

**Tigar**®**TIGAR a.d. Pirot
GENERAL ASSEMBLY****MINUTES****08.07.2015.**

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**MINUTES
AS OF THE REPEATED REGULAR SESSION OF THE GENERAL ASSEMBLY
OF THE JOINT STOCK COMPANY "TIGAR" - PIROT**

Place: **Large Conference Room of Tigar a.d. Pirot**Date: **08.07.2015.**Time: **12 h**Time of completion: **13 h 45 min.**

Present representatives of shareholders:

Ord.No.	Shareholders' representative	Identification number	Number of votes
1.	Miladinović Siniša	2702933732527	3.364
2.	Stanković Slavoljub	0205958732520	170.023
3.	Radenković Milutin	0401955710015	170.862
4.	Milivojević Dragan	3007950773648	25.100
5.	Mandić Saša	0708979340004	23.608

Present shareholders:

Ord.No.	Shareholders	Identification number	Number of votes
1.	Milanković Goran	1707965303235	1.700
2.	Radenković Nikola	1811982710008	43.000

Shareholders who voted in absentia:

Ord.No.	Shareholder	Identification number	Number of votes
1.	Antić Aleksandar	2908977722216	9.984
2.	Marković Damir	2407985383979	5.000
3.	Mijailović Predrag	0501957710130	195
4..	Societe Generale bank Serbia custody	344K317411233	11.480

Directors of factories: Miodrag Dopuđa, Žarko Ćirić, Bojan Živković.

Members of Executive Board: Nebojša Đenadić (Managing Director), Gorica Stanković, Branislav Ćirić, Zorica Mladenović, Zoran Mančić.

Members of the Supervisory Board: Aleksandar Radojević.

President of Independent Trade Union of Tigar ad Pirot : Slobodan Petrović.

Representatives of the accounting function: Aleksandra Đorđević, director; Dragoslava Branković, person in charge for the keeping of business books.

Director of development of complementarz programs: Srđan Stojanović

Director of the corporate governance function: Nataša Pop-Krstić

Company Secretary: Danijela Cenić.

Chairman of the GA, Stanković Slavoljub, opens the repeated regular session of the General Assembly of Tigar Pirot and informs all the present that the regular session of the GA was convened for 2015-06-29 when there was not reached the required quorum for its work, so therefore was convened the repeated session in compliance with the law and Tigar's By-Laws, with the same Agenda items. Within the legal deadline, there were no proposals for amending the

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Agenda, and according to the law, amendments and supplements are not allowed to be made on today's session.

After the opening of the session, the managing Director welcomed all participants, wished a successful work of the general Assembly and said that two years after the collapse of Tigar, we now have a stable production process continuously for more than thirty months. Prepackaged Plans of Reorganization of Tigar ad Pirot and Tigar Rubber Footwear I.I.c. Pirot become legally binding, creditors of the subsidiary Tigar Rubber Footwear I.I.c. Pirot has paid six installments of the debt. The responsibility of the new management, shareholders and employees through their representatives in the union is clear and demonstrated in action. Only three years ago at Tigar were stopped business activities, salaries were not paid, we had uncertified health cards, unpaid taxes, duties, liabilities toward vendors and there were stopped deliveries to customers. All this is a consequence of the sale of assets of the Company, and after that borrowing from banks and often at very unfavorable conditions. The new leadership is not waiting for help on the side of the road to recovery and revitalization, we now have our own strength and resources. The most optimal solution, after months of negotiations with creditors was the implementation of financial consolidation through a prepackaged plan of reorganization (UPPR) for the parent company Tigar ad Pirot and the subsidiary Tigar Rubber Footwear Ltd. Pirot. In the last two years, together with an independent auditing firms that worked on the revision of the years 2012, 2013 and 2014., there were encountered various irregularities in the books that are in conflict with international accounting standards so that the year 2012 was completed with a correction of 2.2 billion dinars, 2013. completed with a correction of 152 million dinars, and the year 2014 was completed with 521 million dinars, which all together amounts to about 3 billion dinars. Professional services and formed teams within corporation have perceived each item in detail in the books and accounting records, and write-offs are implemented only after they have exhausted all other possibilities. It was noted that the capitalization of earnings made in the amount of about EUR 6 million, as capital would be magnified, and the result was better. Also, the fact is that they have produced stocks for which no production at the time was demanded for any buyers who would have purchased the stock. It also identified the problem of investment property in the amount of 176 million dinars for which the assessors gave unrealistically high estimates. All the above mentioned could not have been realized without the then leadership, management bodies, internal auditors, external auditors, even accounting services. After all this, the operating result, EBIT, for 2014 at the consolidated level was - 226 million dinars, while the same in 2013 was - 481 million dinars, indicating that the result is better this year by 53%. The operating result before depreciation, EBITDA, was -10 million, whereby this parameter implies that expenses are not directly related to operations, such as costs of the Prepackaged Plan of Reorganization, a value added tax for the pledged goods at Universal Bank, which cumulatively amounts to about 34 million dinars. So without these costs, EBITDA would have been positive, which certainly represents progress compared to 2013 when the operating result before amortization was -261.million dinars. Net result for the year 2014, pursuant to all the above mentioned, is -1.4 billion with the share of interest on loans and commitments 982 million. The parent company Tigar ad has recorded operating profit in the amount of 103 million dinars. Subsidiaries Free Trade Zone ad Pirot, Tigar Security Ltd. Pirot, Business Services Ltd. Pirot operate positively in the first six months and a subsidiary Tigar Catering Ltd. Pirot also operates positively while at Tigar Rubber Footwear Ltd. Pirot and Tigar Technical Rubber Goods Ltd. Pirot was also recorded a decrease in business loss. This year, investors were brought out of Egypt with which business cooperation involves hiring about 40 employees of the Corporation that would otherwise be made redundant. There was also realized a certification of the production entity Tigar Rubber Footwear Ltd. Pirot at the renowned certification company TÜV Rheinland, while for Tigar Technical Rubber certification is expected by September. In addition to that, there was entered the renovating of the warehouse space of 3.000 m2 and the most important investment is the construction of a factory for rubber compounds, worth about EUR 1 million, with the first installment of EUR 200 thousand has already been paid, the deadline for completion is December this current year.

