the complexity of the mandate granted, on April 1st, 2024, the BoN resolved to engage an independent adviser with appropriate experience to support the BoN throughout the process.

Four potential independent international advisers, each with recognized expertise in advising on changes in the management of closed-end funds were approached. Three of these had prior knowledge of FP’s activities.

Of the four candidates, two submitted credible proposals. After a thorough evaluation of both submissions, BoN selected Deutsche Numis, based on a set of criteria that considered the quality of advisory services offered and the competitiveness of the proposed fee structure.

Following negotiations on the terms of engagement, given that per statutory limitations the BoN cannot enter directly into agreements engaging FP, this being a prerogative of FP’s AIFM, and having regard that although broadly worded, the mandate granted to the BoN on the basis of Resolution no. 9/2023 did not expressly allow the BoN to engage advisory services in the context of the Selection Process, the BoN resolved to submit the following items for shareholder approval at the OGSM which took place on September 27th, 2024:

- the appointment of Deutsche Numis as the BoN-designated selection adviser, to assist in all procedures related to the selection of a new AIFM for FP;

- the approval for the chairperson of the BoN, with the possibility of substitution, to select and appoint any advisors to assist FP and the BoN in relation to the AIFM selection process, to negotiate and agree, on behalf of FP, any documents (as well as any amendments thereto) regarding the Selection Process, and to sign, execute, and deliver all agreements with advisors, written instruments, and all other documents which are necessary, desirable, and/or appropriate.
- the approval of a selection budget to be used by the BoN for such purposes.

Shareholder approval was granted and the BoN resumed the Selection Process with Deutsche Numis acting as the Selection Advisor.

**b. Preparation of the documentation used for selection purposes of the new AIFM for FP, together with the Selection Advisor.**

In collaboration with the Selection Advisor, the BoN prepared and approved the final version of the Request for Proposal documentation, which was subsequently distributed to 32 interested parties. Additionally, a comprehensive scoring matrix was developed by the Selection Advisor to evaluate the proposals received.

This matrix was based on the selection criteria approved by Resolution no. 13/2024 and clearly defined the assessment criteria and assigned specific weightings to each component, ensuring a transparent and objective evaluation process.

**2. RfP Preparation and Candidate Outreach**

The Selection Advisor prepared the RfP incorporating both the publicly disclosed selection criteria and additional factors deemed material by the BoN. The key steps in the Selection Advisor's candidate outreach process were as follows:

- **RfP Finalisation:** The RfP was finalised and formally approved by the BoN in September 2024.
- **Outreach:** In October 2024, the Selection Advisor contacted 32 potential candidates across a range of geographies and investment strategies. Of these, 13 candidates initially solicited the RfP documentation.
- **Expressions of Interest:** By November 26th, 2024, five candidates had submitted formal expressions of interest. The RfP was issued only to candidates who expressed interest, preserving the integrity of the process. No Romanian AIFM requested to be provided the RfP documentation (and only one candidate with a Romanian link - proposing to set up a partnership with a Romanian advisory firm - solicited and received the RfP documentation).
- **Full RfP Submissions:** By December 2nd, 2024, two candidates submitted comprehensive proposals in response to the RfP.

The majority of candidates contacted by the Selection Advisor ultimately declined to participate in the process. The primary reasons cited for non-participation included:

- the relatively small scale and current and perceived future limited liquidity of FP;
- concerns regarding Romania's attractiveness as an investment destination and its future growth prospects; and
- the perceived complexity of the local regulatory and political environment in Romania.

**The incumbent AIFM of FP, FTIS, publicly announced on November 29, 2024 that it had taken the decision not to participate in the selection process for FP's AIFM and declined to submit a response to the RfP to the selection advisor, Deutsche Numis.**

The RfP document required candidates to cover in their submission the following aspects:

**a. Organisation**

The candidates had to outline in their submission; aspects related to:

- details of their organisation including details regarding ownership, corporate structure and AUM (assets under management);
- information in relation to experience of managing investment funds and listed investment mandates in particular;
- information regarding experience and expertise in mandates invested in Romania and / or similar jurisdictions within the Eastern Europe region; and
- information regarding experience in managing state owned and / or strategic assets.

