

CURRENT REPORT

as per the CNVM Regulation No. 1/2006 regarding the issuers and securities operations, art. 113 A,
paragraph c

Date of the report: 21.04.2017

Name of the issuing entity: IAR S.A. Company

Social headquarters: 1, Aeroportului Street, Ghimbav, county of Brasov

Telephone / Fax number: 0268475108/0268476981

Sole Registration Code with the Trade Registry Office: 1132930

Order Number with the Trade Registry: J08/IV/1991

Social capital registered and deposited: 47.197.132,50 lei

The regulated market onto which transactions of issued securities are traded: The Stock Exchange Bucharest, Capital titles sector – Shares Standard Category

I. Important events to be reported: EGMS 19-20.04.2017

The Extraordinary General Meeting of the Shareholders took place on 20.04.2017, the date of the second call. The meeting was attended by shareholders/representatives of the shareholders holding 12.250.726 shares of the Company IAR SA, representing 64,8913 % of the total number of company shares.

The decisions taken by vote after analyzing the presented documents are the following:

1. The following amendments at the Constitutive Act of IAR Company are approved:

A Paragraph 1 of Article 3 – Company headquarters in CHAPTER I - NAME, LEGAL FORM, HEADQUARTERS, DURATION of the Constitutive Act of IAR SA is amended as follows:

“Art. 3 – The company headquarters

(1) The Company headquarters is in Romania, Brasov, Ghimbav town, 34, HERMANN OBERTH Street.”

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726			
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	12.250.726	0	0	
Shareholders who sent their vote by correspondence / registered post	0	0	0	
SUBTOTAL	12.250.726	0	0	

representing the following percentages of the total number of shares of the company

<u>TOTAL:</u>	64,8913 %			
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	64,8913	0	0	
Shareholders who sent their vote by correspondence / registered post	0	0	0	
SUBTOTAL	64,8913	0	0	

representing the following percentages of the total number of shares represented-OGMS 31.01.2017

<u>TOTAL:</u>	100 %			
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	100	0	0	
Shareholders who sent their vote by correspondence / registered post	0	0	0	
SUBTOTAL	100	0	0	

B. Article 6 “Object of activity of CHAPTER II – SCOPE AND OBJECT OF ACTIVITY OF THE COMPANY” remain unchanged.

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following **percentages of the total number of shares of the company**

TOTAL:	64,8913	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	64,8913	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	64,8913	0	0

representing the following **percentages of the total number of shares represented-OGMS 31.01.2017**

TOTAL:	100	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	100	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	100	0	0

C Paragraph 2 of Art. 7 “Share capital” of CHAPTER - III - CAPITAL, SHARES of the Constitutive Act of IAR SA is modified as follows:

“Art. 7 – Share capital

(2) The share capital is subscribed and paid by legal entities and individuals, as follows:

SHAREHOLDER	NO. OF SHARES	SHARE CAPITAL	%
The Ministry of Economy, on behalf of the Romanian State	12,250,488	30,626,220	64.89
The Ministry of Social Justice	1,378,156	3,445,390	7.3
Other shareholders, juridical and physical entities	5,250,209	13,125,522.50	27.81
TOTAL	18,878,853	47,197,132.50	100

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following **percentages of the total number of shares of the company**

TOTAL:	64,8913	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	64,8913	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	64,8913	0	0

representing the following **percentages of the total number of shares represented-OGMS 31.01.2017**

TOTAL:	100	%
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out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	100	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	100	0	0

D Paragraph 3 and 4 of Art. 12 “ The prerogatives of the general meeting of shareholders” in CHAPTER IV- GENERAL MEETING OF SHAREHOLDERS of the Constitutive Act of IAR SA are modified as follows:

“Art. 12 - The prerogatives of the general meeting of shareholders

3) The ordinary general shareholders meeting has the following main prerogatives:

- a) to discuss, approve or modify the annual financial statements, based on reports submitted by the Board of Directors, or, where appropriate, by the financial auditor and establish the dividend;
- b) to appoint and dismiss the Board members,
- c) to appoint or dismiss the financial auditor and establish the minimum duration of the financial audit contract;
- d) to establish the remuneration for the Board members;
- e) to decide on the Board of Directors administrative prerogatives,
- f) to establish the income and expenditure budget and, where appropriate, the activity program, for the following financial year;
- g) to decide the pledge, lease or closing of one or more units of company,
- h) to decide on the long terms bank loans contracting, ie over 5 (five) years,
- i) to examine the reports of the Board on the status and the company's prospects with regard to profit and dividends, to the domestic and international market position, the technical level, quality, labor, environment, relationships with customers;
- j) to decide on legal action against the Board members,

(4) The Extraordinary General Meeting of Shareholders has the following main prerogatives:

- a) changing the legal form of the company;
- b) relocation of the company;
- c) change of the company's object of activity;
- d) the creation or abolition of some secondary units: branches, agencies or other such units without legal personality, unless the Constitutive Act provides otherwise;
- e) capital increase;
- f) reduction of share capital or reunification by issuing new shares;
- g) merger with other companies or division of the company;
- h) anticipated dissolution of the company;
- i) conversion of registered shares into bearer shares or bearer shares into registered shares;
- j) conversion of shares from one class to another;
- k) conversion of a category of bonds or shares in another category;
- l) any other amendment of the Constitutive Act or any other resolution requiring the approval of the extraordinary general meeting.”