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The program of reorganization is a very complex process and, consequently, it was created by professional people, but requires maximum expertise, knowledge and seriousness in the implementation of the plan to make Tigar a stable, viable and successful company.

After his speech, the Managing Director thanked all the participants and gave word, to the Director of Corporate Governance, Natasa Pop Krstic.

Natasa Pop Krstic in her speech to shareholders introduces the measures, and the future activities in the process of financial consolidation. At a hearing held in the Commercial Court in Nis on 07/04/2014, by voting of the majority of creditors was adopted the 'UPPR' of Tigar AD Pirot, and the same become effective on 01.06.2015. After its finality, activities have started in the part of implementation that have reflected in the harmonization of conditions with creditors and defining repayment schedules accordingly to 'UPPR' and from mid-July 2015, first creditors of Tigar ad Pirot will begin with the collection of receivables. 'UPPR' for Tigar Rubber Footwear Ltd. Pirot has become effective on 26.11.2014, and the first installment was paid to creditors on 11.01.2015. Then, it has commenced the merger of production entities to the parent company, the merger contract were submitted to the Business Registers Agency and advertised on the official website of the Agency. Also, we started with the implementation of a new organization that includes reducing the number of executive directors from eight to five, reducing the number of directors and managers in the lower lines of management from 120 to 41, which facilitates communication in the hierarchical structure and contributes to establishing a clear and flexible organizational structure. The segment that is also envisaged by the 'UPPR' of Tigar AD is the signing of the new Collective Agreement and there have been therefore taken the necessary action. It is defined the new investment plan that, among other things, includes a factory for the production of rubber mixtures, so-called. "White Mixing Room" which construction begins in the current month. Total amount of investment defined by 'UPPR' is 8.5 million EUR, which represents a level of investment that allows the smooth functioning of the whole system. Tigar owns assets that are not critical to the business, so that a plan of reorganization and financial consolidation means restructuring and sale of such assets, for the debts towards creditors could be settled as soon as possible. The segment that is also defined within the 'UPPR' is the sale of subsidiaries. The initial deadline for the sale is 9 months, while a further period of sales is 6 months. This is because the basic idea of the financial plan is to go back to the core business, ie. to the manufacture of rubber products, so that's the part that regards the non-core activities is scheduled for sale. In case we do not find interested buyers for entities engaged in service activities, it would be merged with the parent company. Finding a strategic partner for manufacturing entities is also of great importance. Regarding the increase in market presence and reduction of inventories, marketing sector and the commercial sector have directed their involvement in animating both domestic and international buyers. Tigar in a certain period could not service the needs of their customers so that the brand in the market was put aside, but commercial activity managed with the re-establishing of cooperation with old customers. Monitoring plans for production and sales are made on a monthly basis. The creditors, Tax Administration and local self-government is defined for a period of 5 years, one year grace period and 4 years of repayment, while the other creditors, except the privileged supplier, the payback period is 7 years. What constitutes a sort of relief is that interest rate are defined at 5% plus EURIBOR.