**b. Proposed investment strategy, including:**

- the candidate' view on Romania as an investment jurisdiction;
- the proposed investment strategy regarding FP;
- a description of the investment philosophy and process for the proposed strategy; and
- information where relevant regarding the proposed strategy with respect to the company's existing investments as well as the intended strategy for making future investments over a 3 to 5 year period.

**c. Regulatory information which had to include:**

- the candidate's regulatory status / authorisation;
- confirmation that the candidate is either classified as an AIFM by the Romanian Financial Service Authority or has the ability to credibly passport to operate in Romania as an EU certified AIFM;
- information whether sanctions or other measures have been applied, In the last five years, by regulator or there any grounds for licensing suspension;
- details regarding risk management and compliance integrated into the investment process; and
- details of the candidate compliance function and how it operates.

**d. Personnel**

Candidates had to include details regarding:

- the candidate' operational capacity in Romania, or if the candidate will not operate within this jurisdiction, a credible proposal for either establishing a Romanian office; or establishing resources within Romania which may involve an outsourcing model;
- Curriculum Vitae's of the individual(s), including length of service who would be ultimately responsible for the mandate;
- details on the size and experience of the investment team intended to support the proposed investment strategy; and
- the individuals proposed to be outsourced and responsible for future key positions within the management/operational activities of FP.

**e. Remuneration**

Candidates had to detail:

- their proposed remuneration structure;
- performance fee, if envisaged and the proposed performance criteria; and
- any other key contractual terms, including notice period

In addition to these aspects, candidates had to include in their submission details regarding their past performance, proposed marketing strategies, operational aspects and prior experience regarding management of listed trusts/investment companies.

### **3. Scoring Matrix and BoN Review**

Based on the selection criteria approved by Resolution no. 13/2024, the Selection Advisor developed a detailed evaluation matrix covering the following areas:

- organisational
- investment strategy
- regulatory
- operational
- remuneration strategy
- ancillary items

Based on these criteria, the following scoring methodology was produced and used for the purposes of the scoring matrix developed by Deutsche Numis:

#### **a. Criteria Prioritization**

Each selection criterion was assigned a priority level on a scale from 1 to 3, where:

- 3 = High priority
- 2 = Medium priority
- 1 = Low priority

#### **b. Weighting Calculation**

Weightings were then applied to each criterion in accordance with its assigned priority level. The priority scores were converted into percentage-based weightings, reflecting the relative importance of each criterion in the final assessment.

#### **c. Candidate Evaluation**

Each candidate was evaluated on a scale of 1 to 5 for each criterion, where:

- 1 = Poor alignment
- 5 = Perfect alignment

This scoring system provided a standardized and objective method for assessing each candidate's suitability.

#### **d. Matrix Implementation**

The final score for each candidate was calculated by multiplying their score for each criterion by the corresponding weighting. The sum of these weighted scores produced an overall score, which served as the basis for ranking candidates and guiding the BoN's decision-making process.

This evaluation matrix was formally approved by the BoN in late November 2024.

Following the submission of RfP responses, the Selection Advisor conducted an initial analysis and, in early January 2025, presented the BoN with a preliminary scoring matrix accompanied by a narrative assessment. Based on this review, clarification requests were issued to both candidates to address specific aspects of their proposals.

### **4. Candidate Presentations, Site Visits, and Final Offers**

In mid-February 2025, both candidates delivered in-person presentations at the Selection Advisor's offices in London detailing their proposed strategies and operational plans. These sessions were followed by site visits to candidates' offices (Bucharest and Luxemburg), which enabled the BoN to assess each candidate's operational capabilities and cultural alignment with FP.

Upon specific instruction issued by the BoN, Filip SCA (commonly known as Filip & Company) and TLA Associates have provided legal advice on the operating framework proposed by each candidate and whether it

meets the relevant regulatory framework required to act as AIFM and sole director of FP. Subsequently, follow-up calls were then also held with both candidates to address clarificatory questions arising from the initial assessments (including legal).

Final offers were submitted in February 2025.

## **5. Selection of Preferred Candidate**

On 2 May 2025, the BoN selected and announced a preferred candidate (being Roca FP).

This decision was based on a final report prepared by the Selection Advisor, which incorporated the candidates' final offers. As part of their final offers, both candidates requested access to due diligence materials to support their analysis and decision-making regarding the management of FP and transition planning.

