

PROPOSALS REGARDING THE MODIFYING OF THE CONSTITUTIVE ACT OF IAR SA COMPANY (ONLY THE MODIFIED TEXT)

ACTUAL TEXT (*the text proposed to be modified or excluded has red colour*)

PROPOSED TEXT (*the modified or the new introduced text has blue colour*)

Art. 6 – The object of activity

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- ...
- (1) *The main activity performed by the company is that set out in Class 3316 - "Repair and maintenance of aircraft and spacecraft" which is part of Group 331 "Repair of metal products, repair of machinery and equipment", Division 33 – Repair, maintenance and installation of machinery and equipment“*
- (2) *The Company may conduct the following secondary activities:*

- ...
- (1) *The main activity performed by the company is that set out in Class 3030 - "Manufacture of aircraft and spacecraft" which is part of Group 303 "Manufacture of aircraft and spacecraft "Division 30 - Manufacture of other transport equipment.“*
- (2) *The Company may conduct the following secondary activities:*

ACTIVITY CODE	ACTIVITY
3030	<i>Manufacture of aircraft and spacecraft</i>
1392	<i>manufacture of textile articles, except apparel and underwear</i>
1399	<i>manufacture of other textiles: n.c.a.</i>
1512	<i>manufacture of luggage, handbags and saddlery and harnesses</i>
1624	<i>manufacture of wooden containers</i>
2219	<i>manufacture of other rubber products</i>
2512	<i>manufacture of elements of carpentry and metal work</i>
2550	<i>manufacture of metal wrought products; powder metallurgy</i>
2561	<i>treatment and coating of metals</i>
2599	<i>manufacture of other metal items n.c.a.</i>
2540	<i>manufacture of weapons and ammunition</i>
3109	<i>manufacture of furniture n.c.a.</i>
3530	<i>steam and air conditioning supply</i>
3600	<i>collection, purification and distribution of water</i>
4520	<i>vehicles maintenance and repair</i>
4690	<i>specialized wholesale trade import-export of military goods according to normative acts which: - approve the lists of weapons, ammunition and other military products and dual-use items, - governs the control of exports of dual-use technologies, - governs the import and export control of strategic goods</i>
4724	<i>retail trade of bread, confectionery and sugar confectionery in specialized stores</i>
5223	<i>other food service</i>

ACTIVITY CODE	ACTIVITY
3316	<i>Repair and maintenance of aircraft and spacecraft</i>
1392	<i>manufacture of textile articles, except apparel and underwear</i>
1399	<i>manufacture of other textiles: n.c.a.</i>
1512	<i>manufacture of luggage, handbags and saddlery and harnesses</i>
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5223	<i>other food service</i>

5629	road goods transport	5629	road goods transport
4941	passenger air transport	4941	passenger air transport
5110	handlings	5110	handlings
5224	storage	5224	storage
5210	renting and leasing of cars and light road vehicle	5210	renting and leasing of cars and light road vehicle
7711	activities of renting and leasing of air transport equipment	7711	activities of renting and leasing of air transport equipment
7735	renting and leasing of vehicles and office equipment (including computers)	7735	renting and leasing of vehicles and office equipment (including computers)
7733	other food service	7733	other food service
7739	renting and leasing of other machinery, equipment and tangible goods n.c.a.	7739	renting and leasing of other machinery, equipment and tangible goods n.c.a.
6202	IT consultancy activities	6202	IT consultancy activities
6201	activities to develop custom software (customer –oriented software)	6201	activities to develop custom software (customer –oriented software)
6311	data processing, hosting and related activities	6311	data processing, hosting and related activities
6312	activities of web portals	6312	activities of web portals
6820	lease and sublease of own or leased real estate	6820	lease and sublease of own or leased real estate
7219	research and development on natural sciences and engineering	7219	research and development on natural sciences and engineering
7320	activities on market research and public opinion polling	7320	activities on market research and public opinion polling
7022	consulting activities for business and management	7022	consulting activities for business and management
7120	technical testing and analysis activities	7120	technical testing and analysis activities
8219	activities photocopying, document preparation and other specialized office support activities	8219	activities photocopying, document preparation and other specialized office support activities
8559	other education n.c.a.	8559	other education n.c.a.
8621	general healthcare activities	8621	general healthcare activities
9311	activities of sports facilities	9311	activities of sports facilities
9319	other sports activities	9319	other sports activities

CHAPTER IV- GENERAL MEETING OF SHAREHOLDERS
Art. 12 - Main attributions of the General Meeting of Shareholders

...
(3) The ordinary general shareholders' meeting has the following main attributions:
...
j) to decide on the legal action of the members of the Board of Directors.

