

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: 31.01.2017

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: OGMS 30-31.01.2017

The Ordinary General Meeting of the Shareholders took place on 31.01.2017, the date of the second call. The meeting was attended by shareholders/representatives of the shareholders holding 12.263.166 shares of the Company IAR SA, representing 64,9516 % of the total number of company shares.

The meeting agenda was:

1. Approval of the short term and medium term (maximum 5 years) bank loan contracting levels and competences without real estates guarantees, needed for the commercial contracts progress
2. Approval of the date of 15.02.2017 as registration date, i.e. identification of the shareholders to be affected by the effects of the ordinary general shareholders' meeting held on the 30/31.01.2017 and of the date of 14.02.2017 as an ex-date, in conformity with the provisions of Law No. 297/2004 regarding the capital market.

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

1. Approval of the following short and medium term (up to 5 years) bank loan contracting levels and competences without real estate guarantees that are necessary for the commercial contracts progress:

LIMIT*	RELEVANT MANAGING BODY
up to 125 million, inclusively	The General Manager of IAR JSC
between 125 million lei and 250 million lei inclusively	The Board of Directors of IAR JSC

Such limits represent the maximum cumulated level of the loans contracted by the company.

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	12.263.166			
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.263.166	0	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0	0
SUBTOTAL	12.263.166	0	0	0

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

TOTAL:	64,9516 %			
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	64,9516	0	0	0
Shareholders who sent their vote by correspondence / registered post	0	0	0	0
SUBTOTAL	64,9516	0	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

2. Approval that the short-term and medium term (up to 5 years) loans, without real-estate guarantees, necessary for the commercial contracts progress, whose value exceeds the limit of 250 million lei to be submitted to the approval of the IAR JSC General Shareholders Meeting.

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	12.263.166		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.263.166	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	12.263.166	0	0

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

	TOTAL:	64,9516	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		64,9516	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	64,9516	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

3. Approval of the date of 15.02.2017 as being the registration date, respectively the date of identification of the shareholders to be impacted by the effects of the resolutions of the ordinary general shareholders meetings of 31.01.2017 and of the date of 14.02.2017 as ex-dates, as per the provisions of Law no 297/2004 regarding the capital market.

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	12.263.166		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.263.166	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	12.263.166	0	0

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

	TOTAL:	64,9516	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		64,9516	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	64,9516	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

4. Empowerment of the company's Board of Directors and of the general manager with carrying out the provisions of this decision and with the publicity formalities required by law, the Constitutive Act and the FSA/NCTS regulations.

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	12.263.166		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.263.166	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	12.263.166	0	0

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

	TOTAL:	64,9516	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		64,9516	0	0
Shareholders who sent their vote by correspondence / registered post		0	0	0
	SUBTOTAL	64,9516	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

This current report is available and can be accessed at the address [www.iar.ro/Shareholdings/Rapoarte curente, insotite de anexe specifice/2017/31.01.2017](http://www.iar.ro/Shareholdings/Rapoarte_curente_insiotite_de_anexe_specifice/2017/31.01.2017) - Raport Curent 30-31.01.2017 / Current Report OGSM 30-31.01.2017.

Ion Rareş POPESCU

CHAIRMAN OF THE BOARD

Neculai BANEA

GENERAL DIRECTOR

IAR S.A.

Headquarters: Ghimbav, 1, Aeroportului Steet, County of Braşov

Registration No. with the Trade Registry: J/08/4/1991

RESOLUTION No. 01 /31.01.2017

Considering the proposals of the executive board of IAR JSC regarding the short and medium term (up to 5 years) bank loans without real-estate guarantees necessary for the commercial contracts progress to be assigned , on various levels, to the executive and administrative board of the company, proposals whose application would ensure the optimization of guaranteeing modalities stipulated by clauses expressly set out in the respective commercial contracts and which can consist of letters of bank guarantee to cover down-payments, letters of bank guarantee for proper execution/functioning, letters of offset guarantee, etc,

Considering the commercial and financial arguments presented by the Board of Directors in the substantiation note during the meeting of 31.01.2017 of IAR JSC General Shareholders Meeting,

Seeing the endorsement given by the Board of Directors of IAR S.A. through Decision no. 26CA/19.12.2016 regarding the approval of the sale by open outcry auction of the those assets,

Considering the provisions of Law no. 31/1990 republished, as amended and supplemented to date, of Law no. 297/2004, of NCTS Regulation no.1/2006 and of Regulation 6/2009 on issuers and securities operations and the Constitutive Act of IAR S.A.,

The IAR S.A. Ordinary General Shareholders Meeting, convened in accordance with Law no. 31/1990 republished, as amended and supplemented to date, of Law no. 297/2004, of NCTS Regulation no. 1/2006 regarding the issuers and the securities operations, the NCTS Regulation no. 6/2009 on the exercise of certain rights of shareholders in general meetings of companies and the Constitutive Act of IAR S.A. and legally constituted on 31.01.2017, 11:00 a.m., at the company's headquarters, according to the participation of shareholders/representatives of shareholders with 64,9516 % of the total shares of the company

DECIDES:

Art. 1 *The following short and medium term (up to 5 years) bank loan contracting levels and competences without real estate guarantees, that are necessary for the commercial contracts progress, are approved:*

LIMIT*	RELEVANT MANAGING BODY
<i>up to 125 million, inclusively</i>	<i>The General Manager of IAR JSC</i>
<i>between 125 million lei and 250 million lei inclusively</i>	<i>The Board of Directors of IAR JSC</i>

Such limits represent the maximum cumulated level of the loans contracted by the company.

The short-term and medium term (up to 5 years) loans, without real-estate guarantees, necessary for the commercial contracts progress, whose value exceeds the limit of 250 million lei shall be submitted to the approval of the IAR JSC General Shareholders Meeting.

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 64,9516 % of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Art. 2. *The date of 15.02.2017 is approved as being the registration date, respectively the date of identification of the shareholders to be impacted by the effects of the resolutions of the ordinary general shareholders meetings of 31.01.2017 and of the date of 14.02.2017 as ex-dates, as per the provisions of Law no 297/2004 regarding the capital market.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 64,9516 % of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Art. 3. *The company's Board of Directors and the general manager are entrusted with carrying out the provisions of this decision and with the publicity formalities required by law, the Constitutive Act and the FSA/NCTS regulations.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 64,9516 % of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Given at IAR S.A.s headquarters this day, 31.01.2017.

Ion Rareş POPESCU

Aurelia SUMEDREA

CHAIRMAN OF THE BOARD OF DIRECTORS

G.S.M. SECRETARY