Given applicable regulatory and confidentiality concerns, FTIS indicated that information which is not in the public domain can be accessed by the candidate only following its appointment by the OGMS. IRE AIFM agreed to proceed based on publicly available information and on the basis of the understanding that once appointed the transition process will be orderly and collaborative.

The BoN notes that FTIS confirmed in writing to the BoN on June 6th, 2025, that it is interested to continue managing FP on a commercially viable mandate following agreement of all parties and obtaining all required approvals (this statement being valuable in providing an alternative to shareholders should the preferred candidate not meet the approval of the OGSM). In this context, the BoN continued to manage the Selection Process under strict confidentiality rules towards FTIS, in order to manage in a professional manner any existing or perceived conflicts of interest.

## **6. Final Selection and Transition**

Following the announcement of a preferred candidate, the BoN, together with the Selection Advisor, proceeded to the final stage of the Selection Process. This phase included execution of a non-disclosure agreement with the candidate, third-party due diligence on IRE and Impetum, and the negotiation of key commercial terms.

### **6.1 Third-Party Due Diligence**

Refinitiv Limited, a member of the London Stock Exchange Group ("**LSEG**"), was engaged to conduct an independent due diligence investigation of IRE and Impetum ("**RFDD**"), and their respective affiliated management personnel. The scope of the review included:

- full corporate registry information (including direct ownership and financial information);
- World-Check screening (covering international sanctions);
- full media, litigation, bankruptcy, regulatory, and law enforcement screening (including a review of information provided by the BoN relating to media reports regarding the proposed candidate);
- full media research; and
- local source inquiries (which included investigative interviews) and reputation checks.

The BoN reviewed the findings of Refinitiv Limited presented in the RFDD report and found **no material concerns**. A follow-up in-depth Q&A session was held with IRE and Impetum, to discuss items identified by the due diligence report with their responses being formally documented.

### **6.2 Negotiation of Commercial Terms**

ROCA FP was requested by the BoN to improve certain terms within its final offer, including its proposed remuneration structure. Following a period of negotiation, enhanced contractual terms were agreed upon, which were reflected in the draft Investment Management Agreement, ensuring improved outcomes for FP.

Based on the comprehensive evaluation process, the Selection Advisor issued its final report to the BoN, which included:

- the final scoring matrix

- due diligence review
- financial review
- proposal of IRE (considering the proposed AIFM advisory structure with Impetum) as the candidate AIFM to FP's shareholders

On August 12, 2025, the BoN formally proposed IRE as the AIFM candidate (considering the proposed AIFM advisory structure with Impetum) and submitted this candidacy for shareholder approval at the upcoming OGSM.

## **E. Description of the Offers Received**

Two full proposals were received, each presenting credible strategies and operational plans for managing FP. Both candidates proposed to optimise and selectively divest parts of the current FP portfolio while presenting viable implementation frameworks.

### **1. ROCA FP (Preferred Candidate)**

- IRE AIFM, through its partnership with Impetum, leverages an established operating office in Bucharest to concentrate internal resources on the management of FP and implement its private equity-focused strategy aimed at Romanian SMEs and strategic enterprises.
- Implement a new strategy, over extended FP lifetime, focused on investing in listed companies within Romania and the broader CEE region, including transactions where FP can gain indirect exposure to unlisted companies with strong scaling prospects, using listed investment vehicles (to ensure compliance with existing Romanian financial regulations).
- Extend FP's scope through a fund-of-funds strategy, investing in private equity and venture capital funds supported by public funding.
- Anticipated commencement of new strategy from 2027 (assuming start of mandate in the second half of 2025), following interim period of portfolio management focused on driving growth in the estimated earnings of the current portfolio assets, and risk mitigation and prevention.
- Introduce a flexible distribution policy balancing regular dividends with reinvestments in high-growth, high-yielding opportunities.
- Address limited liquidity in the portfolio through liquidity management strategies (including partial exits, strategic IPOs of portfolio companies, and structured refinancing to unlock capital), new capital raise, and bond offerings.
- **Absent necessary Romanian regulatory and/or shareholder approvals for the above, FP's current strategy would be continued with ongoing share buybacks based on any exit values and a full dividend distribution policy (net of expenses) and portfolio value increase through developments supported via public grants.**

