

**Tigar**®**TIGAR AD Pirot  
GENERAL ASSEMBLY****MINUTES**

Date 27.06.2019

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**MINUTES  
AS OF THE ORDINARY SESSION OF THE GENERAL ASSEMBLY  
OF THE JOINT STOCK COMPANY "TIGAR" PIROT**

Place: Large Conference Room of Tigar AD Pirot  
 Date: 27.06.2019  
 Time: 12 h  
 Time of completion: 13h 30 min.

Present representatives of shareholders:

Ord.No.	Shareholder's representative	Proposed by	Number of votes
1.	Jenačković Dragan	National Employment Service Pirot	53.336
2.	Stanković Maria	Dunav osiguranje ad	215.487
3.	Miladinović Siniša	Group of citizens	2.389
4.	Marinović Slavica	The Republic of Serbia	3.254.160
5.	Milivojević Dragan	Natura Vita doo Beograd	25.100
6.	Popović Milan	The City of Pirot	307.293
7.	Antić Olivera	PIO Fund	866.246
8.	Stanković Slavoljub	Group of citizens	1.905

Shareholders who voted in absentia:

Ord.No.	Shareholders	Number of votes
1.	Nikomms doo Beograd	396.283
2.	Radenković Nikola	18.537
3.	Jubmes banka ad Beograd	61.407
4.	Republic Health Insurance	228.456

Present are

- Vladimir Ilić, General Manager
- Slavoljub Stanković, Chairman of the GA
- members of Tigar Ad Executive board: Zoran Mančić, Gorica Stanković and Marija Milentijević.
- Ljiljana Komlenski, member of Tigar AD Supervisory board

Other present are

- Slobodan Petrović, President of Independent Trade Union of Tigar ad Pirot
- Danijela Genić, Recording Secretary
- Voting Committee: Marjan Stojanović (Secretary), Maja Manojlović and Jelena Mitić
- Aleksandra Djordjevic, head of Accounting Department
- Vesna Stanisavljević

**Chairman of the GA, Slavoljub Stanković**, opens the regular annual session of the General Assembly of the Joint Stock Company Tigar Pirot, welcomes all present. Based on the data given,



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at the session held today are present 12 participants with access right with a total number of 5.430.599 votes, which represents 71.68% of the total number of company's votes.

According to the Rules of Procedure of the General Assembly of Tigar AD Pirot, the Chairman of the GA appointed recording secretary and voting committee members. For the recording secretary was appointed Danijela Cenić, attorney, whereas the voting committee shall work in the following structure: Marjan Stojanović (secretary of the committee), Maja Manojlović and Jelena Mitić.

Chairman of the GA notes that at the proposed agenda there were no suggestions for changes and amendments to the agenda within the legal deadline, so the agenda for this session was determined.

For holding the session it is required the presence of shareholders and proxies (quorum) which have 3.788.276 shares, and at the session as of today are present 5.430.599. On the basis of the data presented it was found that the Assembly has the required quorum and the right for decision in today's session.

**A G E N D A**

1. Making Decision on adopting the Financial Statement of Tigar AD Pirot for the year 2018 and of Reports related to it: Report of the Executive Board on business operations, Report of the Supervisory Board and Independent Auditor's Report;
2. Making Decision on adopting the Consolidated Financial Statement of Tigar AD Pirot for the year 2018 and of Reports related to it: Report of the Executive Board on business operations, Report of the Supervisory Board and Independent Auditor's Report;
3. Making Decision on election of the independent auditor for the year 2019;
4. Making Decisions on amendments and supplements to Bylaws of Joint Stock Company Tigar Pirot
5. Making Decision on amendments and supplements to the General Assembly Rules of Procedure of Joint Stock Company Tigar Pirot.

Chairman of the GA proposes that there should be a single presentation regarding items 1 and 2 on the agenda, given their direct relation, whereas voting and decision-making on these items shall be separate, which was accepted by the present shareholders.

**I**

**DECISION**

**ON ADOPTING THE FINANCIAL STATEMENT OF THE JOINT STOCK COMPANY TIGAR PIROT FOR THE YEAR 2018 AND REPORTS RELATED TO IT: REPORT OF THE EXECUTIVE BOARD ON BUSINESS OPERATIONS, REPORT OF THE SUPERVISORY BOARD AND AUDITOR'S REPORT**

**II**

**DECISION ON ADOPTING THE CONSOLIDATED FINANCIAL STATEMENT OF THE JOINT STOCK COMPANY TIGAR PIROT FOR THE YEAR 2018 AND REPORTS RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT: REPORT OF THE EXECUTIVE BOARD ON BUSINESS OPERATIONS, REPORT OF THE SUPERVISORY BOARD AND AUDITOR'S REPORT**



Rapporteur: **Aleksandra Djordjević**, Head of Accounting department

Chairman of the GA calls for the rapporteur according to the here given item on the agenda, Aleksandra Djordjević, Head of Accounting department.

**Aleksandra Djordjević:** In accordance with article 33, paragraph 1 of the Accounting Act, legal entity, i.e. companies are obliged to submit their regular annual financial reports for the reporting year to the Business Registers Agency, for the purpose of public disclosure, no later than June 30th the following year. In addition, according to article 33, paragraph 1 of the Accounting Act, legal entities drawing up consolidated annual financial reports (parent legal entities) are obliged to submit consolidated annual financial reports for the reporting year to the Business Registers Agency for the sake of public disclosure, no later than July 31st the following year.

For that matter, it is necessary to submit the General Assembly decision on adopting annual financial report to the Agency for the purposes of public disclosure.

Tigar AD – individual balances – In the period January – December the parent company Tigar AD realized business income in the amount of 2.147.279 thousand dinars, 21% more in relation to the same period last year, that is for 371.7 million dinars more.

Sales revenue from sale of goods and services amount to 1.802.142 thousand dinars, in relation to those of last year (which amounted to 1.473.717 thousand dinars) are higher for 328.4 million dinars.

Other business income amount 334.575 thousand dinars and are greater for 46 million dinars in relation to the previous year (16% higher).

Total business expenses amount to 2.351.850 thousand dinars and are higher for 325.5 million in relation to the previous year. (+16%). All business expenses show growing tendency in relation to the previous year, except for amortization costs. Increase in these costs is conditioned not only due to increased production volume, but also due to production structure itself.

As of 31.12.2018 increase in inventory value amounts to 21.7 million dinars, whereas last year decrease in inventory value amounted to 77 million dinars, which also affected the Company's result. The reason for an increase in inventory value lies in the fact that we signed a special contract on financing production with company Madirom by the end of March. Madirom finances production in advance (supply of production material), and finished goods are stored as per their orders. Dispatch of stored stocks started in July 2018 and it is continued throughout 2019.

It was also reported business loss (EBIT) in the amount of 204.6 million dinars whereas last year there was reported business loss of 250.5 million, so that the business result was improved for 45.9 million dinars.

Also it was reported business loss prior amortization and reserves (EBITDA) in the amount of 88.5 million dinars, whereas last year was reported business loss prior amortization and reserves of 123 million dinars so that the result prior amortization and reserves was improved for 34.5 million dinars.

During this accounting period there was recorded loss from financing in the the amount of 182.6 million dinars, whereas in the same period last year was reported profit in financing in the amount of 79.6 million dinars. The main reason for the above stated financial result in relation to the previous period are the effects of obligations with foreign exchange rate as well as greater interest costs.

The reason for such financing result report is a significant change in national currency, namely:

in relation to the year's beginning 31.12.2017: -0.28 dinars comparing to euro, -2.25 dinars comparing to British pound and +4.27 dinars in relation to American dollar.

while this is the relation in comparing period, in relation to the year's beginning: 31.12.2016:

-5.00 dinars in relation to euro, -10.38 dinars in relation to British pound and -18.02 dinars in relation to American dollar.

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Hence, in the period January – December were achieved foreign exchange gains in the amount of 13.601 thousand dinars, whereas in the previous year those amounted to 224.661 thousand dinars. Based on that ground the result is worsened for an amount of 211.060 thousand dinars which cannot be influenced by the company.

Interest expenses amount to 230.4 million dinars, whereas in the comparative period those amounted to 188.9 million dinars (greater for 41.5 million dinars, that is by 16% compared to last year).

Other extra income amount to 111 million dinars.

Other extra expenses amount to 151 million dinars.

The total net loss at the parent company level for the period I-XII 2018 amounts to 427.2 million dinars, whereas in the same period in the previous year was reported total net less of 29 million dinars, which is a deterioration in net result for 398.2 million dinars.

Total asset value of the company amounts to 5.317 million dinars of which fixed assets 3.475 millions, while current asset amounts to 1.842 million.

Company share capital is 3.049 million dinars (in the comparative period 2.867 million dinars). There was also carried out the IX release of shares whereby conversion of claims into company capital was performed, in the amount of 182 million dinars (182.498.910.00 dinars) There also started the X release of share amounting to million dinars ( the city of Belgrade) which shall be completed in 2019 and in accordance with it those obligations were transferred to obligations that can be converted into capital.

Total Company liabilities amount to 6.3 billion dinars, that is 6.2 billion dinars if longterm provisions are excluded.

The Company still has loss above equity in the amount of 940 million dinars.

When it comes to settling obligations towards creditors, we are in a delay and obligations are settled according to our opportunities.

Given the fact that at the court hearing for adopting the PPOr on 30.01.2019 the said plan was not adopted, due to lack of votes in one class, in agreement with the line ministry it was approached to drafting a new PPOr with the cut-off date 31.12.2018. The new PPOr is in accordance with the Law on Bankruptcy. Pursuant to the Law on Bankruptcy, the new PPOr was submitted to the Commercial Court in Nis on 01.04.2019.

Accordingly, the attached financial reports were compiled in accordance with the business continuity principle.

The rationale for the auditor's opinion is the following:

Financial reports for 2018 were audited by the audit firm Stanisic audit doo Beograd. Independent auditor's report was sent to Tigar AD via electronic channels on 25.04.2018

As for the financial reports for the year 2018 for Tigar AD, the auditors gave their qualified opinion. Opinion for 2017 was also qualified.