Art. 14 - Organization of the general meeting of shareholders
(1) The Ordinary General Meeting is validly constituted and may decide if at the first call shareholders holding at least 2/3 of the share capital are

CHAPTER IV- GENERAL MEETING OF SHAREHOLDERS
Art. 12 - Main attributions of the General Meeting of Shareholders

...
(3) The ordinary general shareholders' meeting has the following main attributions:
...
j) to decide on the legal action of the members of the Board of Directors.
k) to determine the minimum value of the insured amount and the maximum value of the insurance premium for the professional liability insurance of the members of the Board of Directors, respectively of the directors.

Art. 14 – Organization of the general meeting of shareholders
(1) The Ordinary General Meeting of the Shareholders is validly constituted and can take decisions if at the first call shareholders

present and the decisions are taken by shareholders holding the absolute majority of the share capital represented in the meeting.

(2) In the case of non-fulfillment of the conditions of paragraph 1, the general meeting of the shareholders shall meet after a new call and may deliberate on the issues of the agenda of the first meeting with the majority of the votes cast, whatever is the share represented by the shareholders who participate at the meeting.

(3) The Extraordinary General Meeting is validly constituted and may take decisions if, at the first call, shareholders holding 3/4 of the capital are present and the decisions are taken by the vote of a number of shareholders representing at least 1/2 of the share capital. In the following call, the extraordinary general meeting is valid if shareholders representing 1/2 of the share capital are present and the decisions are taken with the vote of a number of shareholders representing at least 1/3 of the share capital.

(4) The representation of the shareholders in the general meeting of the shareholders shall be done in accordance with the law.

(5) The general meeting of the shareholders is chaired by the chairman of the board of directors or by the person who is keeping his place.

(6) The shareholders present shall appoint among them one or two secretaries who will check the list of shareholders' presences, as well as the

holding at least 1/2 of the total voting rights are present and the resolutions are taken by shareholders holding the majority of the casted votes.

(2) In case of the non-fulfillment of the conditions stipulated at paragraph (1), the general meeting of the shareholders shall meet at a second call and may deliberate on the issues of the agenda of the first meeting, regardless of the quorum, taking decisions with the majority of the casted votes.

(3) The Extraordinary General Meeting of the Shareholders is validly constituted and may take decisions if at the first call shareholders holding at least 1/2 of the total voting rights are present and the resolutions are taken by a majority of the votes held by the shareholders present or represented. At the second call, the extraordinary general meeting may deliberate on the agenda items of that first meeting, under the same quorum and majority conditions required for the first call.

(4) Participation at the meeting shall be in accordance with the specific legislation in force and the Constitutive Act of IAR S.A. Company by direct representation or by special / general empowerment.

(4¹) The forms for the special empowerments upon which the shareholders may be represented at the meetings of the general meeting of shareholders and the mail the voting ballots are made available to the shareholders both in Romanian and in English, and they can be downloaded from the web page of Company, www.iar.ro.

(4²) The shareholders may supplement and transmit the special empowerments and the voting ballot either in Romanian or in English.

(4³) The special empowerments necessary for the voting, as well as the main voting ballots, shall be filed in original at IAR SA headquarters, at least one hour before the meeting, valid also for filing the copies of the general empowerments, containing the words "according to the original".

(4⁴) Any shareholder who wishes to appoint his representative by electronic means may send notice of such designation to office@iar.ro. Notification may be made only in writing, in Romanian and / or in a language of circulation in the international financial field.

(5) The general meeting of shareholders shall be chaired by the chairman of the board, by the administrator appointed by him to chair the meeting or, failing that, by a person designated by the shareholders.