### **2. A Luxembourg-based AIFM in partnership with a global infrastructure asset manager - Candidate B**

Candidate B proposed a long-term infrastructure investment strategy using listed vehicles. Key features:

- Open an office in Bucharest dedicated to the management of FP, building on its existing Central and Eastern European infrastructure presence.
- Focus on FP's existing infrastructure investments, seeking to maximize shareholder value by protecting and enhancing the value of FP's existing portfolio.
- Should market conditions and shareholder support allow over time, make new investments in long-term critical infrastructure in Romania using listed investment vehicles (to ensure compliance with existing Romanian financial regulations).

- Such investments could be in operational investments, or in support of new greenfield investment in Romanian infrastructure and would need to be accretive to shareholder returns relative to the implied return on further distributions and / or share buybacks.
- Create beneficial liquidity in the portfolio through, to the extent possible, disposal over time of non-core assets and partnering with new investors either at the FP or asset level. Both candidates proposed to optimise and selectively divest parts of the current FP portfolio while presenting viable implementation frameworks.

## **F. Rationale for Selecting the Preferred Offer**

The BoN's decision to propose Roca FP to shareholders as the new AIFM was based on the strength of its proposal across key selection criteria, which were as follows:

### **1. Organisational**

*The BoN wishes to engage an 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.*

- overview of candidate's organisation including details of candidate's ownership, corporate structure and AUM (assets under management);
- information in relation to candidate's experience of managing investment funds and listed investment mandates in particular;
- information regarding candidate's experience and expertise in mandates invested in Romania and / or similar jurisdictions within the Eastern Europe region; and
- information regarding candidate's experience in managing state owned and / or strategic assets.

### **Rationale**

IRE clearly demonstrated its robust European regulatory and compliance capabilities aligned with global standards, along with deep experience in managing alternative investment funds across local markets. The firm has maintained a strong presence in Central Europe for over 20 years, serving a diverse client base. It currently manages €2 billion in assets under management (AUM) globally, with approximately 70% of its AUM exposed to the EU.

IRE's advisory arrangement with Impetum further demonstrated operational capacity involving the Romanian jurisdiction, including required support systems. IRE's proposed operational framework required no transition period for buildout or staffing, enabling immediate assumption of responsibilities as FP's AIFM.

This readiness significantly reduced transition risk and demonstrated strong alignment with the BoN's priorities.

### **2. Investment Strategy**

*The BoN is seeking a proposal for FP'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. The BoN is open to unique and credible proposals that differ to FP's existing strategy but at its core, holds true to the Company's initial investment thesis.*

- candidate's view on Romania as an investment jurisdiction;
- candidate's proposed investment strategy;
- description of the investment philosophy and process for the proposed strategy; and
- information where relevant regarding the proposed strategy with respect to FP's existing investments as well as candidate's intended strategy for making future investments over a 3 to 5 year period.

### **Rationale**

The investment strategy proposed by ROCA FP was viewed as credible, relevant, and tailored to FP's current liquidity and capital structure. The focus on modestly sized investments, domestic growth enterprises, and public-private capital frameworks was considered more feasible under prevailing market conditions and FP's current and perceived future liquidity as well as current and historical discount to NAV than strategies requiring large-scale asset sales or equity raises.

Their phased approach, beginning with a stabilization period before launching new investments, was aligned with FP's long-term transition goals. It also offered flexibility to respond to evolving market and shareholder expectations.

### **3. Regulatory**

*The BoN requires any proposed entity to have the regulatory authorisation necessary to implement FP's investment mandate, specifically a fund manager certified as an alternative investment fund manager by the Romanian Financial Services Authority or an EU-certified alternative investment fund manager with a credible basis for seeking a passport to operate in Romania.*

- candidate's regulatory status / authorisation;
- confirmation that candidate's firm is either classified as an AIFM by the Romanian Financial Service Authority or has the ability to credibly passport to operate in Romania as an EU certified AIFM;
- in the last five years, has the candidate's organisation or an associate or any employee been investigated or the subject of disciplinary action by its regulator;
- confirmation that to the best of the candidate's knowledge there is no reason that candidate's current regulatory permissions may be suspended or terminated and that you are not currently subject to any regulatory investigations or enquiries that might reasonably be considered to jeopardise such permissions;
- how risk management and compliance is integrated into the candidate's investment process; and
- details of the candidate's compliance function and how it operates.