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Basis for such an opinion mostly refers to depreciation of different types of assets (stocks, claims, fixed assets), namely as follows:

1. Intangible investments capitalized costs of development in the amount of 87 million dinars. These refer to the amounts of capitalized costs of development in the footwear factory Obuca. Our experts submitted analyses of these investments in the part of depreciation as well as plans for further exploitation as per a longterm plan. Despite the fact that the Company depreciated a significant amount of intangible investments in the net amount of 251 million dinars (2014 – 105 million, 2015 – 79 million, 2016 – 24 million, 2017 – 33 million, 2018 – 10 million) the auditors stated that there is an indication that the intangible investments were presented at a value higher than their recoverable value, as well as these categories are without economic cost-effectiveness hence no reason to be in the balances. Given that the amounts are substantive and would have significant influence on Company's capital on one hand, and given the fact that those categories are shown in positions presented in the PPoR, and since by the PPoR is foreseen growth in sales in the coming years, these positions remain in balances to be subject of expert analyses, primarily sales and production in 2019 also.
2. Stocks with a slow turnover, namely of finished products and goods in the amount of 281 million dinars. Tigar's expert services submitted analyses of stocks, but they were not sufficient when reviewed by the auditors. Upon the annual inventory there were no significant proposal for depreciation of goods by the inventory committee (goods in the amount of 72 million dinars were depreciated), which is insufficient according to the auditors, when taken into account that the value of dormant stock is 281 million dinars.
3. Claims from legal related parties, which were not collected within 180 days from the maturity date in the amount of 290 million dinars. In line with the Company accounting policy in the company is not carried out correction of receivables of related legal entities. In the course of business operations certain compensations are carried out where possible, as well as payments in order to decrease the level of older claims, however, in 2018, it is still high. Upon the status change of merger of dependent entities Ti-car trgovine, Tigar Ugostiteljstvo and Tigar Incon which was carried out on 27.05.2019 as well as through offset their mutual debts, in 2019 the amount of these claims will reduce for at least 233 million dinars.

Tigar AD – consolidated balances in accordance with article 27 of the Accounting Act, Tigar Pirot, as a form of related entities whereby Tigar as a controlling company and its dependent entities form a group has a legal obligation to report consolidated financial report.

Consolidated balance sheet and income statement were done based on business results presented in individual balances of all dependent entities which enter consolidation and represent their sum while all internal and mutual relations between the related parties are eliminated. Total income realized from the sale of goods, products and services at the consolidated level, for the period January – December 2018 amount to 2.452.350 thousand dinars, which is by 4% higher compared with the previous year, when those amounted to 2.360.727 thousand dinars. In the same period there was achieved business income in the amount of 2.477.962 thousand dinars, which is by 4% higher in relation to previous year, when they amounted to 2.386.491 thousand dinars.

Consolidated business expenses in the amount of 2.709.366 thousand dinars are by 2% greater compared to January – December 2017 when those amounted to 2.643.866 thousand dinars.



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Business expenses structure in total costs per groups is the following: staff expenses participate with approximately 42%, cost of material and energy corrected for changes in inventory and income from own use of products participate with 36%, costs of amortization and provisions participate with 5%, whereas other expenses participate with 17%.

Reported operating loss (EBIT) amounts to 231.404 thousand dinars, whereas operating loss for the previous year amounted to 257.375 thousand dinars, which is a result better for 25.971 thousand dinars.

Apart from Tigar AD with operating loss of 204.571 thousand dinars, negative result was also recorded in Ti-car trgovine (27.179 thousand), Inkon (18.603 thousand), Ugostiteljstvo (25.959 thousand), Obezbedjenje (9.824 thousand) and Tigra Montenegro (1.669 thousand).

Positive business results were achieved by the Free Zone Pirot (41.871 thousand), Poslovni Servis (13.065 thousand), Tigar Partner (74 thousand), Tigar Trade (960 thousand) and Tigra Trade Doel (411 thousand).

Reported operating loss prior amortization and provision (EBITDA) amounts to 93.397 thousand dinars, whereas operating loss prior amortization and provision stated last year amounted to 107.263 thousand dinars, which is an improvement for 13.866 thousand dinars.

Financial income for the period I-XII 2018 amount to 15.056 thousand dinars, whereas for the same period last year it amounted to 237.082 thousand dinars.

The greatest portion of financial income comes from foreign exchange rate gains as well as a result of exchange rate fluctuation and obligations in foreign exchange rate at a high level.

Financing expenses at the consolidated level in the period January – December 2018, amount to 260.810 thousand dinars, whereas costs of financing at the consolidated level in the previous year amounted to 228.084 thousand dinars. The greatest portion of financial expenses falls within interest expenses, which at the consolidated level amount to 242.580 thousand dinars, whereas foreign exchange rate losses and other financial expenses amount to 16.326 thousand dinars. It is obvious that the amount of interest is still quite high and substantial.

As well as at the individual level, at the consolidated level is also reported financing loss for the period January – December 2018 in the amount of 245.8 million dinars, whereas in the same period in the previous year was reported financing profit in the amount of 8.9 million dinars. The main reason for the above stated financing result in relation to the previous period are the effects of foreign exchange rate liabilities.

The reported net loss on the consolidated level for the period January – December 2018 amounts to 568.619 thousand dinars, whereas net profit for the previous year amounted to 247.179 thousand dinars. In 2017 in consolidated balances were introduced the effects of appraisal for the new PPoR in the sense of depreciating fixed assets – real estate (land, buildings and investment real estate) in the amount of 578 million dinars, while at the same time lifting the previously formed revalorization reserves based on this ground in the amount of 955.7 million dinars, pursuant to the Company's accounting policies, which led to a significant improvement of net result. These effects lacked in 2018, since those are recorded at 5 year period and longer.

In addition to Tigar AD with net loss in the amount of 427.175 thousand dinars, negative operation was recorded with Ti-Car trgovine (32.986 thousand), Inkon (18.604 thousand), Ugostiteljstvo (68.610 thousand), Obezbedjenje (15.153 thousand), Osiguranje (9 thousand) and Tigra Montenegro (1.614 thousand dinars).

Positive net results were achieved by Free Zone Pirot (35.105 thousand), Poslovni Servis (11.128 thousand), Partner (20 thousand), Tigar Trade (960 thousand) and Tigra Trade Doel (341 thousand).

At the consolidated level the value of total assets amounts to 4.8 billion dinars, of which fixed assets 3.0 billion, and current assets 1.8 billion dinars.

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Share capital of the company as in the individual balances amounts to 3.049 million dinars (in the comparative period 2.867 million dinars).

At the consolidated level loss above equity is 1.6 billion dinars. Loss above equity was reported with :

AD	939.604 thousand dinars
Ti car	195.995 thousand dinars
Incon	13.445 thousand dinars
Montenegro	6.140 thousand dinars

As for liabilities, equity value is 0, longterm obligations and provisions are 2.1 billion dinars, short-term financial obligations amount to 2.4 billion and other obligations from operations amount approximately 1.9 billion dinars.

Total liabilities amount to 6.437 million.

In addition to accounting statements, the report itself contains the most important data on business operations and events from the environment which affected business result, so that within the Report among other os also disclosed conversion of debt into Company capital, Social programme carried out in 2018 as well as draft of the new PPoR with the cut-off date as of 31.12.2018, which was submitted to the Commercial Court in Nis on 01.04.2019 in accordance with the Law on Bankruptcy.

Rationale for the independent auditor's opinion:

As for the consolidated financial report of Tigar AD for the year 2018, auditors gave qualified opinion. Opinion for 2017 was also qualified.

Basis for such an opinion mostly refers to depreciation of different types of assets.

The first two qualifications are the same as at the individual financial reports and they refer to:

1. Intangible investments capitalized costs of development in the amount of 87 million dinars.
2. Stocks with a slow turnover, namely of finished products and goods in the amount of 281 million dinars whereas the third qualification refers to
3. Tigar Americas – Given the fact that the last financial reports received from Tigar Americas date to 31.12.2012, and since we do not engage in any kind of communication with them, this dependent entity is not included in consolidated reports. In that respect, the auditors were not able to estimate the influence of including this company into consolidation.

The procedure of shutting down Tigar Americas, commercial entity seated at the territory of the USA where Tigar AD figures as the owner of 100% share capital is not finished yet. It is important to not that there are no any additional costs related to business operations of this entity, since it does not operate since 2013 (accounts were closed, no business premises, no employees).

Cooperation with auditors was adequate.

Financial reports were compiled in accordance with the Law on accounting, International accounting standards.

Our aim is to present all segments of Financial reports in accounting according to standard, at the individual as well as consolidated level.

After the rapporteur's presentation, Chairman of the GA opens discussion on item on the agenda. He asks the present to limit discussion on 3-5 minutes in order to achieve efficiency.

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**Dragan Milivojević:** The report does not specify situation with scraps and whether the said amount of 260 million dinars represents cumulative value of scraps for several years or the amount stated refers to last year. How is that going to be handled?

**Gorica Stanković:** I suppose you mean the inventory of finished goods. Stocks were given to banks as a pledge. That is one of the reasons why there are stocks.

**Dragan Milivojević:** The percentage of scrap is not precisely stated in the report, that is, its value, as well as how the problem with scrap is solved, since it is a problem in production over many years and what are your plans for solving scrap?

**Vladimir Ilić:** First, let me welcome all the attendees on behalf of Tigar AD as well as in my personal name. What I can tell you is that much was done in the factory. In footwear factory Obuca was done overhaul of machines, also new organization was set up in Obuca with the aim of reducing scrap, as we do not have a problem like that in other factories. Yesterday we had final meeting with certification company and were given all the European certificates as well as words of praise. We introduced intermediate control of scraps. This is an improvement in comparison to last year. The level of scraps is far less than it was in previous period. Financial results were presented realistically. Here are presented results for each factory individually. There was also introduced financial analysis of scrap as well as who generates scrap. Teams which generate scraps will be penalized, whereas those teams that do not generate scraps will be rewarded, all for the sake of reducing scraps. We are meticulously working in order to cut the scraps to the lowest level possible. We are in the process of introducing new models in production, so there is possibility of scrap to occur. However, we are working on solving the problem. Where there is high level of scrap on a particular article, we stop production of that article.

**Dragan Milivojević:** Tigar Europe, England-based company is not mentioned in the reports. I am interested to know how its financial account was closed?

**Gorica Stanković:** Liquidation procedure over that company was completed in 2016. Financial resources from the liquidation mass accrued to Tigar were paid to Tigar's account and that money was spent on construction of Mixing Room. We did not have any commercial debts when it comes to the said company.

**Slavica Marinović:** I am also interested in the process related to scrap, is further production possible.

**Vladimir Ilić:** A great percentage of it is reworked. Namely, scrapped goods are cut and later sold as rubber. We have a contract signed and we sell it. Based on that ground we earn some profit.