(6) The shareholders present will appoint, among them, one or more meeting secretaries, who will check the attendance list of the shareholders as well as the fulfillment of all the formalities required by the law and by the constitutive act for the holding of the meeting. The

<p><i>fulfillment of all the formalities required by the law and the constitutive act for the conduct of the meeting. The Chairman of the Board may designate among the employees of the company one or more technical secretaries to take part in the execution of the operations / formalities required by law and by the Constitutive Act for the maintenance of the general meeting.</i></p> <p><i>(7) The minutes of the meeting shall be recorded in the minutes of the minutes, sealed and initialed, and signed by the person who chaired the meeting and the secretary (s) who drafted it.</i></p>	<p><i>President may designate, among the employees of the company, one or more technical secretaries to take part in the execution of the operations / formalities required by the law and by the Constitutive Act for the holding of the general meeting.</i></p> <p><i>(7) The minutes, signed by the president and the secretary of the meeting, shall observe the fulfillment of the convening formalities, the date and the place of the meeting, the agenda, the shareholders present, the number of shares, the summaries, the decisions taken and, at the request of the shareholders, their declarations made during the meeting. The minutes of the meeting shall be edited, signed, and shall be attached to the Registry of the Minutes of the Meetings and deliberations, which shall be kept sealed and initialed.</i></p>
<p>Art. 15–Exercising the right of the vote during the general meeting of the shareholders</p> <p><i>(1) The decisions of the general meetings shall be taken by open vote. Shareholders exercise their right to vote directly or through representatives mandated for that purpose by power of attorney. Depending on the issues under discussion, at the proposal of the president of the meeting or of a group of shareholders representing 1/4 of the share capital, it may be decided that the decisions be taken by secret vot. The secret vote is mandatory for the election of the members of the board of directors, for their revocation, for the decisions regarding the liability of the members of the administration, executive management and control bodies of the company, as well as under other conditions stipulated by the law.</i></p>	<p>Art. 15–Exercising the right of the vote during the general meeting of the shareholders</p> <p><i>(1) The decisions of the general meetings shall be taken by open vote. Shareholders exercise their right to vote directly or through representatives mandated for that purpose by empowerment. The secret vote is mandatory for the election of the members of the board of directors, for their revocation, for the decisions regarding the liability of the members of the administration, executive management and control bodies of the company, as well as under other conditions stipulated by the law.</i></p>
<p>CHAPTER V - BOARD OF DIRECTORS</p> <p>Art. 16 – Organizational issues</p> <p>...</p> <p><i>(2) The majority of the members of the Board of Directors, meaning at least 3 members, shall be non-executive directors (who have not been appointed directors). At least one of the members of the board must be independent within the meaning of Article 138² of Law 31/1990 republished, as subsequently amended and supplemented.</i></p> <p>...</p> <p><i>(4) The election of the directors shall be made from among persons nominated by the shareholders on the basis of their percentage in the stock capital of IAR S.A. Company, after verifying that they meet the requirements of the law.</i></p> <p><i>The person who is appointed as member of the board of directors must expressly accept it in order to have this appointment legally valid.</i></p>	<p>CHAPTER V - BOARD OF DIRECTORS</p> <p>Art. 16 – Organizational issues</p> <p>...</p> <p><i>(2) The majority of the members of the Board of Directors, meaning at least 3 members, shall be non-executive directors (who have not been appointed directors).</i></p> <p>...</p> <p><i>(4) The person who is appointed as member of the board of directors must expressly accept it in order to have this appointment legally valid.</i></p>

(5) Prior to taking the member of the board position, each member shall conclude professional indemnity insurance for an insured amount equivalent to 10 gross monthly salaries. The same applies to directors of the company.

...

(7) In the case of the vacancy of one or more administrator positions, the other directors, by the majority vote, shall proceed to the temporarily filling of the vacancies, until the general meeting is convened.

...

(13) The Board of Directors shall meet at the Company's headquarters, whenever necessary, but at least every three months, at the convocation of the Chairman. The Board of Directors shall also be convened on a reasoned request by at least two of its members or the Director-General. The meeting shall be chaired by the chairman, and in his absence, by the administrator appointed by the board of directors as substitute. The chairman of the board shall appoint a secretary, whether from among the members of the board or outside the board, setting his monthly remuneration at the level of 1/3 of the fixed monthly remuneration of a member of the board.

(14) Pentru valabilitatea deciziilor, este necesară prezența a cel puțin 2/3 (două treimi) din numărul membrilor consiliului de administrație și decizia se ia cu votul majorității absolute a celor prezenți. În caz de paritate se aplică prevederile legii.