### **Rationale**

IRE presented a fully authorised and operational AIFM structure, authorised in Luxembourg and having the ability to credibly passport to operate in Romania as an EU certified AIFM. IRE (with support from Impetum) demonstrated understanding of the local regulatory environment and operational requirements was viewed as a key strength.

No regulatory restructuring or reauthorisation steps were required (other than the AIFM passporting procedure). This streamlined regulatory pathway significantly reduced implementation complexity, mitigated potential legal uncertainties, and minimised the risk of delays associated with obtaining additional approvals.

The ability to proceed without additional licensing steps also enhanced project certainty, preserved the strategic timeline, and reduced the overall execution risk profile. Furthermore, the Luxembourg authorisation provides access to a robust governance framework, established operational infrastructure, and the reputational benefits associated with operating under a well-regarded EU financial jurisdiction.

### **4. Personnel**

*The BoN are keen to understand the internal resources you deem necessary to implement candidate's proposal investment strategy 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).*

- Candidate's firm's operational capacity in Romania, or if the candidate does operate within this jurisdiction, set out a credible proposal for either: (i) establishing a Romanian office; or (ii) establishing resources within Romania which may involve an outsourcing model.
- Brief CVs of the individual(s), including length of service with the candidate's existing organisation as well as who would be ultimately responsible for the mandate.

- Details on the size and experience of the investment team intended to support the candidate's proposed investment strategy.
- Candidate's proposal involving the transfer of employees currently involved with managing FP (if any).
- Provide where known individuals in the candidate's firm (or the entities where proposed to be outsourced) anticipate being responsible for:
  - a) Client management in respect of FP;
  - b) Shareholder relations and marketing;
  - c) AIFM role; and
  - d) Company secretary, financial control and administrator.

## **Rationale**

ROCA FP's proposal included a dedicated team (including a dedicated team from Impetum, as IRE's advisor as to its proposed role as FP's AIFM) with experience in Romanian investments and engaging with relevant stakeholders. The composition of the team reflects a deliberate focus on local market expertise, practical knowledge of the Romanian regulatory environment, and pre-existing relationships with relevant local stakeholders, all of which were identified as critical enablers for efficient implementation and sustained compliance with applicable legislation.

In addition to their technical capabilities, the proposed team demonstrated a robust governance framework, clear operational protocols, and the capacity to maintain operational agility. The proposal placed significant emphasis on minimising reliance on additional third-party service providers or temporary transitional arrangements, thereby ensuring a lower-risk onboarding process and uninterrupted operational continuity. This approach is designed to facilitate a smooth handover, reduce dependency-related delays, and safeguard FP's regulatory standing throughout the transition period.

## **5. Remuneration structure**

*The BoN are keen that any proposed remuneration structure aligns with the interests of shareholders as a whole in the long-term delivery of the Company's investment mandate*

- Proposed remuneration structure;
- Propose performance fee (if any) If so, please set out the candidate's proposed performance criteria for this;
- Candidate's willingness to contribute to costs with respect to the review and implementation of revised management arrangements on transition to candidate's firm, should candidate's proposal be successful; and
- Any other key contractual terms, including notice period;

ROCA FP proposed a conservative, phased fee model:

- An initial period with fees in line with existing arrangements; and
- A transition to a performance-based structure for new capital deployment.

The negotiated fee structure has been divided into two phases:

### **Proposed Commercial Terms – Phase I (Portfolio management under FP's existing strategy)**

- Base Fees: 1.20% per annum on market capitalisation, payable quarterly in arrears. Includes a minimum floor fee of EUR 1.8m if the market capitalisation of FP falls below a threshold of EUR 150m.
- Distribution Fees: 1.75% on cash distributed to shareholders (buybacks and dividends), payable quarterly in arrears per annum.

**Proposed Commercial Terms – Phase II (Portfolio management under proposed new strategy, subject to obtaining the necessary regulatory and shareholder approvals)**

**I. Base Fee**

A base fee (the “**Base Fee**”) shall be calculated as the aggregate of:

a) Base fee for Legacy Portfolio Assets

For the purposes of this Clause, the term “**Legacy Portfolio Assets**” shall mean all investments held by the Fund as of the effective date of this Management Agreement (prior to the date when the AIFM starts its mandate hereunder).