After discussion on these questions was closed there was approached to secret ballot on item 1 on the agenda **Making Decision on adopting the Financial Statement of Tigar AD Pirot for the year 2018 and of Reports related to it**

Present number of votes: 5.430.599

Required number of votes for adoption: 2.715.301

Total votes "IN FAVOUR": 5.430.599

Total votes "AGAINST" : 0

Total votes "ABSTAIN": 0

Following the ballot, the Chairman of the General Assembly stated that by the majority of votes there was made the following:





**“DECISION**  
**on adopting the Financial Statement of the Joint Stock Company Tigar, Pirot**  
**for the year 2018**

1. It is hereby adopted the Financial Statement of the Joint Stock Company Tigar Pirot for the year 2018, and the reports related to the Financial Statement, including:

- Report of the Executive Board on business operations of Tigar AD Pirot for 2018
- Report of the Supervisory Board of Tigar AD Pirot for 2018
- Report by the auditor Stanišić Audit doo Beograd

2. According to the Income Statement in the Financial Statement for the period January-December 2018, the Joint Stock Company Tigar Pirot reported the following results:

INCOME STATEMENT IN THOUSANDS OF RSD	January – December 2018	January – December 2017
<b>INCOME FROM OPERATIONS</b>		
<b>A. OPERATING INCOME</b>	<b>2,147,279</b>	<b>1,775,558</b>
I. SALES OF GOODS	10,562	13,401
II. SALES OF PRODUCTS AND SERVICES	<b>1,802,142</b>	<b>1,473,717</b>
III. REVENUES FROM PREMIUMS, SUBSIDIES, DONATIONS, GRANTS, ETC.		
IV. OTHER OPERATING INCOME	334,575	288,440
<b>EXPENSES FROM OPERATIONS</b>		
<b>B. OPERATING EXPENSES</b>	<b>2,351,850</b>	<b>2,026,058</b>
I. COST OF COMMERCIAL GOODS SOLD	8,582	10,936
II. WORK PERFORMED BY THE COMPANY AND CAPITALIZED		
III. INCREASE IN INVENTORIES OF FINISHED PRODUCTS AND WORK IN PROGRESS	21,720	
IV. DECREASE IN INVENTORIES OF FINISHED PRODUCTS AND WORK IN PROGRESS		76,956
V. MATERIAL CONSUMED	866,056	623,169
VI. FUEL AND ENERGY CONSUMED	252,934	215,557
VII. STAFF COSTS	835,254	725,206
VIII. PRODUCTION EXPENSES	41,744	35,155
IX. AMORTIZATION	115,366	127,438
X. COSTS OF LONG-TERM PROVISIONS	720	
XI. INTANGIBLE COSTS	252,914	211,641
<b>V. PROFIT FROM OPERATIONS</b>		
<b>G. LOSS FROM OPERATIONS</b>	<b>204,571</b>	<b>250,500</b>
<b>D. FINANCE INCOME</b>	<b>66,044</b>	<b>287,553</b>
I. FINANCIAL INCOME FROM RELATED PERSONS AND OTHER FINANCIAL INCOME	51,926	61,306
II. INTEREST INCOME (FROM THIRD PARTIES)	517	1,586

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III. GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	13,601	224,661
<b>Đ. FINANCE EXPENSES</b>	<b>248,684</b>	<b>207,972</b>
I. FINANCIAL EXPENSES FROM RELATED LEGAL PARTIES AND OTHER FINANCIAL EXPENSES	3,016	4,477
II. INTEREST INCOME (FROM THIRD PARTIES)	230,412	188,925
III. GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE	15,256	14,570
<b>E. FINANCE EXPENSES</b>		<b>79,581</b>
<b>Ž. LOSS FROM FINANCING</b>	<b>182,640</b>	
<b>Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>		<b>4,086</b>
<b>I. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>20,729</b>	<b>2,060</b>
<b>J. OTHER INCOME</b>	<b>111,507</b>	<b>258,727</b>
<b>K. OTHER EXPENSES</b>	<b>130,340</b>	<b>109,502</b>
<b>L. OPERATING LOSS BEFORE TAX</b>		
<b>LJ. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>426,773</b>	<b>19,668</b>
<b>M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD</b>		
<b>N. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD</b>	<b>402</b>	<b>5,673</b>
<b>NJ. PROFIT BEFORE TAXATION</b>		
<b>O. LOSS BEFORE TAXATION</b>	<b>427,175</b>	<b>25,341</b>
<b>P. INCOME TAX</b>		
I. CURRENT TAX EXPENSE		3,718
II. DEFERRED INCOME TAX EXPENSE		
III. DEFERRED INCOME TAX BENEFIT		
<b>R. EARNINGS OF EMPLOYER</b>		
<b>S. NET PROFIT</b>		
<b>T. NET LOSS</b>	<b>427,175</b>	<b>29,059</b>

3. According to the Balance Sheet in the Financial Statement as of 31.12.2018, the Joint Stock Company Tigar Pirot reported the following positions:

<b>BALANCE SHEET IN THOUSANDS OF RSD</b>			
<b>ASSETS</b>	<b>31.12.2018.</b>	<b>31.12.2017.</b>	<b>31.12.2016.</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>3,475,454</b>	<b>3,520,484</b>	<b>3,659,717</b>
I. INTANGIBLE ASSETS	94,349	133,580	207,388
Investment in development	87,642	127,866	199,237
Concessions, patents, licenses, trademarks, software and other rights	46	2,021	4,474

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Goodwill			
Other intangible assets			
Intangible assets under construction	6,661	3,693	3,677
Advances for intangible assets			
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>	<b>3,045,818</b>	<b>3,068,667</b>	<b>3,132,586</b>
Land	518,526	430,736	430,742
Buildings	1,775,894	1,718,152	1,749,863
Plant and equipment	523,133	548,722	603,253
Investment property	165,481	280,923	266,181
Property, plant and equipment under construction			
Investments in others property, plants and equipment	61,784	69,143	62,289
Investment property	1,000	1,051	318
Advances for property , plant and equipment		19,940	19,940
<b>III. BIOLOGICAL AGENTS</b>			
<b>IV. LONG-TERM FINANCIAL PLACEMENTS</b>	<b>335,287</b>	<b>318,237</b>	<b>319,743</b>
Shares in subsidiaries	329,133	311,088	311,088
Shares in associated companies and joint ventures	491	491	491
Equity investments in other companies and other securities held for sale	466	92	92
Other long-term investments	5,197	6,566	8,072
<b>V. LONG-TERM RECEIVABLES</b>			
<b>G. CURRENT ASSETS</b>	<b>1,841,845</b>	<b>1,769,293</b>	<b>1,865,227</b>
<b>I. INVENTORIES</b>	<b>1,094,468</b>	<b>1,181,479</b>	<b>1,315,306</b>
Material , spare parts , tools and supplies	181,602	170,065	175,634
Unfinished production and unfinished services	202,141	169,947	134,653
Finished Products	281,107	281,314	392,638
Goods	94,229	175,392	241,928
Fixed assets held for sale	316,780	334,100	358,234
Advances paid to suppliers and for services	18,609	50,661	12,219
<b>II. RECEIVABLES FROM SALE</b>	<b>487,397</b>	<b>390,382</b>	<b>442,205</b>
Customers in the country - the parent and subsidiaries	281,591	227,977	200,065
Customers abroad - parent and subsidiaries	105,625	86,709	108,458
Customers in the country - other related parties	593	691	1,283
Customers abroad - parent and subsidiaries			
Customers in the country	49,671	48,018	52,707
Customers abroad	49,917	26,987	79,692
Other receivables based on sales			
<b>III. RECEIVABLES FROM SPECIFIC OPERATIONS</b>			
<b>IV. OTHER RECEIVABLES</b>	<b>38,224</b>	<b>31,550</b>	<b>19,351</b>
<b>V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>VI. SHORT-TERM FINANCIAL PLACEMENTS</b>	<b>98,452</b>	<b>85,251</b>	<b>56,167</b>
Short-term loans and investments - parent and subsidiaries	63,038	49,837	11,509



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Short-term loans and investments - other related parties			
Short-term credits and loans in the country			
Short-term credits and loans abroad			
Other short-term investments	35,414	35,414	44,658
<b>VII. CASH AND CASH EQUIVALENTS</b>	<b>34,171</b>	<b>42,494</b>	<b>701</b>
<b>VIII. VALUE ADDED TAX</b>	<b>71,866</b>	<b>9,336</b>	<b>7,225</b>
<b>IX. PREPAYMENTS</b>	<b>17,267</b>	<b>28,801</b>	<b>24,272</b>
<b>D. TOTAL ASSETS = OPERATING ASSETS</b>	<b>5,317,299</b>	<b>5,289,777</b>	<b>5,524,944</b>
<b>D. OFF BALANCE SHEET ASSETS</b>	<b>391,583</b>	<b>510,565</b>	<b>624,162</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.12.2018.</b>	<b>31.12.2017.</b>	<b>31.12.2016.</b>
<b>A. EQUITY</b>			
<b>I. SHARE AND OTHER CAPITAL</b>	<b>3,049,389</b>	<b>2,866,890</b>	<b>1,115,014</b>
Share Capital	3,049,389	2,866,890	1,115,014
<b>IV. RESERVES</b>	<b>143</b>	<b>143</b>	<b>143</b>
V. Revaluation reserves based on the revaluation of intangible assets, property, plant and equipment	231,281	205,809	205,809
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS			1,113
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	264	438	
<b>VIII. RETAINED EARNINGS</b>			<b>1,823</b>
Retained profit from previous years			1,823
Retained profit from financial year			
<b>IX. PARTICIPATION RIGHTS WITHOUT CONTROL</b>			
<b>X. LOSS</b>	<b>4,220,153</b>	<b>3,792,978</b>	<b>3,765,742</b>
Loss of previous years	3,792,978	3,763,919	3,371,919
Loss for the year	427,175	29,059	393,823
<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	<b>2,084,375</b>	<b>3,034,618</b>	<b>6,092,419</b>
<b>I. LONG-TERM PROVISIONS</b>	<b>69,769</b>	<b>70,446</b>	<b>235,814</b>
Provisions for expenses within the warranty period			
Provisions for the cost of renewing natural resources			
Provisions for restructuring cost			
Provisions for compensations and other employees' benefits	42,171	42,848	24,680
Provisions for costs of legal proceedings	27,598	27,598	211,134
Other long-term provisions			
<b>II. LONG-TERM LIABILITIES</b>	<b>2,014,606</b>	<b>2,964,172</b>	<b>5,856,605</b>
Liabilities convertible into equity	1,043		1,751,876
Liabilities towards parent company and dependent legal parties			
Liabilities towards other related legal parties			
Liabilities from securities in period exceeding one year			



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Long-term loans and loans in the country	1,455,254	2,073,432	2,715,403
Long-term loans and loans abroad	378,426	561,388	774,834
Liabilities based on financial lease			
Other long-term liabilities	179,883	329,352	614,492
<b>V. DEFERRED TAX LIABILITIES</b>			
<b>G. CURRENT LIABILITIES</b>	<b>4,172,528</b>	<b>2,975,733</b>	<b>1,874,365</b>
<b>I. SHORT-TERM FINANCIAL LIABILITIES</b>	<b>2,377,283</b>	<b>1,599,933</b>	<b>841,975</b>
Short-term loans from parent companies and subsidiaries	17,135	12,462	1,973
Other current financial liabilities	2,360,148	1,587,471	840,002
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	<b>72,125</b>	<b>70,587</b>	<b>40,054</b>
<b>III. ACCOUNTS PAYABLE</b>	<b>809,454</b>	<b>670,353</b>	<b>588,582</b>
Suppliers - parent and subsidiaries in the country	60,468	36,625	90,129
Suppliers - parent and subsidiaries abroad	17,909	17,164	20,090
Suppliers - other related parties in the country	2,068	2,039	2,159
Suppliers - other related parties abroad			
Suppliers in the country	334,104	289,104	289,905
Foreign suppliers	394,905	323,408	185,260
Other liabilities		2,013	1,039
<b>IV. OTHER CURRENT LIABILITIES</b>	<b>842,654</b>	<b>580,383</b>	<b>364,384</b>
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>			
<b>VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	<b>5,491</b>	<b>5,490</b>	<b>1,772</b>
<b>VII. ACCRUALS</b>	<b>65,521</b>	<b>48,987</b>	<b>37,598</b>
<b>D. THE LOSS IN EXCESS OF CAPITAL</b>	<b>939,604</b>	<b>720,574</b>	<b>2,441,840</b>
<b>Đ. TOTAL LIABILITIES</b>	<b>5,317,299</b>	<b>5,289,777</b>	<b>5,524,944</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>	<b>391,583</b>	<b>510,565</b>	<b>624,162</b>

4. Financial Statement of Tigar AD Pirot for the year 2018 together with the Independent Auditor's Report is published on the web page of the Joint Stock Company Tigar, in both Serbian and English.

