	TIGAR ad Piroť SUPERVISORY BOARD
DECISION	Date: 2016-12-07; no.107/16 Page/Pages: 1/4


Based on Article 167 and 170 of the Insolvency Act (Official Gazette of the RS no. 104/2009, 99/2011, 71/2012 and 83/2014), Decision of the General Assembly no. 01/2014 as of 14.04.2014, Article 441 paragraph 1, item 15 concerning Article 296. of the Companies Act (Official Gazzete of the RS no. 36/11, 99/11, 83/14 i 5/15) and Article 49 paragraph 1 item 17 concerning Article 18 of the Bylaws of Joint Stock Company Tigar Piroť with the purpose of implementation of the PPoR for Tigar ad Piroť, whose adoption was legally validated by the Decision of the Commercial Court in Nis branch no.2, St. 43/2014 as of 08.04.2015 legally validated on 01.06.2015 by the Conclusion of the Government of the Republic of Serbia 05 no. 023-8421/2016 as of 13.09.2016, the Supervisory Board, at the proposal of the Executive Board (Decision of the Executive Board no. 156/16 as of 02.12.2016.), at the session held on 07.12.2016, takes the following

**DECISION
ON INITIAL CAPITAL EXPANSION OF THE JOINT STOCK COMPANY
TIGAR PIROť THROUGH CONVERSION OF DEBT INTO CAPITAL**

1. There will be carried expansion of the initial capital of the Joint Stock Company Tigar Piroť (hereinafter: the Company) for 636.535.658.00 RSD on the basis of conversion of debt into equity which occurred based on the Conclusion of the Government of the Republic of Serbia 05 No 023 – 8421/2016 as of 13.09.2016 by concluding contract with the following creditors:
 - Contract on conversion of debt into equity (in the amount of: 80.592.138,00 RSD) with the creditor Company 'Dunav Osiguranje' a.d.o. Belgrade
 - Contract on conversion of debt into equity (in the amount of 14.166.746, 00 RSD) with the creditor National Employment Agency, Kragujevac
 - Contract on conversion of debt into equity (in the amount of 541.776.774 RSD) with the creditor Postal Savings Bank Belgrade.
2. Conversion of debt into equity of the Company will be carried out by issuing new emission of ordinary voting shares CFI: ESVUFR and ISIN number: RSTIGRE55421 in total amount of 1.701.967 shares, each with nominal value of 374 RSD which at the same time represents issue price per share, i.e. total nominal – issue value in the amount of 636.535.658,00 RSD.
3. Expanding the initial capital of Tigar ad Piroť, by converting the debt into equity for the amount of 636.535.658,00 RSD, total initial capital of Tigar ad Piroť amounts to 3.237.533.992,00 RSD.
4. Based on this Decision shall be made decisions on issue of shares.
5. Based on this Decision shall be performed the subscription of initial capital expansion with the Business Registers Agency and the subscription of shares and shareholders shall be performed in the Central securities depository and clearing house to the appropriate accounts of the shareholders.
6. For anything not envisioned by this Decision, there will be directly applied valid regulations from this realm.
7. This Decision comes into effect on the day of its adoption.

President of the Supervisory Board

Nebojša Petrović

	TIGAR ad Pirot SUPERVISORY BOARD
DECISION	Date: 2016-12-07; no.107/16 Page/Pages: 2/4

Based on Article 167 and 170 of the Insolvency Act (Official Gazette of the RS no. 104/2009, 99/2011, 71/2012 and 83/2014), Decision of the General Assembly no. 01/2014 as of 14.04.2014, Article 441 paragraph 1, item 15 concerning Article 296. of the Companies Act (Official Gazzete of the RS no. 36/11, 99/11, 83/14 i 5/15) and Article 49 paragraph 1 item 17 concerning Article 18 of the Bylaws of Joint Stock Company Tigar Pirot with the purpose of implementation of the PPoR for Tigar ad Pirot, whose adoption was legally validated by the Decision of the Commercial Court in Nis branch no.2, St. 43/2014 as of 08.04.2015 legally validated on 01.06.2015 by the Conclusion of the Government of the Republic of Serbia 05 no. 023-8421/2016 as of 13.09.2016, the Supervisory Board, at the proposal of the Executive Board (Decision of the Executive Board no. 156/16 as of 02.12.2016.), at the session held on 07.12.2016, takes the following

**DECISION
ON ISSUANCE OF THE VI EMISSION OF ORDINARY SHARES FOR THE SAKE OF INITIAL
CAPITAL EXPANSION OF TIGAR AD PIROT**

ARTICLE 1

This decision regulates the terms of issuance of the VI emission of shares based on capital increase through conversion of the creditors' receivables into equity capital of the Company Issuer pursuant to the Conclusion of the Government of the Republic of Serbia 05 No. 023-8421/2016 as of 13.09.2016.