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following **percentages of the total number of shares of the company**

	TOTAL:	64,8913	%
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	64,8913	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	64,8913	0	0

representing the following percentages of the total number of shares represented-OGMS 31.01.2017

	TOTAL:	100	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		100	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	100	0	0

E. Paragraph 3 of Art. 13 - Convening of the general meeting of shareholders in CHAPTER IV - GENERAL SHAREHOLDERS MEETING of the Constitutive Act of IAR SA is modified as follows:

“Art. 13 – Convening of the General Meeting of Shareholders

(3) *The Ordinary General Meeting are held at least once a year, no more than 4 (four) months from closing the economic and financial year, to examine and approve the annual financial statements drawn up according to the law for the previous year.”*

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	12.250.726		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	12.250.726	0	0

representing the following percentages of the total number of shares of the company

	TOTAL:	64,8913	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		64,8913	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	64,8913	0	0

representing the following percentages of the total number of shares represented-OGMS 31.01.2017

	TOTAL:	100	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		100	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	100	0	0

F. Art 15 “Exerting the voting rights in the general meeting of shareholders” of Chapter IV - GENERAL SHAREHOLDERS MEETING of the Constitutive Act of IAR SA will be completed with a new paragraph, as follows:

“Art. 15 – Exerting the right to vote in the general meetings of shareholders

4) *The company will guarantee the right to vote by mail, the procedure for exercising the right to vote by mail will be displayed on the web site of the company.”*

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	12.250.726		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	12.250.726	0	0

representing the following percentages of the total number of shares of the company

TOTAL: **64,8913** %

out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	64,8913	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	64,8913	0	0
representing the following <u>percentages of the total number of shares represented-OGMS 31.01.2017</u>			
TOTAL:	100	%	

out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	100	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	100	0	0

G. Paragraph 3 of Article 16 - Organization of CHAPTER V - BOARD OF DIRECTORS of the Constitutive Act of IAR SA will be completed with the phrase "and the Constitutive Act", as follows:

CHAPTER V - BOARD OF DIRECTORS

“Art. 16 – Organization

3) The Board of Directors is responsible for carrying out all the necessary and appropriate activities in order to achieve the company’s object of activity, except those reserved by law and the Constitutive Act to the general meeting of shareholders.”

The vote was expressed as follows:

the total number of the expressed votes: 12.250.726

out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following percentages of the total number of shares of the company

TOTAL: 64,8913 %

out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	64,8913	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	64,8913	0	0

representing the following percentages of the total number of shares represented-OGMS 31.01.2017

TOTAL: 100 %

out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	100	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	100	0	0

H. 7 The prerogatives of the Board of Directors stipulated in the Constitutive Act of IAR SA are amended as follows:

“Art. 17 – The prerogatives of the Board of Directors

(1) The Board has the following main responsibilities:

- a) to approve the rules of organization and functioning of the company;
- b) to set out the main directions of company activity and development;
- c) to establish marketing tactics and strategy;
- d) to approve the business plan;
- e) to appoint / dismiss the managing directors of the company and to establish their salaries;
- f) to approve the collective labor agreement negotiated by the company general manager and team appointed thereby;

- g) is responsible for the company property management, under the law;
- h) to approve the revenues and payments, according to the powers granted;
- i) to examine and submit for approval by the general shareholders meeting, association contracts with third parties;
- j) to submit to annual review and approval of the general meeting of shareholders no later than 4 (four) months from the conclusion of the financial year, the company's business report, the annual financial statements for the previous year and the draft of activities program
- k) the annual financial statements and the management report accompanied by supporting documents, are presented to the financial auditors at least one month before the date set for the General Meeting of Shareholders;
- l) to establish the accounting system and the financial control and approve the financial planning;
- m) to introduce the company's demand for opening of insolvency proceedings under the law in force;
- n) to survey the directors' activity;
- o) to decide on the lease and sublease of own property excluding the assets as defined in the legislation on the privatization of companies or leased within the limits set out by specific legislation in force
- p) to approve the company's organizational structure and number of posts and establish the normative setup of the functional departments and production;
- q) to decide on bank loans on short and medium term, respectively less than 5 (five) years, without real-estate guarantees, under the law provisions and respecting the limits established by GSM,
- r) to inform the General Meeting of Shareholders on bank loans on short and medium term (up to 5 years);
- s) to exert any other powers and solve any other issues determined by the general meeting of shareholders, or stipulated by the law;
- (2) The Board of Directors will give mandate to the general director and other executives to meet some of its powers.
- (3) The Board may not delegate the mentioned powers to the directors under Art. 17, letters b), d), e), j), k), l), m) and p).”