...

(16) The convening letters of the Board of Directors will include the date, the place where the meeting will take place and the established agenda proposed by the Chairman of the Board of Directors or by the applicants of the convocation, without taking a decision on the unforeseen issues, except the cases of urgency and with the fulfilling of the condition that the subject to be ratified by the absent members at the next meeting.

...

(18) A minutes shall be drawn up at each meeting, containing the names of the participants, the order of deliberations, the taken decisions, the number of votes and the separate opinions. The minutes shall be signed by the chair

(5) The members of the board and directors of the company (within the meaning of Law No. 31/1990 republished, with the subsequent amendments and completions) are insured for professional liability.

...

(7) In case of vacancy of one or more of the positions of member of the board, the board of directors shall appoint temporary administrators until the ordinary general meeting of the shareholders will take place.

...

(13) The Board of Directors shall meet at the Company's headquarters, in another established place, or by video- or audio-conference, whenever necessary, but at least every three months, at the convocation of the Chairman. The Board of Directors shall also be convened on a reasoned request by at least two of its members or the Director-General. The meeting shall be chaired by the chairman, and in the absence thereof, by the administrator appointed by the board of directors as substitute.

(13¹) The board of directors shall appoint a secretary, either from the executive members of the board or from the employees of the company, establishing its monthly remuneration.

(14) For the validity of the decisions, the presence of at least 3 (three) members of the board of directors is required and the decision shall be taken by the absolute majority vote of the members of the board. In case of parity, the provisions of the law are applied.

...

(16) The convening letters of the Board of Directors will include the date, the place where the meeting will take place and the established agenda proposed by the Chairman of the Board of Directors or by the applicants of the convocation, without taking a decision on the unforeseen issues, except the cases of urgency and with the fulfilling of the condition that the subject to be ratified by the absent members at the next meeting.

(16¹) In exceptional cases justified by the urgency of the situation and by the interest of the company, the decisions of the Board of Directors may be taken by unanimous vote in writing of the members, without the need for a meeting.

...

*(18) An **electronic** minutes shall be drawn up at each meeting, containing the names of the participants, the order of deliberations, the taken decisions, the number of votes and the separate opinions. The*

<p><i>of the meeting and by at least one other administrator.</i></p>	<p><i>minutes shall be signed by the chair of the meeting and by at least one other administrator who attend the meeting.</i></p>
<p>Art. 17 – Tasks of the Board of Directors <i>"(1) The Board of Directors shall have the following tasks:</i> <i>a) approves the organization and functioning regulations of the company;</i> <i>b) establishes the main directions of activity and development of the company;</i> <i>c) sets the tactics and marketing strategy;</i> <i>d) approves the business plan;</i> <i>e) appoints/revokes the directors of the company and determines their salary;</i> <i>f) approves the collective labor agreement in the company, negotiated by the general director and the team appointed by him;</i> <i>g) it is responsible for the management of the company's patrimony, in compliance with the legal provisions;</i> <i>h) approves the collection and payment operations, according to the competencies granted</i> <i>i) analyzes and submits the approval of the general meeting of shareholders, the contracts of association with third parties;</i> <i>j) submits annually to the analysis and approval of the general meeting of the shareholders, no later than 4 (four) months after the end of the financial year, the report on the company's activity, the annual financial statements for the previous year and the draft of the program of activity;</i> <i>k) the annual financial statements accompanied by the management report and the supporting documents, shall be submitted to the financial auditors at least one month before the date set for the general meeting of the shareholders;</i> <i>l) establishes the accounting and financial control system and approves the financial planning;</i> <i>m) introduces the request for opening the insolvency procedure of the company, according to the specific legislation in force;</i> <i>n) oversee the activity of directors;</i> <i>o) decides on the rental and sub-leasing of its own real estate, except for the assets as defined in the legislation on the privatization of comercial or rented companies within the limits set by the specific legislation in force;</i> <i>p) approves the organizational structure of the company and the number of positions and the normatives for the functional and production compartments;</i> <i>q) decides on the conclusion of short- and medium-term bank loans, meaning less than 5 (five) years, without real estate collateral, according to the law and within the limits set by the General Meeting of</i></p>	<p>Art. 17 – Tasks of the Board of Directors <i>"(1) The Board of Directors shall have the following tasks:</i> <i>a) approves the organization and functioning regulations of the company;</i> <i>b) establishes the main directions of activity and development of the company;</i> <i>c) sets the tactics and marketing strategy;</i> <i>d) approves the business plan;</i> <i>e) appoints/revokes the directors of the company and determines their remuneration;</i> <i>f) approves the collective labor agreement in the company, negotiated by the general director and the team appointed by him;</i> <i>g) analyzes and submits the approval of the general meeting of shareholders, the contracts of association with third parties;</i> <i>h) submits annually to the analysis and approval of the general meeting of the shareholders, no later than 4 (four) months after the end of the financial year, the report on the company's activity, the annual financial statements for the previous year and the draft of the program of activity</i> <i>i) the annual financial statements accompanied by the management report and the supporting documents, shall be submitted to the financial auditors at least one month before the date set for the general meeting of the shareholders;</i> <i>j) establishes the accounting and financial control system and approves the financial planning;</i> <i>k) introduces the request for opening the insolvency procedure of the company, according to the specific legislation in force;</i> <i>l) oversee the activity of directors;</i> <i>m) decides on the rental and sub-leasing of its own real estate, except for the assets as defined in the legislation on the privatization of companies within the limits set by the specific legislation in force;</i> <i>n) approves the organizational structure of the company and the number of positions of the functional and production compartments;</i> <i>o) decides on the conclusion of short- and medium-term bank loans, meaning less than 5 (five) years, without real estate collateral, according to the law and</i></p>