Director for the development of complementary programs, Srdjan Stojanovic, in its own name welcomes all present, and gives notice of the future status of non-core activities. Current activities are focused on increasing profitability, and if there is no sale of these subsidiary entities, they remain within the company and their job is to give full

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positive cash contribution. The segment that also concerns the shareholders is the informing. Although the company for some time is not on the prime market of the stock exchange, we have held the quarterly reporting and the goal for the future is to raise the level of corporate reporting. After receiving the opinion of the auditor for Tigar Technical Rubber Goods Ltd. Pirot, there is expected to achieve the defined limits for companies on the prime market. Transparency in the work is very important because it influences the increase of investor interest, and facilitates the implementation of the 'UPPR', because we make the company available to the entire public. The role of shareholders is of great importance, the company seeks to have open communication with shareholders and to respect the symmetry of the disclosure and shareholders at all times have access to legal channels of communication with company management.

After the introductory speeches, the President of the GA states that there is a quorum for the work of the GA and appointed a recording secretary, **Jelena Petkovic**, and the voting committee members: **Suzana Jocic, Vesna Stanisavljević and Marijan Stojanović**. For the Secretary of the Committee was appointed **Suzana Jocic**.

Total number of voting shares: 1.138.775.

Present shareholders and proxies at the GA : 464.316 votes.

Votes required: 379.592 votes.

On the basis of these data it was found that all conditions are met for the holding of the GA session.

President of the GA proposes that the first and the second item on the agenda join together into a single item in the part of reporting and that for each of the items on the agenda should be voted individually.

I

Making Decision on adopting the Financial Statement of Tigar ad Pirot for the year 2014 with the Independent Auditor's Report and of reports related to it: Executive Board's Business Report and the Report of the Supervisory Board;

and**II**

Making Decision on adopting the Consolidated Financial Statement of Tigar ad Pirot for the year 2014 with the Independent Auditor's Report and of reports related to it: Executive Board's Business Report and the Report of the Supervisory Board.

Rapporteur: **Aleksandra Đorđević**, Director of Accounting Function

The parent company Tigar Ad in the period January-December 2014 recorded operating income of 1.9 billion dinars. Operating expenses amounted to 1.8 billion dinars.

In 2014 the retail network and services are separated from Tigar AD and annexed to Tigar Protective workshop which is also renamed into TI-CAR Trade Ltd. It is also part of the sale of finished products and raw materials procurement conducted through this entity. In order to compare and evaluate the effects of the business, there should be collectively considered Tigar ad and TI-CAR trade doo.

Viewed collectively with the elimination of internal relations, Tigar ad and Ti-Car Trade Ltd, achieved operating income of 3 billion dinars, which is 1% lower than in the previous period, operating expenses were 2.9 billion dinars which is 3% lower than in the



comparative period, while cumulative business Profit in 2014 was realized in the amount of 133 million dinars, which is by 101% more than in the same period last year.

Operating profit (EBIT) when you only look at the parent company in 2014 amounted to 103 million dinars, which is by 52% better than in the comparative period, operating profit before depreciation and long-term provisions (EBITDA) amounted to 151.7 million dinars, which is by 24% better compared to the same period, while the net loss amounted to 849 million dinars which represents 4% decline compared to the comparative period.

The reason for this are increased financial expenses which for 2014 amounted to 612 million dinars, of which the majority are interest expenses in the amount of 415 million and foreign exchange losses in the amount of about 183 million dinars, which are mainly related to short-term and long-term loans.

Other income amounted to 21 million dinars, while other expenditures amounted to 410 million and are mainly related to the assessment of the effects of investment property (buildings that are not used for business purposes, but they are earmarked for lease or resale) in the amount of 105 million dinars, and the impairment Shares in related legal entities in the amount of 255 million dinars (impairment was performed for the current realized losses)

The assets of the parent company in 31.12.2014 amounts to 4.8 billion dinars, of which fixed assets of 2 billion, current assets 2.8 billion.