5. This Decision shall come into force by the date of its adoption

It was approached voting on the second item on the agenda: Making Decision on adopting the Consolidated Financial Statement of Tigar AD Pirot for the year 2018 and of Reports related to it

Present number of votes: 5.430.599

Required number of votes for adoption: 2.715.301

Total votes "IN FAVOUR": 5.430.599

Total votes "AGAINST" : 0

Total votes "ABSTAIN": 0

Following the ballot, the Chairman of the General Assembly stated that by the majority of votes there was made the following:





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**“DECISION**

**on adopting the Consolidated Financial Statement of the Joint Stock Company Tigar Pirot for the year 2018 and reports related to the Consolidated Financial Statement**

1. It is hereby adopted the Consolidated Financial Statement of the Joint Stock Company Tigar, Pirot for the year 2018, and the reports related to the Consolidated Financial Statement, including:

- Report of the Executive Board on business operations of Tigar AD Pirot for 2018
- Report of the Supervisory Board of Tigar AD Pirot for 2018
- Report by the auditor Stanišić Audit doo Beograd

2. According to the Consolidated Financial Statement for the period January-December 2018, Joint Stock Company Tigar Pirot reported the following results:

Income statement in thousands of RSD	January-December 2018	January-December 2017
<b>INCOME FROM OPERATIONS</b>		
<b>A. OPERATING INCOME</b>	<b>2,477,962</b>	<b>2,386,491</b>
I. Sales of goods	17,814	53,049
II. Sales of products and services	2,434,536	2,307,678
III. Revenues from premiums, subsidies, donations, grants etc.		
IV. Other operating income	25,612	25,764
<b>EXPENSES FROM OPERATIONS</b>		
<b>B. OPERATING EXPENSES</b>	<b>2,709,366</b>	<b>2,643,866</b>
I. Cost of commercial goods sold	12,296	47,574
II. Work performed by the company and capitalized	26,157	21,215
III. Increase in inventories of finished products and work in progress	36,087	
IV. Decrease in inventories of finished products and work in progress		115,582
V. Material consumed	852,450	650,269
VI. Fuel and energy consumed	176,093	155,493
VII. Staff costs	1,129,048	1,070,575
VIII. Production expenses	345,836	381,899
IX. Amortization	136,029	149,360
X. Costs of long-term provisions	1,978	752
XI. Intangible costs	117,880	93,577
<b>V. PROFIT FROM OPERATIONS</b>		
<b>G. LOSS FROM OPERATIONS</b>	<b>231,404</b>	<b>257,375</b>
<b>D. FINANCE INCOME</b>	<b>15,056</b>	<b>237,082</b>
I. Financial income from related persons and other financial income		228
II. Interest income (from third parties)	664	10,517
III. Gains and positive effects of currency clause		
	14,392	226,337
<b>Đ. FINANCE EXPENSES</b>	<b>260,810</b>	<b>228,084</b>
I. Financial expenses related party transactions and other financial expenses	1,904	3,644
II. Interest expenses (by third parties)	242,580	204,544

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III. Foreign exchange losses and negative effects of currency clause	16,326	19,896
<b>E. PROFIT FROM FINANCING</b>		<b>8,998</b>
<b>Ž. LOSS FROM FINANCING</b>	<b>245,754</b>	
<b>Z. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	6,726	7,404
<b>I. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	24,601	8,475
<b>J. OTHER INCOME</b>	117,556	1,225,668
<b>K. OTHER EXPENSES</b>	183,301	706,754
<b>L. OPERATING PROFIT BEFORE TAX</b>		<b>269,466</b>
<b>LJ. LOSS FROM OPERATIONS BEFORE TAX</b>	<b>560,778</b>	
<b>M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD</b>		
<b>N. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS FROM PREVIOUS PERIOD</b>	402	5,684
<b>NJ. PROFIT BEFORE TAXATION</b>		<b>263,782</b>
<b>O. LOSS BEFORE TAXATION</b>	<b>561,180</b>	
<b>P. INCOME TAX</b>		
I. Current tax expense	7,998	16,724
II. Deferred income tax expense	66	413
III. Deferred income tax benefit	625	534
<b>R. EARNINGS OF EMPLOYER</b>		
<b>S. NET PROFIT</b>		<b>247,179</b>
<b>T. NET LOSS</b>	<b>568,619</b>	

3. According to the Consolidated balance sheet as of 31.12.2018 , the Joint Stock Company Tigar Pirot reported the following balance sheet items:

<b>BALANCE SHEET IN THOUSANDS OF RSD</b>			
<b>ASSETS</b>	<b>31.12.2018.</b>	<b>31.12.2017.</b>	<b>31.12.2016.</b>
<b>A. SUBSCRIBED CAPITAL UNPAID</b>			
<b>B. NON-CURRENT ASSETS</b>	<b>3,045,923</b>	<b>3,166,615</b>	<b>4,308,171</b>
I. INTANGIBLE ASSETS	96,131	135,809	208,762
Investment in development	87,770	127,993	199,364
Concessions, patents , licenses , trademarks , software and other rights	1,700	4,065	5,663
Goodwill			
Other intangible assets			
Intangible assets under construction	6,661	3,751	3,735
Advances for intangible assets			
II. PROPERTY, PLANT AND EQUIPMENT	2,943,638	3,023,655	4,090,752
Land	520,943	453,227	490,421
Buildings	1,725,244	1,689,160	2,578,484
Plant and equipment	550,534	575,323	640,380
Investment property	83,252	198,694	266,181
Other property, plant and equipment			
Property, plant and equipment construction	62,184	85,585	94,371
Investments in others property, plants and equipment	1,481	1,726	679



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Advances for property , plant and equipment		19,940	20,236
<b>III. BIOLOGICAL AGENTS</b>			
<b>IV. LONG-TERM FINANCIAL PLACEMENTS</b>	6,154	7,151	8,657
Shares in subsidiaries			
Shares in associated companies and joint ventures	491	492	491
Equity investments in other companies and other securities	466	92	94
Other long-term investments	5,197	6,567	8,072
<b>V. LONG-TERM RECEIVABLES</b>			
<b>V. DEFERRED TAX ASSETS</b>	<b>3,425</b>	<b>2,864</b>	
<b>G. CURRENT ASSETS</b>	<b>1,751,946</b>	<b>1,758,613</b>	<b>2,015,966</b>
<b>I. INVENTORIES</b>	1,184,249	1,275,695	1,480,316
Supplies , spare parts , tools and supplies	188,025	176,869	183,353
Unfinished production and unfinished services	202,141	169,947	134,653
Finished Products	281,107	281,314	392,638
Goods	167,797	253,504	362,736
Fixed assets held for sale	316,780	334,100	386,004
Advances paid for supplies and services	28,399	59,961	20,932
<b>II. RECEIVABLES FROM SALE</b>	265,811	242,474	341,512
Customers in the country - the parent and subsidiaries			
Customers abroad - parent and subsidiaries			
Customers in the country - other related parties	1,412	1,471	2,126
Customers abroad - other related parties			
Customers in the country	126,214	141,074	174,868
Customers abroad	138,185	99,929	164,518
Other receivables from sales			
<b>III. RECEIVABLES FROM SPECIFIC OPERATIONS</b>			
<b>IV. OTHER RECEIVABLES</b>	80,563	64,775	53,208
<b>V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT</b>			
<b>VI. SHORT-TERM FINANCIAL PLACEMENTS</b>			
Short-term loans and investments - parent and subsidiaries			
Short-term loans and investments - other related parties			
<b>VII. CASH AND CASH EQUIVALENTS</b>	120,114	125,118	95,408
<b>VIII. VALUE ADDED TAX</b>	76,018	12,017	10,214
<b>IX. PREPAYMENTS</b>	25,191	38,534	35,308
<b>D. TOTAL ASSETS -</b>	<b>4,801,294</b>	<b>4,928,092</b>	<b>6,324,137</b>
<b>D. OFF BALANCE SHEET ASSETS</b>	<b>437,465</b>	<b>548,065</b>	<b>661,662</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.12.2018.</b>	<b>31.12.2017.</b>	<b>31.12.2016.</b>
<b>A. EQUITY</b>			
<b>I. OSNOVNI KAPITAL</b>	3,049,389	2,866,890	1,115,014
Share Capital	3,049,389	2,866,890	1,115,014
<b>II. SUBSCRIBED CAPITAL UNPAID</b>			
<b>III. TREASURY SHARES</b>			
<b>IV. RESERVES</b>	3,946	3,631	3,642
V. Revaluation reserves based on the revaluation of intangible assets, property , plant and equipment	231,427	205,958	1,509,376
<b>VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>	102,541	100,298	101,672
<b>VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS</b>	4,646	4,312	4,146
<b>VIII. RETAINED EARNINGS</b>		227,137	

