To,

EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF COMPANY IAR S.A.

In order to carry out some projects with the AIRBUS concern, on 24.08.2009 a Memorandum of Understanding was signed between the Government of Romania and AIRBUS, document by which the Romanian officials intend to consolidate, develop and revitalize the aeronautical industry through the development of an Aerospace Technology Park in Ghimbav Brașov, and the AIRBUS concern intends to invest in this region, to strengthen the already existing cooperations, to transfer technological know-how and to contribute to the employment and qualification of the labor force in this sector.

Starting from the principles declared by this Memorandum of Understanding, the company Premium Aerotec GmbH Germany - subsidiary of the AIRBUS concern, established in Ghimbav the company Premium Aerotec Romania designed for the production of components for Airbus, the production facilities being built on the plot of land registered in CF no. 1011034/Ghimbav (with cadastral number 101034) in an area of 60,000 square meters, made available by IAR S.A. based on the surface contract authenticated under number 272/04.03.2010.

According to its development strategy, Premium Aerotec Romania was put gradually into operation, starting in 2010, so that in 2021 the number of employees reached approximately 600 employees, and the turnover reached the value of 60 million euros.

Currently, the company Premium Aerotec Romania wants to expand its production of aviation components used by Airbus, the development of its productive activity requiring the construction of a new industrial hall, as well as the expansion of the existing ones.

Taking into account this necessity and referring to the commitment assumed by the Government of Romania through the previously mentioned memorandum, to support the further development of the company Premium Aerotec Romania, the signatory of the surface contract addressed to the company IAR S.A. the request to purchase a land area of approximately 100,000 square meters, an area located in the area adjacent to the one where the production capacities of Premium Aerotec Romania are located.

In order to comply with this request, IAR SA has identified a plot of land in the immediate vicinity of the one where Premium Aerotec Romania's production facilities are located, this being available and not hindering the future development of our company. The plot in question has an area of 100,000 square meters and is registered in CF no. 103301 of the Ghimbav town.

Analyzing the way the surface contract no. 272/04.03.2010 was carried out and its financial effects on IAR S.A., we can state the following:

- *During 2010-2011, IAR S.A. collected the amount of 650,000 Euro+VAT, i.e. 3,368,390.03 lei as royalty, for 6 ha of land, according to the obligations assumed by Premium Aerotec Romania through the surface contract in question, this being paid in two installments (the amount of 195,000 Euro + VAT, representing 952,542.05 lei, being collected with invoice no. C11F100188/30.03.2010, and the amount of 455,000 Euro + VAT, representing 2,415,847.98 lei, being collected with invoice no. C11F100774/28.10.2010).*
  In addition, the fact that, annually, the sums related to the land tax also fall to the Superficiary is also not to be neglected.
- *The surface contract had a positive impact on IAR S.A., not only by increasing revenues and reducing maintenance costs of the plot of land subject to the surface, but also as a result of the provision of utility services, which our company provides based on supply contracts.*

We mention the fact that the current plot, with an area of 60,000 square meters, which is the subject of the Surface Contract, on which the building where SC Premium Aerotec SRL operates is located, is bordered on three sides by lands also belonging to the IAR SA Company, and on the the fourth side with lands under the administration of the Brașov National Potato Research-Development Institute.

We also point out the fact that the Brașov National Potato Research-Development Institute cannot alienate part of the land under its administration, except on the basis of a special law.

Analyzing the legal aspects of the Premium Aerotec request, two possibilities have been identified:

- *the sale of the land in the area of 10 ha to the company Premium Aerotec, based on art 15, paragraph 4 of Lg 137/2002, art 105, paragraph 1 of HG 577/2002, respectively art 3, letter d of GEO 88/1997*

  or
- *the establishment of a real surface right over the 10 ha land in favor of Premium Aerotec, under the conditions of art 693 et seq. of the Civil Code.*

According to art 105 of GD 577/2002, commercial companies in which the state is the majority shareholder can sell assets / can constitute real surface rights over the assets only with the approval of the general meeting of shareholders and with the prior approval of the public institution involved. ***The prior approval of the public institution involved consists of the special mandate granted to the representative in the general meeting of shareholders.***

It should be noted that the sale/constitution of the real surface right will be possible only after removing the land in question from the inventory of the defense industry, starting from the market price established following the evaluation report of the property, which was drawn up for this purpose, price from which the negotiation with Premium Aerotec will start.

Considering:

- ***the importance of making this investment by the largest European concern in the field of space, aeronautics and defense - AIRBUS in the premises of IAR SA,***
- ***the positive impact this project has in terms of the long-term creation of highly qualified and secure jobs,***
- ***increasing the standard of working conditions as a result of the development of this project,***
- ***the positive effects on the consolidated state and local budgets,***

and

Taking into account the powers of the Board of Directors of IAR SA, granted by law and the company's Constitutive Act,

during its meeting on 19.05.2023, it approved the Premium Aerotec's request to take possession of the 10 ha land area owned by IAR SA, registered in CF 103301 of the Ghimbav, by establishing a real surface right to that area, issuing in this regard Decision no. 13CA/19.05.2023.

Taking into the consideration the powers granted to the shareholders by law and the Constitutive Act of the IAR SA Company, it is submitted to the analysis and approval of the Extraordinary General Meeting of Shareholders the proposal regarding the constitution of a real surface right under the conditions of art 693 et seq. of the Civil Code, to make available to Premium Aerotec Romania the 10 ha land area owned by IAR SA, which is registered in CF 103301 of the town of Ghimbav.

Horațiu – Cătălin BARBU

CHAIRMAN OF THE BOARD

Signature valid
Digitally signed by Horatiu-Catalin Barbu
Date: 2023.10.12 10:56:36 EEST