Issuer Joint Stock Company Tigar Pirot issues shares on the basis of initial capital expansion.

Share emission is performed without the obligation of publishing the prospectus pursuant to the stipulations of contracts concluded with creditors and relevant regulations.


Joint Stock Company Tigar Pirot, with its seat at Pirot, 213, Nikole Pasica St., Company Registration Number 07187769 (hereinafter: the **Issuer**), organized as a Public Limited Company issues shares of the VI emission with the purpose of capital expansion of the Issuer based on new stakes, through conversion of the debt to capital.

Until this Decision was made the Issuer's initial capital amounted to 1.020.255.544,00 RSD and consisted of **2.727.956** ordinary shares with the nominal value of 374,00 RSD per share.

Shares are registered with the Central Depository and Clearing House (hereinafter referred to as the Central Depository) and the designation of the shares is: CFI Code ESVUFR and ISIN number RSTIGRE55421.

ARTICLE 2

Based on this Decision, the Issuer issues **253.366** ordinary shares, with nominal value of 374,00 RSD (three hundred seventy-four Serbian dinars and 00/100) per share, total nominal value of the emission in the amount of **94.758.884,00** RSD (ninety-four million seven hundred fifty-eight thousand eight hundred eighty-four Serbian dinars and 00/100) according to the following specification:

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1. the Company 'Dunav Osiguranje' a.d.o. Belgrade, with its seat at Belgrade 4, Makedonska St., Company Registration Number: 07046898, Tax Identification Number 100001958 will subscribe a total of 215.487 ordinary shares, total value of 80.592.138,00 RSD.
2. National Employment Agency, at Kragujevac, with its seat at 37, Svetozara Markovića Str., Company Registration Number: 17539957, Tax Identification Number: 103277483 will subscribe a total of 37.879, total value of 14.166.746,00 RSD.

Shares of the VI emission are sold at issuing price of 374,00 RSD (three hundred seventy-four RSD and 00/100) per share.

Total emission value of shares of the VI emission amounts to 94.758.884,00 RSD (ninety four million seven hundred fifty-eight thousand eight hundred eighty-four Serbian dinars and 00/100).

Shares are issued, transferred and recorded in electronic form in the information system of the Central Register.

ARTICLE 3

By issuing shares from Article 2 of this Decision is carried out the settlement of receivables (conversion) for corporate bonds and dividends of the creditor Company 'Dunav Osiguranje' a.d.o. Belgrade and settlement of receivables (conversion) based on outstanding contribution for insurance in case of unemployment of the creditor National Employment Agency, Kragujevac, into equity capital of the Issuer, in the manner and conditions defined by the Conclusion of the Government of the Republic of Serbia 05 No. 023-8421/2016 as of 13.09.2016.


The Conclusion of the Government of the Republic of Serbia from the previous paragraph is a constituent part of this Decision.

ARTICLE 4

Subscription of ordinary shares of the VI emission will be carried out at the headquarters of Societe Generale Bank, Investment services and activities Department, 50 a/b blvd Zorana Đinđića, Belgrade.

ARTICLE 5

The deadline for subscription for shares is 45 days from the date of the decision.

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ARTICLE 6

The emission will be deemed successful if implemented through subscription of 60% of shares from the total number of issued shares from this Decision.

ARTICLE 7

Shares of the VI emission grant the following rights:

1. the right to participate in the work of the Assembly of the Issuer
2. the right to vote in the Assembly of the Issuer so that one share always gives right to one vote
3. the right to participate in profit distribution
4. the right to part of the liquidation and bankruptcy estate
5. the right to manage the shares freely
6. other rights envisaged by the Law and the Bylaws of the Issuer

ARTICLE 8

After the increase, the amount of capital referred to in Article 1 paragraph 5 of this Decision is amended and amounts to 1.115.014.425,00 RSD (one billion one hundred fifteen million, fourteen thousand, four hundred twenty-five Serbian dinars and 00/100) divided into 2.981.322 ordinary shares nominal value of 374,00 RSD per share (three hundred seventy-four Serbian dinars and 00/100).

ARTICLE 9

This Decision will be registered in Business Registers Agency Belgrade as well in the Central Register.

ARTICLE 10

The Managing Director of the Issuer is authorized to conclude and sign the Contracts on conversion of debt into the Issuer's equity, in all by this Decision, as well as to undertake all factual and legal acts with the purpose of its implementation and registration before the competent authorities of the Republic of Serbia.

ARTICLE 11

This Decision comes into effect on the day of its adoption.

President of the Supervisory Board

Nebojša Petrović