



**TIGAR AD
BOARD OF DIRECTORS**

PROPOSED RESOLUTION

Date: 2012-05-16

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Pursuant to Article 592 (7) of the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11) and pursuant to Article 88 (a) (6) of the Articles of Association of the Joint-Stock Company Tigar Pirot (Tigar AD), the Board of Directors of Tigar AD, being the competent body up to the time of alignment with the Companies Law, proposes to the Shareholders' Assembly to pass the following

RESOLUTION
approving the Remuneration and Reward Policy for the Supervisory Board
and the committees of the Supervisory Board of Tigar AD

1. The Remuneration and Reward Policy for the Supervisory Board and the committees of the Supervisory Board of Tigar AD, as appended hereto and constituting an integral part hereof, is hereby approved.
2. This Resolution enters into force on the date it is passed.

Explanatory Notes

As part of alignment with the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11), following the election of the Supervisory Board within the framework of the bicameral management model, Tigar AD is required to decide on the remuneration of the Supervisory Board, or on the rules for the determination of such remuneration.

The Remuneration and Reward Policy for the Supervisory Board and the committees of the Supervisory Board calls for a continuation of the previous remuneration approach, adjusted to the new organization of management (bicameral model), which Tigar AD has selected in the process of aligning with the Companies Law.

Furthermore, the established remuneration approach sets forth straightforward remuneration criteria which provide a sound basis for fair determination of remuneration and rewards to which members of the Supervisory Board and other individuals covered by this Resolution are entitled to under the law, whereby the overall expense to the Company in this regard will not be significantly increased.

Based on the above and acting on the recommendation of the Board of Directors, which is in charge of alignment of the Company with the Law, the Shareholders' Assembly passed this Resolution as stated above.

TIGAR AD Board of Directors

s. Dragan Nikolić
Chairman