The Base Fee for Legacy Portfolio Assets shall be calculated as:

Base Fee Rate multiplied by the NAV of Legacy Portfolio Assets, multiplied by the Applicable Discount multiplied by the number of calendar days during the applicable Calculation Period divided by 365,

where:

the “**Base Fee Rate**” = 120 basis points per year;

1 basis point = 0.0001;

“**NAV of Legacy Portfolio Assets**” = the Net Asset Value of the Legacy Portfolio Assets, determined in accordance with the provisions of the Applicable Law;

“**Applicable Discount**” = the ratio of the Fund’s Market Capitalisation to the NAV of Total Portfolio Assets, expressed as:  $\text{Applicable Discount} = \text{Market Capitalisation} \div \text{NAV of Total Portfolio Assets}$ ;

the “**Market Capitalisation of the Fund**”, is defined as:

- (i) the number of the Fund’s paid shares considered on daily basis, minus
- (ii) the weighted average over the applicable Calculation Period of the number of the Fund’s settled own shares, in each case where those shares are held by the Fund as treasury shares,
- (iii) then multiplying the resulting number by the weighted average market price of the Fund’s shares calculated for the applicable Calculation Period.

The “**weighted average market price**” shall be computed based on the daily average market prices of the Fund’s shares and corresponding daily volumes, as published by Bucharest Stock Exchange REGS section.

If the number of shares relevant for the computation of the Base Fee described above in (a) and (b) changes over the Calculation Period, the Base Fee will be an aggregation of the computation for each sub-period.

“**Sub-period**” is defined as the number of days between two buy-backs trading dates. The calculation of the Sub-periods starts on the settlement date of the first buy-back transaction within the mandate period (or at the beginning of the mandate, in case of the first month of the mandate) and shall end on the date prior to the settlement date of the next buy-back transaction (or the end of the mandate, in case of the last month of the mandate). During the full quarters within the mandate, the calculation of the quarterly fees starts at beginning of the relevant quarter and shall be ended at the end of the respective quarter.

As the Base Fee is computed using the number of days in a calendar year (365 days), the Base Fee Rate used for non-trading days will be the rate applied for the prior trading day.

b) Base fee for New Direct Investments

For the purposes of this Clause, the term “**New Direct Investments**” shall mean all direct investments made by the Fund in equity instruments of private or publicly listed companies **subsequent to the effective date** of the new AIFM appointment, including, but not limited to, primary issuances, secondary purchases, and follow-on investments in such companies, provided they are not part of the Legacy Portfolio, nor do they qualify as Uncalled Commitments to New Funds (as defined below).

The Base Fee for New Direct Investments shall be calculated as:

Base Fee Rate multiplied by the NAV of New Direct Investments multiplied by the number of calendar days during the applicable Calculation Period divided by 365

where:

the "**Base Fee Rate**" = 150 basis points per year

1 basis point = 0.0001;

"**NAV of New Direct Investments**" = the Net Asset Value of the New Direct Investments, determined in accordance with the provisions of the Applicable Law;

c) Base Fee for Uncalled Commitments to New Funds

For the purposes of this Clause, the term "**Uncalled Commitments to New Funds**" shall mean the portion of capital that the Fund has legally committed to invest in third-party investment funds (including alternative investment, private equity, venture capital, hedge funds, or similar vehicles), but which has not yet been drawn down or called by the relevant fund manager as of the applicable measurement date (for the avoidance of doubt, such amounts shall not be included in the calculation of cash and cash equivalents, as set out below).

The Base Fee for Uncalled Commitments to New Funds shall be calculated as:

Base Fee Rate multiplied by the notional amount, multiplied by the number of calendar days during the applicable Calculation Period divided by 365,

where:

the "**Base Fee Rate**" = 50 basis points per year

1 basis point = 0.0001; and

the "notional amount" is the value of the Uncalled Commitments in Funds.

d) Base fee for cash

The Base Fee for cash shall be calculated as :

The Base Fee Rate for cash, multiplied by the notional amount, multiplied by the number of calendar days during the applicable Calculation Period divided by 365,

where:

the "**Base Fee Rate**" = 50 basis points per year

1 basis point = 0.0001; and

the "notional amount" is the value of the Fund's cash and cash equivalents, according to the Fund's financial statements prepared in accordance with the provisions of the applicable law.