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Retained profit from previous years			
Retained profit from financial year		227,137	
<b>IX. PARTICIPATION RIGHTS WITHOUT CONTROL</b>	102,158	98,093	98,303
<b>X. LOSS</b>	5,120,785	4,780,491	4,780,492
Loss of previous years	4,542,278	4,780,491	4,361,843
Loss for the year	578,507		418,649
<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	<b>2,085,463</b>	<b>3,036,320</b>	<b>6,120,270</b>
<b>I. LONG-TERM PROVISIONS</b>	82,000	83,303	252,742
Provision for retirement and other employee benefits	52,692	53,994	39,898
Provision for lawsuits	29,308	29,308	212,844
Other long-term provisions			
<b>II. LONG-TERM LIABILITIES</b>	2,003,463	2,953,017	5,867,528
Liabilities that can be converted into equity	1,043		1,751,876
Long-term loans and loans in the country			
Long-term loans and loans abroad	1,455,254	2,073,432	2,715,403
Liabilities arising from finance lease	378,426	561,388	774,834
Liabilities arising from finance lease		1,400	6,621
Other long-term liabilities	168,740	316,797	618,794
<b>V. DEFERRED TAX LIABILITIES</b>			<b>103,786</b>
<b>G. CURRENT LIABILITIES</b>	<b>4,351,801</b>	<b>3,174,568</b>	<b>2,056,712</b>
<b>I. SHORT-TERM FINANCIAL LIABILITIES</b>	2,360,159	1,592,379	848,014
Short-term loans from parent companies and subsidiaries			
Short-term loans from other related parties			
Short-term loans and loans in the country			
Short-term loans and loans abroad			
Liabilities in respect of fixed assets and resources discontinued operations held for sale			
Other current financial liabilities	2,360,159	1,592,379	848,014
<b>II. PREPAYMENTS, DEPOSITS AND GUARANTEES</b>	79,127	78,777	46,027
<b>III. ACCOUNTS PAYABLE</b>	856,164	759,951	652,289
Suppliers - parent and subsidiaries in the country			
Suppliers - parent and subsidiaries abroad			
Suppliers - other related parties in the country	2,566	2,234	2,287
Suppliers - Other related legal entities abroad			
Suppliers in the country	415,449	394,600	413,639
Foreign suppliers	434,205	357,216	230,851
Other liabilities	3,944	5,901	5,512
<b>IV. OTHER CURRENT LIABILITIES</b>	945,574	659,367	436,296
<b>V. LIABILITIES FOR VALUE ADDED TAX</b>	8,267	8,527	11,444
<b>VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES</b>	6,293	6,054	5,894
<b>VII. ACCRUALS</b>	96,217	69,513	56,748
<b>D. THE LOSS IN EXCESS OF CAPITAL</b>	<b>1,635,970</b>	<b>1,282,796</b>	<b>1,956,631</b>
<b>D. TOTAL LIABILITIES</b>	<b>4,801,294</b>	<b>4,928,092</b>	<b>6,324,137</b>
<b>G. OFF BALANCE SHEET LIABILITIES</b>	<b>437,465</b>	<b>548,065</b>	<b>661,662</b>

4. Consolidated Financial Statement of Tigar AD Pirot for the year 2018 together with the Independent Auditor's Report is published on the web page of the Joint Stock Company Tigar [www.tigar.com](http://www.tigar.com), in both Serbian and English.

5. This Decision shall come into force by the date of its adoption.

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### III

#### MAKING DECISION ON ELECTION OF THE INDEPENDENT AUDITOR FOR THE YEAR 2019

Chairman of the General Assembly invites Aleksandra Djordjević, Head of Accounting, as rapporteur for the third item on the agenda.

Rapporteur: **Aleksandra Djordjević**, Head of Accounting department

Pursuant to article 453. of the Law on companies and article 21 of the Law on Audit, annual financial statements of joint stock companies such as Tigar is and those of dependent entities that have the status of big and middle enterprises, are obliged to be the subject to revision, by the audit firm to be elected by the GA.

Request for a bid for Annual audit of individual and consolidated financial statements with the pre-audit for the year 2019 was sent to individual auditing firms (12 audit firms, namely: Audit firm AUDITOR, member of association of auditors EuraAudit International, audit firm Baker Tilly, PricewaterhouseCoopers Consulting d.o.o. Beograd, DFK International / Konsultant Revizija DOO, MDM revizija, KPMG audit, BDO audit, FINAUDIT audit firm, Moore Stephans audit, PKF audit, Stanistic audit d.o.o. audit firm, Nexia star auditing company) On the request for a bid for Annual audit of individual and consolidated financial statements with the pre-audit for the year 2019, 2 companies responded both offers being acceptable.

Bids were sent by:

- Moore Stephans audit and accounting d.o.o. Beograd, at a price of 11.000 EUR (net). 13.200 EUR (gross).
- Stanistic audit d.o.o. Beograd, at a price od 9.400 EUR (net) , 11.280 (gross)
- Given the overall situation of Tigar AD, as well as the fact that financial audits for the year 2015, 2016, 2017 and 2018 were done by Stanistic audit, having reviewed other submitted replies and offers, Executive Board of Tigar AD suggested that the Supervisory Board should propose before the Shareholders' Assembly the following audit firm:

Audit and consulting firm Stanistic audit d.o.o. Beograd  
for the independent auditor of the Joint Stock Company Tigar Pirto and its dependent entities for 2019.

The Audit and Consulting Company - Stanistic Audit Ltd. Belgrade is an audit firm with a long business tradition (founded in 1999) which carried audits with legal entities of different fields (production, trade and services). Among many others, they conducted audits with clients such as: IMK 14.oktobar Krusevac, Kopaonik AD Beograd, Zorka Sabac, Paracinka Paracin....

The Audit and Consulting Company- Stanistic Audit Ltd. Belgrade is the auditing company which was engaged in these activities in the previous fouryears. This company provided its services in accordance with contractual obligations, within the given terms and in a quality manner. Given that this company is familiar with the situation regarding assets and liabilities and that the same company has insight into Tigar's current operations, it is deemed that the audit procedure itself would be simpler and more efficient.

Taking into account all strengths and weaknesses our opinion is that this audit company may render their services in an efficient and cost-effective manner

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Chairman of the General Assembly opens discussion within this item on the agenda. As there was no discussion related to this item on the agenda, it was approached to secret ballot on the third item on the agenda - **Making Decision on election of the independent auditor for the year 2019.**

Present number of votes: 5.430.599  
Required number of votes for adoption: 2.715.301

Total votes "IN FAVOUR": 5.430.599  
Total votes "AGAINST" : 0  
Total votes "ABSTAIN": 0

Following the ballot, the Chairman of the General Assembly stated that by the majority of votes there was made the following:

**“ DECISION  
of the Joint Stock Company on election of an independent auditor  
Tigar Pirot for 2019**

1. As for the independent auditor of the Joint Stock Company Tigar Pirot for the year 2019 is hereby elected **Audit and Consulting Company Stanišić Audit Ltd.**
2. By Agreement on carrying out auditing, mutual rights and obligations will be closely regulated.
3. This decision shall come into force upon its adoption.

Chairman of the GA proposes that there should be a single presentation regarding items 4 and 5 on the agenda, given their direct relation, whereas voting and decision-making on these items shall be separate, which was accepted by the present shareholders.

**IV  
MAKING DECISIONS ON AMENDMENTS AND SUPPLEMENTS TO THE BYLAWS OF JOINT  
STOCK COMPANY TIGAR PIROT**

**V  
MAKING DECISIONS ON AMENDMENTS AND SUPPLEMENTS TO THE GENERAL  
ASSEMBLY RULES OF PROCEDURE OF JOINT STOCK COMPANY TIGAR PIROT**

Rapporteur: **Danijela Cenić**, Head of Legal Department

Given the adopted changes and supplements to the Law on Companies published in the Official Gazette of the Republic of Serbia no. 44/2018 and 95/18, it is necessary to harmonize the Company's internal acts with it, primarily the Articles of Association as the highest legal act of a company.

The first reason for amendments and supplements to the Tigar AD Articles of Association is the fact that in 2018 there came about an increase in share capital through release of shares based on recapitalization, through conversion of creditors' receivables into permanent stake in Company's capital, pursuant to Decision of the Government of the Republic of Serbia. Following the conversion there came about an increase in share capital, so that now Company's share capital



amounts to 3.050.432.264 Serbian dinars. Company share capital is divided into 8.156.236 issued and registered ordinary shares. Each change in company capital shall enter Articles of Association. Second reason for amendments and supplements is to be found in amendments and supplements to the Law on Companies dating from 2018. Articles of Association are harmonized with the Law, in order to obtain a better and clearer comprehension of the said law. Moreover, there were some technical mistakes which are now corrected, also authorizations of managing bodies are now regulated in a way clearer and more precise manner. There are no substantive changes. Articles of Association contain all important elements as foreseen by the Law. For the rest which is not envisioned by these Articles of Association are applied provisions of the Law on Companies and of other laws which shall be applied in a specific case.

The Rules of procedure of General Assembly of Joint Stock Company Tigar Pirot shall specify the method of work and decision making of the Shareholders' Assembly pursuant to the Law on Companies and Company Articles of Association.

Given the adopted changes and supplements to the Law on Companies and pursuant to article 334, paragraph 1 of the Law on Companies, Chairman of the Shareholders' Assembly of Joint Stock Company Tigar Pirot submits a draft proposal for harmonizing the Rules of procedure with the said Law, along with a draft decision, enclosed in the material necessary for this session. There are no substantial changes, only technical harmonization with the law and it also gives a more detailed and precise description of the workflow of the session, as in today's session.

Another novelty is that the notification for the Shareholders' Assembly is also published on Central Securities' website, in addition to Company's website and Business Registers Agency website.

The Chairman of the General Assembly opens discussion regarding item IV on the Agenda. Discussion time is limited to 3 – 5 minutes for the sake of efficiency.

**Slavica Marinović:** I am interested to know why Articles of Association say that the persons defined by the law are obliged to keep a trade secret even after the capacities they have expired, for the period of 2 years from the day when those capacities expired, when the law prescribes that time period for keeping a trade secret is 5 years.

**Danijela Cenić:** This time period was taken from the law. It is true that the law provides the opportunity to determine time period of 5 years using internal acts. Certainly, your suggestion will be taken into account and in the coming amendments to the Articles of Association we shall change this provision. However, this is not a mistake, since we defined the time period defined by the law. In addition to the Articles of Association there are many internal acts regulating the scope of keeping trade secret where this part is regulated in a clearer and more precise manner.

**Milan Popović:** I suggest we vote according to the material, and the time period of keeping a trade secret should be reviewed for the next session.

After discussion on these questions was closed there was approached to secret ballot on item 4 on the agenda: - Making Decisions on amendments and supplements to Bylaws of Joint Stock Company Tigar Pirot

Chairman of the GA presents voting results:

Present number of votes: 5.430.599

Required number of votes for adoption: 2.788.277

Total votes "IN FAVOUR": 5.429.399

Total votes "AGAINST" : 0

Total votes "ABSTAIN": 660

Following the ballot, the Chairman of the General Assembly stated that by the majority of votes there was made the following:

**"D E C I S I O N**

on changes and amendments of the Articles of Association of Tigar AD Pirot

**1. In the Articles of Association of Joint Stock Company Tigar Pirot as of 2018-03-29 are made changes and amendments in its provisions as follows:**

**Article 1.**

In **Article 17.**

- **in paragraph 1.** 2.866.889.894 RSD is deleted, and written 3.050.432.264 RSD so that it now reads: " The total share capital of the Company amounts to 3.050.432.264 RSD. "

- **in paragraph 2** 7.665.481 is deleted, and written 8.156.236 so that it now reads:

"Share capital of the Company is divided into 8.156.236 of issued and subscribed ordinary shares."