<p><i>Shareholders;</i></p> <p><i>r) informs the General Meeting of Shareholders about short and medium term bank loans (up to 5 years);</i></p> <p><i>s) performs any other duties and resolves any other matters established by the general meeting of the shareholders, or provided by law;</i></p> <p><i>(2) The Board of Directors shall mandate by decision the General Director and the other directors to perform part of his duties.</i></p> <p><i>(3) The Board of Directors may not delegate to the directors the attributions specified in art. 17, literele b), d), e), j), k), l), m) și p).”</i></p>	<p><i>within the limits set by the General Meeting of Shareholders;</i></p> <p><i>p) informs the General Meeting of Shareholders about short and medium term bank loans (up to 5 years);</i></p> <p><i>q) performs any other duties and resolves any other matters established by the general meeting of the shareholders, or provided by law;</i></p> <p><i>(2) The Board of Directors shall mandate by decision the General Director and the other directors to perform part of his duties.</i></p> <p><i>(3) The Board of Directors may not delegate to the directors the attributions specified in art. 17 b), d), e), h), i), j), k), l) and n).</i></p>
<p>CHAPTER VI – FINANCIAL MANAGEMENT OF THE COMPANY</p> <p>Art. 19 – Financial auditor</p> <p>...</p> <p><i>(2) The company organizes its internal audit according to the legal provisions, the election of the auditor being the competence of the ordinary general meeting of the shareholders. The internal audit activity will be carried out in accordance with the provisions of Law no. 31/1990 republished, with the amendments and additions to the day, as well as those of the specific standards and legal norms in force.</i></p> <p><i>(3) The financial audit activity at S.C. IAR S.A. Braşov is carried out by a financial auditor appointed by the ordinary general meeting of the shareholders.</i></p> <p><i>(4) The financial audit shall be carried out in accordance with the Audit Standards issued by the Romanian Chamber of Auditors, based on a service contract approved by the Board of Directors, upon proposal of the Audit Committee, for the duration set by the Ordinary General Meeting of Shareholders.</i></p>	<p>CHAPTER VI - FINANCIAL MANAGEMENT OF THE COMPANY</p> <p>Art. 19 - Financial Auditor <i>and internal audit</i></p> <p>...</p> <p><i>(2) At IAR SA Company, the Financial Audit activity is carried out by a financial auditor appointed by the ordinary general meeting of shareholders.</i></p> <p><i>(3) The financial audit shall be performed in accordance with the Auditing Standards issued by the Romanian Chamber of Auditors, based on a service contract approved by the Board of Directors, at the proposal of the Audit Committee, for a period which is determined by the Ordinary General Meeting of Shareholders.</i></p> <p><i>(4) The company organizes its internal audit in accordance with the legal provisions.</i></p>

Ion Rareş POPESCU

CHAIRMAN OF THE BOARD