## II. Performance fee

In addition to the Base Fee, the AIFM shall be entitled to a performance-based success fee structured as carried interest (the "**Performance Fee**"), as follows:

e) Carried Interest Rate and Hurdle:

(i) The AIFM shall be entitled to 15% of the annual capital gains (the "**Carried Interest**"), calculated as the increase in share price plus dividends distributed to shareholders during the relevant Calculation Period, to the extent such gains exceed an annual hurdle rate of 8%.

(ii) The increase in share price shall be determined as the difference between share price at the end of a Calculation Period and the share price at the beginning of the respective Calculation Period, being determined based on publicly available market prices, using the closing market price on the relevant dates.

(iii) The 8% annual hurdle rate shall be applied on a cumulative basis. Once the hurdle return has been achieved, the AIFM shall receive **15% of the excess return** above the hurdle, until it reaches the agreed carried interest allocation.

This approach was designed to balance cost containment with incentive alignment and was deemed appropriate for a fund entering a stabilization and repositioning phase. The BoN engaged in a period of negotiation regarding the proposed fee structure and ultimately secured what it believes to be a fair and equitable outcome for Fondul Proprietatea's shareholders.

The proposed base fee for Phase I represents a 0.15% reduction compared to the current fee arrangement with FTIS. This reduction constitutes, *ceteris paribus*, a material cost saving and is expected to allow Fondul Proprietatea to recoup the full cost of the selection process within a 2–3 year period under the current strategy.

Furthermore, the fee terms proposed for Phase II acknowledge the baseline established in Phase I, while also reflecting the distinct characteristics and objectives of the new investment strategy proposed by ROCA FP. Any fees proposed for Phase II is subject to obtaining the necessary regulatory and shareholder approvals.

## **6. Proposed Contract Term**

- Proposed 4-year initial contract term which is in line with resolution approved by shareholders at the OGSM
- AIFM's mandate may be terminated in accordance with the provisions of the investment management agreement (the draft of the investment management agreement will be available on FP's website, as one of the OGSM materials)

## **7. Ancillary items**

Ancillary items covered included investor relations and promotion, operational framework, transition management experience, and candidates' proposal to invest their own capital into FP.

ROCA FP's proposal was viewed as best placed to address these expectations. The BoN considered stakeholder alignment as a material factor in ensuring future governance stability and shareholder approval.

## **G. Conclusion**

Following a comprehensive and transparent evaluation process, the Board of Nominees has selected ROCA FP (meaning IRE, having an advisory arrangement with Impetum) as the recommended AIFM for FP. This recommendation is based on:

- organisational credibility, noting extensive operations with respect to the provision of investment management centred on Romanian private companies and ancillary services;
- credible and relevant investment strategy;
- regulatory framework providing credible route to necessary regulatory authorisation;
- personnel matters, including operational capacity in Luxembourg and Romania;
- remuneration structure, demonstrating strong alignment with shareholders' interests; and
- ancillary items including detailed understanding of the local investor universe, existing operational framework, expectation of effective transition planning and commitment to invest own capital.

## **H. Proposal**

The BoN, acting in accordance with the mandate granted by FP's shareholders and having carefully considered all available information as well as advice it has received from Deutsche Numis, as its Selection Advisor, believes that the appointment of ROCA FP (meaning IRE, having an advisory arrangement with Impetum) is in the best interests of shareholders as a whole.

In providing its advice, Deutsche Numis has relied upon the BoN's commercial assessments of the candidates' proposals. The BoN therefore recommends that FP shareholders' vote in favour of IRE's appointment.

## **Disclaimer**

*Numis Securities Limited (which is trading for these purposes as Deutsche Numis) ("Deutsche Numis"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Fondul Proprietatea and for no one else and will not be responsible to anyone other than Fondul Proprietatea for providing the protections afforded to its clients or for providing advice in relation to the matters referred to herein. Neither Deutsche Numis, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this document, any statement contained herein or otherwise.*