**Article 2.**

In **Article 18.**

- **paragraph 3. item 2.** is amended so that it now reads:

"2) conditional (conditional increase) :

- to the extent necessary for holders of convertible bonds to exercise the right to convert them into company shares;

- achieving warrants' rights to purchase Company shares

- achieving employees, directors, Supervisory Board members, Company, i.e.related party's right to purchase Company shares."

**Article 3.**

In **Article 20**

- **in paragraph 1** 7.665.481 is deleted, and written 8.156.236, so that it now reads:

"The Company has issued a total 8.156.236 shares registered with the Central Securities Depository and Clearing House AD Belgrade (hereinafterwards: CSDCH)."

**Article 4.**

In **Article 21.**

- from the article name is deleted "non-voting", so that the name now reads: "Preferred shares"

- **in paragraph 2.** "30% (thirty percent) is deleted ", and is written "50% (fifty percent) ", so that it now reads:

" The aggregate nominal value of issued and authorized preferred shares shall not exceed 50% (fifty percent) of the share capital."

- is added **paragraph 3.** which reads:

"Preferred shareholder is entitled to participate in the work of General Assembly, with no right to vote except in case where the law foresees it. "

**Article 5.**



In **Article 22.**

- **paragraph 1.** "by these Articles of Association" is deleted so that it now reads:

" The shares shall be issued, transferred and registered in the form of an electronic record pursuant to the Law, stock exchange regulations and CRS regulations. "

- **paragraph 2.** " non-voting " is deleted so that it now reads:

"All ordinary voting shares and all preferred shares shall have a nominal value.

**Article 6.**

In **Article 23.**

- new **paragraph 2.** is added which reads: "Authorized shares shall be issued when Company capital is increased through new stakes or to exercise the rights of convertible bonds holders and warrants."

- **paragraph 3.** is deleted, and paragraph 2 becomes paragraph 3, also

- **paragraph 4.** is deleted and new paragraph 4 is written which reads: "The time period stated in paragraph 3 of this article shall not be longer than 5 years from the date of the decision and may be extended by amendments in articles of association or by a decision of the Shareholders' Assembly, prior to its expiration, provided that such an extension is for a period which shall not be longer than five years. ",

- **paragraph 5.** the part which reads: "Such authorization is given for the purpose of issuance of new shares to increase the capital by additional contributions and shall be valid for a period of 5 years following the date of determination of the authorized shares in the Bylaws, 22 June 2012." is deleted, and

- **paragraph 6.** of this article is added, which reads: "Decision stated in paragraph 3 of this article is registered in line with Registration Act. "

so that **article 23.** now reads as follows:

"In addition to issued shares, the Company is also entitled to have authorized shares of a certain type and class, provided that the number of authorized shares shall always be less than half the number of issued ordinary shares.

Authorized shares shall be issued when Company capital is increased through new stakes or to exercise the rights of convertible bonds holders and warrants.

The Shareholders' Assembly shall resolve on authorized shares and its resolution shall contain significant elements of the authorized shares; it may also empower the Supervisory Board to issue such authorized shares within the time period stated in the resolution.

The time period stated in paragraph 3 of this article shall not be longer than 5 years from the date of the decision and may be extended by amendments in articles of association or by a decision of the Shareholders' Assembly, prior to its expiration, provided that such an extension is for a period no longer than five years.



Pursuant to Article 313, Paragraph 3 of the Law on companies, the Shareholders' Assembly authorizes the Supervisory Board to decide on the number, time and other conditions of issuance of authorized shares, including any restriction or exclusion of pre-emptive rights of subscription at their issuance.

Decision stated in paragraph 3 of this article is registered in line with Registration Act. "

### **Article 7.**

#### **In Article 24**

##### **- paragraph 1.**

- **item 1.**" access to legal and other documents and information of the Company, pursuant to the Law " is to be deleted and written new item 1 which reads: " 1. right to participate and vote at the Shareholders' Assembly, on the basis that one share always entitles to one vote;"

- **item 2.** " participation in the Shareholders' Assembly"; is to be deleted

- **item 3.** " Voting at the Shareholders' Assembly, on the basis that one share always entitles to one vote", is to be deleted

- from **item 4.** which reads as follows: " Receiving dividends, upon any dividends in connection with any issued preferred shares having been fully paid; " is deleted " upon any dividends in connection with any issued preferred shares having been fully paid" and it becomes item 2 which now reads: "2. Receiving dividends; " ,

- **item 5** which reads: "3.Receiving a distribution on the residual proceeds from liquidation the Company, upon payments to any creditors or holders of preferred shares having been made; " now item 3., amends and now reads: "3. participating and receiving a distribution on the residual proceeds from liquidation or bankruptcy estate in accordance with the Law governing bankruptcy; ", item 6 which reads: "6. Pre-emptive right to acquire newly-issued shares and convertible bonds; " is item 4., which amends and now reads: "4. Pre-emptive right to acquire ordinary shares and other financial instruments convertible for newly-issued ordinary shares; ", item 7 which reads: "7.Disposal of the shares of any type pursuant to the law." is deleted, and is added item 5 which reads: "5. other rights according to the law. " ,

- **item 3** which reads: "Shareholders may contractually transfer the rights referred to in Paragraph 1, Items 4 and 5 of this article to third parties. " is deleted

so that now article 24 reads as follows:

" Each ordinary share of the Company grants the same rights to the shareholder, as provided for under the Law, the Articles of Association of the Company and these Bylaws, including in particular:

1. right to participate and vote at the Shareholders' Assembly, on the basis that one share always entitles to one vote;

2. receiving dividends;

3. participating and receiving a distribution on the residual proceeds from liquidation or bankruptcy estate in accordance with the Law governing bankruptcy;

4. pre-emptive right to acquire ordinary shares and other financial instruments convertible for newly-issued ordinary shares;

5. other rights according to the law.





Ordinary shares may not be converted into preferred shares or other securities. "

#### **Article 8.**

In **Article 25.** is added paragraph 9. which reads:

" Preferred shares may be issued only for financial investment. "

#### **Article 9.**

In **Article 29**

- **paragraph 3.** after the word "dividend" is added " and the time limit for dividend distribution", and after the words " (Dividend Distribution Resolution) is added " which may not be longer than 6 (six) months from the date of decision on dividend distribution. " so that it now reads:

" The distribution of dividends to shareholders shall be approved by such a resolution passed at an ordinary session of the Shareholders' Assembly, which shall determine the amount of the dividend and the time limit for dividend distribution (Dividend Distribution Resolution) which may not be longer than 6 (six) months from the date of decision on dividend distribution. ";

- **paragraph 5.** after the word "Supervisory Board ." is added "in accordance with the Law." so that it now reads:

" The Company may pay dividends (interim dividends) during the business year, at any time between ordinary sessions of the Shareholders' Assembly, under such a decision of the Supervisory Board, in accordance with the Law. "

#### **Article 10.**

In **Article 35.**

- **paragraph 3.** word " included " is deleted and is written the word "determined", and behind the word "Supervisory Board " is added "if necessary in order to facilitate organizing Shareholders' Assembly sessions" so that it now reads:

" The Shareholders' Assembly may deliberate and resolve solely on matters determined in the agenda. As a rule, the Shareholders' Assembly shall hold its sessions at the Company's headquarters, but may also meet elsewhere if so decided by the Supervisory Board, if necessary in order to facilitate organizing Shareholders' Assembly sessions. "

#### **Article 11.**

In **Article 36.**

- **paragraph 1.** after the word "Shareholders' Assembly " is deleted "shall be convened" , and after the word "annual" is deleted (annual Shareholders' Assembly) so that it now reads:

" Ordinary session of the Shareholders' Assembly is held once a year, not later than six months after the end of the business year. "

- **paragraph 2.** following the word "General Assembly" is added "shall be convened by the Supervisory Board and" so that it now reads:



" An ordinary session of the Shareholders' Assembly shall be convened by the Supervisory Board on such date and at such time as determined by the Supervisory Board decision pursuant to the Law and these Articles of Association."

#### Article 12.

In **Article 37.**

- **paragraph 1.**

- 1) - **item 2.** following the word "vote" is deleted " on the matter proposed for the extraordinary session. ", and is written " on items on the Agenda. "

so that it now reads:

"- on request of shareholders who hold at least 5% (five percent) of shares which entitle them to vote on on items on the Agenda. "

#### Article 13.

In **Article 38.**

- **paragraph 2.** " to their addresses stated in the unified record of shareholders" is deleted so that it now reads:

" Notice shall be sent to persons who are the Company's shareholders on the date the Supervisory Board made a decision on convening the Shareholders' Assembly.",

- **paragraph 3:** " Delivery shall be deemed made on the date of mailing of registered mail to the address of the shareholder, or of electronic mail if the shareholder has agreed in writing to be notified by electronic mail. " is deleted,

- **paragraph 4** is now paragraph 3., following the word " posting " is deleted "on the website",

- **item 1.** of paragraph 4. before the word "Company" is added "on the website of " so that it now reads: "- on the website of Company, ",

- **item 2.** before the word "Business Register" is added "on the website of " so that it now reads:

"- on the website of the Business Register",

- new **item 3.** is added and it reads: "- on the website of Central Securities and", and

- **item 3.** is now item 4. which is amended and now reads: "- on the website of multilateral trading platform ".so that it now reads:

"Notice of a session of the Shareholders' Assembly shall also be given by posting on:

- on the website of Company,
- on the website of the Business Register,
- on the website of Central Securities and
- on the website of multilateral trading platform"



- **paragraph 5** becomes paragraph 4. and new item 9 is added: "- notification on decesions which constitute disposal of assets of great value. " so that it now reads:

"Any such notice shall include, in particular:

- The date of the notice;
- The time and place of the session;
- The proposed agenda for the session, including a clear indication of the items on the agenda on which a resolution of the Shareholders' Assembly is proposed, and stating the class and total number of shares that can vote on such resolution and the majority required to pass the resolution;
- Instructions for obtaining materials for the session;
- Instructions about shareholders' rights in connection with their participation in the proceedings of the Shareholders' Assembly, and clear and precise information about the rules for exercising such rights;
- Power-of-attorney (voting) form and warning that a power of attorney may be issued using only that form, and that its copy must be submitted to the Company not later than three business days prior to the date of the session;
- Absentee voting form;
- Notification of the shareholders record date and explanation that only shareholders who are shareholders of record on that day shall be entitled to participate in the proceedings of the Shareholders' Assembly
- Notification on decesions which constitute disposal of assets of great value. "

#### **Article 14.**

In **Article 39.**

**paragraph 1** amends and now reads:

" One or more shareholders holding at least 5% of the voting shares may propose to the Supervisory Board:

1. additional items on the agenda for deliberation on the Shareholders' Assembly, provided that such proposal is explained;
2. additional items on the agenda on which they propose a resolution of the Shareholders' Assembly, provided that such proposal is explained and draft of the proposed resolution provided;
3. different resolutions based on existing items on the agenda provided that such proposal is explained and draft of the resolutions provided. "

- **paragraph 4** is amended so that after the word "agenda " is added "and draft resolutions ", and following the word "the Law" is also added "and these Articles of Association. " so that now it reads:

"If the Supervisory Board accepts the proposal referred to in Paragraph 1 of this article, the Company is required to convey an updated agenda and draft resolutions without delay to all shareholders entitled to take part in the proceedings of the Shareholders' Assembly, in the manner provided under the Law and these Articles of Association "

**Article 15.****Article 44.**

- **paragraph 1.** is amended in such a manner that after the word "majority " is deleted "of", and added "which is calculated in relation to " so that it now reads:

" The quorum of any session of the Shareholders' Assembly shall be composed of shareholders who hold a simple majority which is calculated in relation to the total number of the class of shares entitled to vote on the matter concerned."