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726			
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	12.250.726	0	0	
Shareholders who sent their vote by correspondence / registered post	0	0	0	
SUBTOTAL	12.250.726	0	0	

representing the following **percentages of the total number of shares of the company**

TOTAL:	64,8913	%		
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	64,8913	0	0	
Shareholders who sent their vote by correspondence / registered post	0	0	0	
SUBTOTAL	64,8913	0	0	

representing the following **percentages of the total number of shares represented-OGMS 31.01.2017**

TOTAL:	100	%		
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	100	0	0	
Shareholders who sent their vote by correspondence / registered post	0	0	0	
SUBTOTAL	100	0	0	

I. Art 23 – “The accounting records and annual financial statements” in CHAPTER VII - COMPANY ACTIVITY of the Constitutive Act of IAR SA is modified as follows:

“Art. 23– The accounting records and annual financial statements

(1) The Company shall keep the accounting records as per the Accounting Law, the Accounting Regulations compliant in accordance with the International Financial Reporting Standards and other regulations in force for each financial year.

(2) The annual financial statements will be filed and made public under the conditions provided by law.”

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following **percentages of the total number of shares of the company**

TOTAL:	64,8913	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	64,8913	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	64,8913	0	0

representing the following **percentages of the total number of shares represented-OGMS 31.01.2017**

TOTAL:	100	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	100	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	100	0	0

J. The letter (j) paragraph 1 Art. 27 – “Dissolution of the company” from CHAPTER VIII - AMENDMENT OF THE LEGAL FORM, DISSOLUTION, LIQUIDATION, LITIGATIONS of the Constitutive Act of IAR SA is deleted, the article being the following:

“Art. 27 – Dissolution of the company

(1) The following situations lead to the dissolution of the company:

- a) the impossibility of conducting its business;
 - b) the declaration of the company nullity;
 - c) the resolution of the General Shareholders Meeting;
 - d) bankruptcy;
 - e) reducing capital below 90.000 lei, after the reserve fund has been consumed if the general meeting of shareholders decides against the completion of the capital or to reduce the remaining amount;
 - f) the number of shareholders will be reduced below the number required by the law for a period longer than 9 months;
 - g) reducing the net assets (calculated as the difference between the total assets and its total debts) less than 1/2 of the share capital subscribed, provided the general meeting of shareholders decides not to reconstitute the net asset value at least equal to half of the share capital;
 - h) at the request of any shareholder, if the circumstances of force majeure and their consequences last more than 8 months, and the General Meeting of Shareholders notes that the company's operation is no longer possible;
 - i) the decision of the court at the request of any shareholder, for good reasons, such as serious disagreements between them, hindering the functioning of society;
- (2) Dissolution of the company must be registered in the Commercial Register and published in the Official Gazette.”

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.250.726	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following **percentages of the total number of shares of the company**

TOTAL: **64,8913** %

<i>out of which:</i>	FOR	AGAINST	ABSTENTION
<i>Shareholders present and/or represented</i>	64,8913	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	64,8913	0	0

representing the following percentages of the total number of shares represented-OGMS 31.01.2017

	TOTAL:	100	%
<i>out of which:</i>	FOR	AGAINST	ABSTENTION
<i>Shareholders present and/or represented</i>	100	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	100	0	0

2. The date 10.05.2017 is approved as the registration and identification date of the shareholders who are affected by the resolutions of the Extraordinary General Meeting of the Shareholders dated 20.04.2017, and the date 09.05.2017 as ex-date, in accordance with the provisions of Law No. 297/2004 on the capital market.

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726		
<i>out of which:</i>	FOR	AGAINST	ABSTENTION
<i>Shareholders present and/or represented</i>	12.250.726	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following percentages of the total number of shares of the company

	TOTAL:	64,8913	%
<i>out of which:</i>	FOR	AGAINST	ABSTENTION
<i>Shareholders present and/or represented</i>	64,8913	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	64,8913	0	0

representing the following percentages of the total number of shares represented-OGMS 31.01.2017

	TOTAL:	100	%
<i>out of which:</i>	FOR	AGAINST	ABSTENTION
<i>Shareholders present and/or represented</i>	100	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	100	0	0

3. The Board of Directors and the executive management of the Company IAR SA are mandated to carry out the provisions of this resolution, as well as the formalities regarding the publicity required by the law, the Constitutive Act and the CNVM Regulations.

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.250.726		
<i>out of which:</i>	FOR	AGAINST	ABSTENTION
<i>Shareholders present and/or represented</i>	12.250.726	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	12.250.726	0	0

representing the following percentages of the total number of shares of the company

TOTAL:	64,8913	%
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<i>Shareholders present and/or represented</i>	64,8913	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	64,8913	0	0

representing the following percentages of the total number of shares represented-OGMS 31.01.2017

	TOTAL:	100 %	
<i>out of which:</i>	FOR	AGAINST	ABSTENTION
<i>Shareholders present and/or represented</i>	100	0	0
<i>Shareholders who sent their vote by correspondence / registered post</i>	0	0	0
SUBTOTAL	100	0	0

This current report is available and can be accessed at the address www.iar.ro/Shareholders/Reports according to the capital market requirements/5.Current Reports regarding the privileged information under the LAW 297/2004, ART 226, PAR(1).

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CHAIRMAN OF THE BOARD

GENERAL DIRECTOR