Non-current liabilities of the parent company amounted to 5.8 billion dinars, of which the largest share kratkotočne liabilities in the amount of 5 billion dinars. Loss above capital amounts to 1 billion dinars.

Explanation for the received auditor's opinion

The audit of the financial statements for 2014, was performed by Ernst & Young. Independent Auditors' Report was submitted to Tigar Ad electronically on 06/12/2015.

As for the individual financial statements for 2014, Tigar AD has been given by auditors an abstained opinion. (Opinion for the year 2013 was also abstained).

The basis for this opinion is mainly related to the impairment of various types of assets (inventory, accounts receivable, fixed assets) and to the following points:

1. Receivables from related parties. Bearing in mind that the corporation does not make provision for receivables from related parties in accordance with the Company's accounting policies, and how they were accumulated for years, the values are high and amounts to over 2.2 billion. With the validity of the 'UPPR' and there will be a status change through the merger of production units to the parent company where these values are the highest, so that it will be excluded, and we will not have that category in balance sheets.

2. Share in related persons capital. The parent company has impaired the equity share at Tigar Rubber Footwear llc, THP llc, Tigar Catering llc, Tigar Incon llc, Tigar Tours llc for current losses in 2014. As for Tigar Americas, due to pending court cases was not made impairment as well as in companies in the region. The auditors also requested the analysis

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of recoverable amount. Since we did not receive from auditors the adequate instruction on how to do the same, and since it was late to engage independent person to perform such analysis, we have, as in previous years, impaired the share capital only for the amount of loss.

3. The stocks with a slow turnover in the amount of 77 million dinars. Our professional services submitted their analysis, but they were not sufficiently substantiated for the purposes of the auditors. Auditors demanded that for the entire stock of finished goods in Tigar should be provided letters of intent or purchase contracts. Professional services were not in a position to provide the requested documents, because there are stocks from previous periods that are quite old. During the annual inventory there were no significant proposals for impairment of goods by the census commission. Much of the merchandise is given under pledge.

4. Investment properties. Tigar AD carried out an assessment of the investment property, when it was established that it is necessary to impair in the amount of 104 million RSD, which is what we implemented. But because such a form of assessment has not been made on 31.12.2013, the auditors could not ascertain that part of such impairment should not be displayed in the balance sheet from 2013 and previous years.

Total realized operating income on a consolidated basis, for the period January-December 2014 amounts to RSD 2,734,470 thousand, which is 12% less compared to the same period last year, when they amounted to 3,106,115 thousand dinars. Great influence on the reported decline in operating income is a liquidation of Tigar Europe from Great Britain. Liquidation was approached due to the termination of the contract on the sale of tires in the UK from 2009, which this entity had with Tigar Tyres. The termination of this agreement and the revenue that on that basis Tigar Europe has realized, lost the economic feasibility of operations of the subsidiary company.

Consolidated operating expenses in the amount of 2,961,349 thousand dinars were lower by 17% compared to 2013 when they amounted to 3,587,638 thousand dinars. Lower operating expenses in 2014 are a result of the taken measures and controls in part cost reduction, rationalization of labor, business optimization, as well as external factors - falling prices of raw materials.

Structure of operating expenses in 2014, in total cost by groups is as follows; Expenses of Wages, salaries and other personnel expenses account for about 38%; Expenses for the costs of materials, energy and the reduction of inventories accounted for 39%; The cost of goods accounts for 2%; expenses, depreciation and provisions accounted for 7% and other expenses accounted for 14%. The observed period is included in the cost structure and costs in making 'UPPR', as for Tigar Rubber Footwear llc and for Tigar ad.

Reported operating loss (EBIT) in 2014 amounted to RSD 226.879 thousand, while operating loss in 2013 amounted to RSD 481.523 thousand, which represents a better result for 254.644 thousand, or by 53%. EBIT growth in 2014 compared to the previous year is an indicator of good business moves that gave these results.

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Reported operating loss before depreciation and long-term provisions (EBITDA) in 2014 amounted to RSD 10,575 thousand, while in the same period last year was expressed an operating loss before amortization in the amount of RSD 261.543 thousand, which represents an improvement for 250.968 thousand, or by 96% .

Financial expenses on a consolidated basis, in the period January-December 2014 amounted to RSD 982.153 thousand, while in the same period last year amounted to RSD 644.722 thousand. The largest part of financial expenses are the costs of interest to the amount of RSD 573.282 thousand (comparative period RSD 513,923 thousand) and losses in the amount of RSD 404.839 thousand (comparative period RSD 124.358 thousand).