- **paragraph 3.** is amended in such a manner that after the word "agenda" is added " so that it is held ", and following the word "15 days" is deleted "from the date of adjournment ", and is written "counting from the date of the session deferred", in the second line within the same paragraph after the word "number" is added the word "of votes" , after the word "voting", is added "on the subject matter." so that paragraph 3. now reads:

"If any Shareholders' Assembly is adjourned due to a lack of quorum, it may be reconvened with the same agenda so that it is held not later than 30 days, and at the earliest 15 days counting from the date of the session deferred. The quorum required at such a reconvened session shall be 1/3 (one third) of the total number of votes of voting shares on the subject matter."

**Article 16.****Article 45.**

- **paragraph 3.** is amended in such a manner that following the word " less " is deleted "1/4 (one fourth) " and written "1/3 (one third) " and after the words "matter concerned" are deleted words: " unless the law requires a larger number of votes. " so that it now reads:

"The majority referred to in the previous paragraph shall also apply to the reconvened session, provided that it cannot be less than 1/3 (one third) of the number of shares entitled to vote on the matter concerned. "

**Article 17.****Article 48.**

- **paragraph 4.** is amended in such a manner that following the word Supervisory Board is deleted "and", and written " , ", and after the word "Nomination Committee" is added "and shareholders entitled to propose the agenda of the Shareholders' Assembly ", so that it now reads:

" Candidates for the Supervisory Board shall be nominated by the then current Supervisory Board, the Nomination Committee and shareholders entitled to propose the agenda of the Shareholders' Assembly ",

- **paragraph 10.** new line is added: "The Company is obliged to elect new independent Supervisory Board member within 60 days from the date when other Supervisory Board members learned about the reasons for the termination of the status of an independent member of the Supervisory Board. " so that it now reads:



"If the Company is left without at least one independent member of the Supervisory Board, the remaining members, if they do not co-opt the missing independent member, shall convene, within 30 days of becoming aware of the reasons for cessation of Supervisory Board membership of the independent member, an extraordinary session of the Shareholders' Assembly to appoint such a member. The Company is obliged to elect new independent Supervisory Board member within 60 days from the date when other Supervisory Board members learned about the reasons for the termination of the status of an independent member of the Supervisory Board. "

- **paragraph 11.** after the word "Board" is written " following the stipulated election procedure, with or without stating the reasons for such removal. ", and is written "even prior to the expiration of the term, without stating reasons for such removal. " so that it now reads:

" The Shareholders' Assembly may remove any member of the Supervisory Board even prior to the expiration of the term, without stating the reasons for such removal. "

#### **Article 18.**

#### **Article 49.**

- **paragraph 2.** amends so that it now reads:

"Matters within the competence of the Supervisory Board:

- may not be transferred to Company's executive directors,
- may be transferred to the competence of the Shareholders' Assembly by a decision of the Supervisory Board. "

#### **Article 19.**

#### **In Article 50.**

- **paragraph 4.** the word "absence" is exchanged with the word "absence" so that it now reads:

"In the event of absence of the Chairperson of the Supervisory Board, any member may convene a meeting of the Supervisory Board and one of its members shall be appointed by a majority vote, at the beginning of the meeting, to preside at that meeting. "

#### **Article 20.**

#### **In Article 51.**

- **paragraph 1.** after the word "times" is deleted " during the year (ordinary meetings of the Supervisory Board) " and added the word se reč "a year. " so that it now reads:

" The Supervisory Board shall work and decide at meetings which shall be held at least four times a year. ", and

- **paragraph 4.** is amended so that after the word "Board" is added "stating the agenda and materials for the session " so that it now reads:



" Written notice of any meeting of the Supervisory Board stating the agenda and materials for the session shall be sent to all members not later than eight days, and in urgent cases not later than two days, prior to the date of the meeting. "

### **Article 21.**

#### **In Article 54.**

- **paragraph 3.** becomes paragraph 4., whereas a new paragraph 3. is added which reads:  
" If committees mentioned in paragraph 2 of this Article are not formed the Supervisory Board performs tasks which fall within the competences of these committees. ",

- **paragraph 4.** becomes paragraph 5. and after the word "provisions" is erased "of these Articles of Association and " so that paragraph 5. now reads:

" The provisions of the Law on Company shall apply to the composition of the committees of the Supervisory Board, their competence, procedures and other matters.",

-a new **paragraph 6.** is added which reads: "The said committees help in the work of Supervisory Board, particularly to prepare decisions which it makes, that is, monitor over implementation of certain decision or to carry out expert tasks for the purposes of the Supervisory Board. ", whereas paragraph 6. becomes paragraph 7. so that article 54 now reads:

" The Supervisory Board must have an Audit Committee.

In addition to the above, the Supervisory Board shall have a Nomination Committee, a Remuneration Committee, and any other committees needed by the Company.

If committees mentioned in paragraph 2 of this Article are not formed the Supervisory Board performs tasks which fall within the competences of these committees.

Committee members may include directors and other individuals who possess knowledge and experience relevant to the duties of the respective committee.

The provisions of the Law on Company shall apply to the composition of the committees of the Supervisory Board, their competence, procedures and other matters

The said committees help in the work of Supervisory Board, particularly to prepare decisions which it makes, that is, monitor over implementation of certain decision or to carry out expert tasks for the purposes of the Supervisory Board.

The committees may not decide on matters which fall within the competence of the Supervisory Board."

### **Article 22.**

#### **In Article 60.**

- **paragraph 2.** after the word "Nominating Committee" is added "if there is such a committee, and if the Company did not form Nominating Committee, each member of the Supervisory Board may propose a candidate for executive director. " so that it now reads :





The Supervisory Board shall appoint the executive directors at the proposal of Nominating Committee, if there is such a committee, and if the Company did not form Nominating Committee, each member of the Supervisory Board may propose a candidate for executive director. ",

- paragraph 4. amends so that it now reads:

" Any executive director may be removed by the Supervisory Board even prior to the expiration of the term, without stating a reason. "

### **Article 23.**

#### **In Article 62.**

##### **- paragraph 2.**

- **item 7.** after the word "Articles of Association" is deleted "and", and following the word "decisions" is deleted "Company's bodies. ", and is written " Shareholders' Assembly and the decisions of the Supervisory Board.. " so that it now reads:

"- performs other duties and takes decisions consistent with the Law, these Articles of Association, decisions of the Shareholders' Assembly and the decisions of the Supervisory Board."

### **Article 24.**

#### **Article 63.**

- paragraph 6. amends so that it now reads:

" In the event of absence of the Chief Executive Officer, each of the executive directors may convene the Executive Committee, where the majority of the executive directors present shall elect one of the executive directors, at the beginning of the meeting, to preside at that meeting."

### **Article 25.**

#### **In Article 64.**

- **paragraph 1** it is deleted " coordinate the work of the executive directors and organize the business operations of the Company." so that it now reads: " The Chief Executive Officer shall be the legal representative of the Company." and

- a new **paragraph 2.** is written which reads: " The Chief Executive Officer of the Company shall coordinate the work of the executive directors and organize the business operations of the Company. ", and paragraph 2. becomes paragraph 3.,

- **paragraph 3** becomes paragraph 4. and after the word law is deleted briše se " which governs the registration of legal entities ", and is written "on registration. " so that it now reads:

" The Chief Executive Officer shall be registered as a legal representative of the Company, as provided for under the law on registration.",

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- **paragraph 4.** becomes paragraph 5., and

- **paragraph 5.** becomes paragraph 6. in which after the word "Law" is deleted "and these Articles of Association " so that it now reads: " In addition to the criteria set forth in the Law, the Chief Executive Officer shall hold a university degree, know one major foreign language and possess work, professional and organizational abilities and skills."

So that article 64. reads as follows:

" The Chief Executive Officer shall be the legal representative of the Company.

The Chief Executive Officer of the Company shall coordinate the work of the executive directors and organize the business operations of the Company

The Chief Executive Officer shall convene any meetings of the Executive Committee, preside at such meetings and propose the respective agenda.

The Chief Executive Officer of the Company shall coordinate the work of the executive directors and organize the business operations of the Company.

The Chief Executive Officer shall be registered as a legal representative of the Company, as provided for under the law on registration.

The Chief Executive Officer shall be appointed by the Supervisory Board from among the executive directors for a period of four years.

In addition to the criteria set forth in the Law, the Chief Executive Officer shall hold a university degree, know one major foreign language and possess work, professional and organizational abilities and skills.

**Article 26.****Article 65.**

**paragraph 1.** after the word "powers" is deleted " consistent with the Law and these Articles of Association ", so that it now reads: "On behalf of the Company and within his powers, the Chief Executive Officer of the Company is authorized to:", and

- **item 1.** amends so that it now reads:

1. coordinate the work of executive directors and organize the business operations of the Company; "

**Article 27.****Article 67.**

- **paragraph 1.**

- **item 4.** amends so that it reads as follows:

"4. communication of the Company with shareholders and enabling access to acts and documents mentioned in item 3. of this paragraph in accordance with the provisions of article 465 of the Law on Companies. "

**Article 28.****Article 69.**

- **paragraph 1** amends so that it reads as follows:

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" The Supervisory Board may issue a proxy. The Proxy may be individual or joint, as provided for under the Law on Companies. ",

- in **paragraph 2.** after the word reči "Board" is added "by its decision" so that it reads as follows:

" The Supervisory Board by its decision may revoke any proxy at any time. ",

- in **paragraph 3.** after the word "Law" is added "on registration . " so that it reads as follows:

" The proxy shall be registered pursuant to the Law on registration. "

**Article 29.****Article 76.**

- **paragraph 1.** amends in the sense that after the word "market" is added "purchase and/or selling", and after the word "value" is added "total" so that it now reads:

" The acquisition or disposal of major assets is any transfer or a series of related transfers which results in the acquisition or disposal by the Company of assets whose market, purchase and/or selling total value, at the time of the relevant decision, is at least 30% (thirty percent) of the book value of such assets reported in the most recent annual balance sheet."

