



Societatea IAR S.A.  
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## **TO WHOM IT MAY CONCERNE**

*On 23.03.2021, one of the shareholders of IAR S.A. requested information on how the proposal for the distribution of the company's net profit in the financial year 2020 was prepared.*

### ***The question he asks is this:***

Considering the provisions from the convening notice for the Ordinary General Meeting of Shareholders of IAR S.A., which will take place on 28.04.2021, at 12:00, respectively:

"Shareholders have the right to ask questions in accordance with the provisions of the capital market legislation. The answers to the questions asked by the company's shareholders will be posted on the company's website, as soon as possible, but not later than 3 (three) working days from the date of receiving the respective questions. "

Please answer my question: According to the provisions of Ordinance no. 64/2001, the companies with full or majority state capital have the obligation to distribute dividends to the shareholders in a minimum amount of 50% of the remaining profit after deducting the profit tax. **Please specify to me why the proposal for the distribution of the net profit for the year 2020 does not comply with the law, being provided a distribution of only 24%, well below the limit provided by the ordinance?**

### ***IAR SA's answer:***

Given that IAR S.A. is part of the defense industry, in this case the provisions of art. 40 paragraph 5 of Law 232/2016 on the national defense industry are incidental, according to which:

“CHAPTER VII: Transitional and final provisions

... Article 40

... (5) By derogation from the provisions of art. 1 lit. f) of Government Ordinance no. 64/2001 regarding the distribution of the profit to the national companies, the national companies and the commercial companies with integral or majority state capital, as well as to the autonomous utilities, approved with modifications by Law no. 769/2001, with the subsequent amendments and completions, for the realization of some investment programs, **the economic operators from the defense industry with integral or majority state capital may not transfer the share of 50% of the dividends to the state budget, following that the General Assembly of Shareholders to establish another distribution of the accounting profit remaining after deducting the profit tax. "**

***Laurian ANASTASOF***

***DIRECTOR GENERAL***