Large burdens on the basis of borrowing from earlier periods, financial expenses still significantly affect net results so that the net loss on a consolidated basis in 2014 amounted to RSD 1.4 billion, while in 2013 amounted to RSD 1.03 billion dinars, which is by 36% more. Viewed individually, the parent company Tigar ad achieved an operating income of RSD 1.9 billion, the operating result (EBIT) of RSD 102.9 million, the loss before tax of RSD 849.1 million and a net loss of 849.1 million dinars. At the subsidiary level in 2014 occurred in all entities a significant shift in the work of stabilization of operations to the level of operating results (EBIT) compared to the previous year, while the part of the net results, the situation is as it follows: net operating losses recorded by Tigar Footwear llc in the amount of 486.9 million dinars, Tigar Technical Rubber llc in the amount of 253.2 million, Tigar Chemical Products in the amount of 55 million dinars, Tigar Montenegro in the amount of 50 thousand euro, Tigar Europe in the amount of 51 thousand pounds (last submitted report), Tigar Partner in the amount of 1.4 million denars, Tigar Catering llc in the amount of 9.3 million dinars, Tigar Incon llc in the amount of 25.6 million dinars.

The gains in business achieved Tigar Business Service llc in the amount of 7.6 million dinars, Tigar Free Zone ad 22.2 million, other service activities (Tigar Security Ltd, Tigar Insurance Ltd., Tigar Tours llc, Pi Channel llc) total 22.6 million dinars, as well as Tigar Trade of 17 thousand convertible marks.

With the company Tigar Americas continues a very difficult communication, while in the part of the availability of documents we have no insight. We have hired a lawyer in order to overcome the situation, which runs from March 2013.

At the consolidated level, the value of total assets amounted to 6.9 billion dinars, of which fixed assets of RSD 5.1 billion, while current assets amounted RSD 1.8 billion.

At the consolidated level, the loss above the capital is 1.5 billion dinars. Individually loss above the capital on 31.12.2014.godine achieved TTRG llc in the amount of 443.7 million dinars, Tigar Footwear llc in the amount of 538.5 million dinars, Tigar ad 1,055.3 million dinars and Ti Car trade doo 1.3 million dinars.

On the liabilities side, the equity value is 0, liabilities for long term loans around 1.8 billion dinars, other long-term liabilities 0.3 billion, liabilities under short-term loans were 3.6 billion and other short-term liabilities amounted to about 2.9 billion dinars. This level of short-term liabilities compared to the available working capital is a lot higher, so that the current liquidity ratio is below the desirable one. By replacing the short-term liabilities with

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the long-term loans, through a process of long-term financial stabilization, there will be provided a better impact on the current liquidity of the company.

Explanation for the received auditor's opinion

For the consolidated financial statement for the year 2014, Tigar AD has been given the abstained opinion. (Opinion from 2013 was also abstained).

The basis for this opinion is mainly related to the impairment of various forms of property.

1. Intangible assets of capitalized development costs in the amount of RSD 368 million refer to the amount in a Rubber Footwear plant. Our professional services submitted their analysis of the spending on impairment and plans for further exploiting according to the long term plan. Although the Company has impaired the significant amount of intangible assets, auditors according to their analysis came to the data that these categories do not have economic viability, and thus the justification to be in balances. As the amounts are too big and would have a significant impact on the company's share capital on the one hand, and taking into account the fact that these categories are reported in the positions given in the 'UPPR', and the 'UPPR' provides the sales growth in the coming years, these positions were left in the balance sheets to ensure they are subject to analysis in 2015.

2. Investment property. Tigar AD has carried out an assessment of the investment property, when it is established that it is necessary to perform the impairment in the amount of 176 million RSD, which is what we implemented. However, the auditors did not accept the methods of evaluating the investment property of Tigar Technical Rubber llc and of Chemical Products llc, citing the fact that these buildings are quite old and that would have a negative value.

being that this kind of assessment has not been done on 31.12.2013, the auditors also could not be convinced that part of that impairment should not be displayed in the balance sheet in 2013 and in those from previous years.

3. The stocks with a slow turnover in the amount of RSD 216 million. Our professional services submitted their analysis, however they were not sufficiently substantiated for the purposes of Auditors. Auditors demanded that the entire stock of finished goods in Tigar AD, Tigar Rubber Footwear llc and Tigar Technical Rubber Goods llc provide letters of intent or purchase contracts. Professional services were not in a position to provide the requested documents. During the annual inventory there were no significant proposals for impairment of goods by the census commission. Much of the merchandise is given under pledge.