- **paragraph 3.** amends in the sense that after the word " contract rights " is deleted the word "shares" and is written "securities", so that it now reads:

" Assets, as contemplated in Paragraphs 1 and 2 of this article, include but are not limited to real estate, movables, property and other rights including industrial property rights or contract rights, securities, as well as other interests in other companies, or money."

**Article 30.****In Article 77.**

- **paragraph 2.** after the word "resolution" is written "of the Supervisory Board" so that it reads as follows:

"The session of the Shareholders' Assembly at which any proposed resolution of the Supervisory Board on the disposal of major assets it to be considered, shall be convened per applicable legislation governing sessions of shareholders' assemblies of joint-stock companies."

**Article 31.****Article 78.**

- **paragraph 1.** item 4. is added which reads as follows:

" 4. Provisions of Article 472 of the Law on Company shall apply accordingly on the consequences of violations of provisions on the disposal of high value asset. "

**Article 32.****Article 79.**



- **paragraph 1.** amends so that it reads as follows:

" The Articles of Association, as well as amendments to it, shall be adopted by the Shareholders' Assembly by means of a simple majority vote of the voting shareholders, on recommendation of the Supervisory Board. "

### **Article 33.**

#### **In Article 81.**

##### **- paragraph 1**

- **item 11.** after the word " addresses " is added " executive directors and" so that it now reads: "11. A list of full names and addresses of executive directors and all members of the Supervisory Board; ",

- and in **paragraph 2.** after the word "all" is added "executive directors and " so that paragraph 2. now reads:

"The Company shall keep the documents and acts referred to in Paragraph 1 of this article at its headquarters or another place known and accessible to all executive directors and members of the Supervisory Board. "

### **Article 34.**

#### **In Article 83.**

- **paragraph 1.** is amended so that it now reads:

"Trade secret represents any information whose disclosure to a third party might cause damage to the Company, as well as information that is or might be of economic value due to not being generally known nor is readily available to third parties which might derive economic benefit by using or communicating such information protected by appropriate measures by the Company in order to preserve its confidentiality .

- in **paragraph 2.** is deleted " Any person who under the law which governs companies belongs to the group of persons with special duties to the Company, as well any employee of the Company, " and is written "Executive directors, members of the Supervisory Board, representatives, proxy, shareholders with significant share in share capital, persons employed in the Company and other persons in accordance with the Law on Companies" so that paragraph 2. of this article reads as follows:

" Executive directors, members of the Supervisory Board, representatives, proxy, shareholders with significant share in share capital, persons employed in the Company and other persons in accordance with the Law on Companies, pursuant to the Law on Companies are required to keep Company's trade secret.",

- in **paragraph 3.** after the word " for a period of " are deleted words " five years " and is written "two years " , so that paragraph 3. now reads:



" The persons referred to in Paragraph 2 of this article shall abide by these confidentiality provisions even after their capacity has ceased, for a period of two years of cessation of such capacity. "

**Article 35.****In Article 86.**

- **paragraph 1.** following the word "law" is deleted " and the collective bargaining agreement (general, sectoral, and employer's).", and is written "on work, general and sectoral collective bargaining agreement, as well as employer's collective agreement. " so that it reads as follows:

" The labor union shall have the role, authority and obligations consistent with the on work, general and sectoral collective bargaining agreement, as well as employer's collective agreement. ",

- **paragraph 2.** after the word "contact" is written "with the employer ", and following the word "law" is written "on labour"so that it reads as follows :

" The Company shall conduct negotiations, enter into the collective bargaining agreement with the employer, and discuss labor union/employee relationships with the representative labor union pursuant to the law on labour."

**Article 36.****In Article 87.**

- **paragraph 2.** after the word "adopted" is deleted " 8 September 2005. " and it is written "29. 3. 2018. " and after the word "year" is written "and any and all amendments thereto" so that it reads as follows:

" Upon the entry into force of these Articles of Association, the Articles of Association adopted on 29.03.2018 shall become null and void."

It is approached to secret ballot on item 5 on the agenda: **Making Decision on amendments and supplements to the General Assembly Rules of Procedure of Joint Stock Company Tigar Pirot**

Chairman of the GA presents voting results:

Present number of votes: 5.430.599

Required number of votes for adoption: 2.715.301

Total votes "IN FAVOUR": 5.429.939

Total votes "AGAINST" : 0

Total votes "ABSTAIN": 660

Following the ballot, the Chairman of the General Assembly stated that by the majority of votes there was made the following:



## **DECISION**

### **on changes and amendments to the Rules of procedure of General Assembly of Joint Stock Company Tigar Pirot**

“ It is hereby adopted the changes and amendments to the Rules of procedure of General Assembly of Joint Stock Company Tigar Pirot:

1) In article 4. paragraph 2. item 2 is deleted the word "tasks", and is written "Rules of procedure " so that article 4 paragraph 2 now reads:

"Right to participate in the discussion on items on the agenda of the General Assembly, including the right to submit proposals, pose questions related to the agenda of the General Assembly and obtaining answer conforming to the Company's Articles of Association and these Rules of procedure "

2) In article 5. paragraph 3. is deleted the word "included", and is written "determined" so that article. 5. paragraph 3. now reads:

General Assembly shall make decisions and discuss only items determined on the agenda.

3) In article 5. paragraph 4. is added " if necessary in order to facilitate organizing Shareholders' Assembly sessions " so that article 5 paragraph 4 reads as follows:

"As a rule, the Shareholders' Assembly shall hold its sessions at the Company's headquarters, but may also meet elsewhere if so decided by the Supervisory Board, if necessary in order to facilitate organizing Shareholders' Assembly sessions. "

4) In article 6 is deleted paragraph 2. An ordinary session of the Shareholders' Assembly shall be convened by the Supervisory Board on such date and at such time as determined by the Supervisory Board decision pursuant to the Law and these Articles of Association., and is written new paragraph 2 and paragraph 3 so that article 6 paragraph 2.and 3. now read as follows :

" An ordinary session of the Shareholders' Assembly shall be convened by the Supervisory Board on such date and at such time as determined by the Supervisory Board decision pursuant to the Law and these Articles of Association.

Notice of an ordinary session of the Shareholders' Assembly shall be sent not later than 30 days prior to the session"

5) In article 7 is added paragraph 3, so that article 7 paragraph 3 reads as follows

" Notice of on extraordinary session of the Shareholders' Assembly shall be sent not later than 21 days prior the session."



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6) In article 8

- from paragraph 2 is deleted : to their addresses stated in the unified record of shareholders,
- paragraph 3 is deleted: Delivery shall be deemed made on the date of mailing of registered mail to the address of the shareholder, or of electronic mail if the shareholder has agreed in writing to be notified by electronic mail
- in paragraph 4 is added on the website of the Business Register and it becomes paragraph 3 ,

so that article 8 paragraph 3 now reads as follows:

" Notice of an ordinary session of the Shareholders' Assembly shall be sent not later than 30 (thirty) days prior to the session, while notice of an extraordinary session of the Shareholders' Assembly shall be sent not later than 21 (twenty-one) days prior to the session.

Notice shall be sent to persons who are the Company's shareholders on the date the Supervisory Board issued a decision convening the Shareholders' Assembly.

Notice of a session of the Shareholders' Assembly shall be given by posting on the Company's website, on the website of the Business Register, on the website of the Central securities and the website of regulated market, or multilateral trading platform. "

7) In article 9 :

- in paragraph 1 is added item 9. which reads as follows: Notification on decisions which constitute disposal of assets of great value.
- in paragraph 4 is deleted " In parallel with the notice given ", so that article 9 now reads:

" Any such notice for Shareholders' Assembly shall include, in particular:

1. The date of the notice;
2. The time and place of the session;
3. The proposed agenda for the session, including a clear indication of the items on the agenda on which a resolution of the Shareholders' Assembly is proposed, and stating the class and total number of shares that can vote on such resolution and the majority required to pass the resolution;
4. Instructions for obtaining materials for the session;
5. Instructions about shareholders' rights in connection with their participation in the proceedings of the Shareholders' Assembly, and clear and precise information about the rules for exercising such rights conforming to the Law, Articles of Association and these Rules of procedure;
6. Power-of-attorney (voting) form and warning that a power of attorney may be issued using only that form, and that its copy must be submitted to the Company not later than 3 (three) business days prior to the date of the session
7. Absentee voting form;
8. Notification of the shareholders record date and explanation that only shareholders who are shareholders of record on that day shall be entitled to participate in the proceedings of the Shareholders' Assembly
9. Notification on decisions which constitute disposal of assets of great value. "

Notification from paragraph 1. item 8 of this article particularly contains information regarding shareholders' rights to propose agenda as well as their right to pose questions, stating the time limits within which those rights shall be exercised, description of voting by proxy procedure, as well as description of voting in absence.

The notification from paragraph 1 of this article shall be accompanied by the financial



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reports, along with the independent auditor's report, Supervisory Board report, Executive Board report on Company's operation, draft text of amendments to the Articles of Association, description of a contract or other legal acts proposed for approval, as well as other acts in accordance with the Law and the Articles of Association.

Material for the Shareholders' Assembly shall be made available to the shareholders by posting on the Company's website, so that shareholders can download them completely from the Company's website.

The Company shall use its website to publish the total number of shares and voting rights on the day of publishing the notice, including the number of shares of each voting class per items on the agenda. "

8) In article 11 paragraph 2. is deleted "from amongs the present", and is added "and members of Voting Committee ", so that article11 paragraph 2 now reads as follows :

"Chairman of the Shareholders' Assembly shall appoint the recording secretary and Voting committee members."

9) Article 13 paragraph 1 is amended so that is now reads:

" The quorum for Shareholders' Assembly session shall be the simple majority calculated in relation to the total number of votes of the class of voting shares on the subject matter. "

II This Decision shall enter into force on the day of its adoption.

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Chairman of the GA states that the work of session held today has been completed and that all decisions were made by the required majority of votes.

The session was adjourned at 13h 30 min.

**RECORDING SECRETARY:**  
Danijela Cenić

**CHAIRMAN OF GA:**  
Slavoljub Stanković

**MEMBERS OF THE VOTING COMMITTEE:**

1. Marjan Stojanović, secretary
2. Maja Manojlović, member
3. Jelena Mitić, member