4. Tigar Americas. As the last financial statements we have from Tigar Americas dates from 31.12.2012, and since we do not have any kind of communication with them, this subsidiary is not included in the consolidated report. In this regard, the auditors 'were unable to estimate how much it would impact the company's inclusion in the consolidation'.

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5. Calculation of accumulated reserves and minority interests. This segment could have been corrected if the auditors two months ago (when we told them and asked for help with this) submitted statements and the methodology by which they exert their evaluation. How is it delivered on the day of receipt of the opinion there was no room to make the appropriate correction.

During the year, the communication with the auditors took place via two persons who were responsible in front of the E & Y to give a final opinion on certain issues. Bearing in mind their responsibilities, often happened that we have waited even for several days - about two weeks, for answers, and on some issues we have not yet received a concrete answer. Auditors have reduced their stay in Tigar to 9 working days, although in previous years because of the size and complexity, they used to stay for 3-4 weeks or even longer. They have sent young associates in the field, who had no experience, and above all powers for guidance in resolving the ambiguity in the book entry system. When working in the field, auditors were receiving all requested documentation, and later on, they have also requested to be delivered or supplements / additional documents, and in case of fixed assets, they requested to send them again the specifications from the system. Because of the fact that Tigar is a complex system, and being that only two persons had authorization to give an opinion on the issue concerned, the work was difficult. They were late with the delivery of the specification of necessary documents that the company is supposed to provide, and we also met with the problem in the part of incomplete instructions for analysis by auditors requested that the company submit them.

We believe that in spite of the big problems that we had done a great job. Our goal was to present truly, objectively and in accordance with accounting standards the segments from earlier periods, to which the auditor pointed out (primarily we refer to the PU solution for the liabilities from 2008 to 2012), although we have quite late received instructions from them on how to implement the same.

Despite all this, the fact is that it is a visible shift, both in the part of business, and in the opinion submitted by the auditors.

The current loss is largely the result of interest and exchange rate differences originating from previous periods.

After the presentation of the Director of the accounting function, the President of the GA opens debate on the first and second item on the agenda. As there were no reports of panelists, the discussion is closed.

There was approached the secret ballot for the **first item** of the Agenda, **Making decision on adopting the Financial report of Tigar a.d. Pirot for the year 2014, together with the Supervisory Board report, and reports related to it: Report of the Executive Board on business and Report of the Supervisory board.**

Total votes "IN FAVOR": 451.866
Total votes "AGAINST": 50
Total votes "ABSTAIN": 12.400
Total votes "NOT VOTED": 0

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Required number of votes for adoption: 232.159

Total votes: 464.316

By the majority of votes, **there was made** the following**DECISION****on adoption of the Financial Statement of the Joint Stock Company Tigar,
Pirot for the year 2014**

1. It is hereby adopted the Financial statement of the Joint Stock Company Tigar, Pirot for the year 2014 as well as reports related to it:

- Executive Board's Report on business of Tigar ad Pirot in 2014.
- Auditor's Report Ernst & Young llc Belgrade
- Report of the Supervisory Board of Tigar ad Pirot in relation to business results in 2014

2. Within the Income statement of the Financial Statement for the period January – December 2014, the Joint Stock Company has reported the following results:

Income statement (in thousands of RSD)	january-december 2014	january-december 2013
INCOME FROM OPERATIONS		
A. OPERATING INCOME	1,855,836	2,958,181
I. Sales of goods	1,446,938	2,521,459
II. Sales of products and services	392,321	421,092
III. Revenues from premiums, subsidies, donations, grants etc.		
IV. Other operating income	16,577	15,630
EXPENSES FROM OPERATIONS		
B. OPERATING EXPENSES	1,752,901	2,890,597
I. Cost of commercial goods sold	1,261,701	2,205,412
II. Work performed by the company and capitalized		
III. Increase in inventories of finished products and work in progress		
IV. Decrease in inventories of finished products and work in progress		
V. Material consumed	4,648	11,253
VI. Fuel and energy consumed	85,143	88,516
VII. Staff costs	193,027	304,380
VIII. Production expenses	58,742	104,341
IX. Amortization	48,456	53,821
X. Costs of long-term provisions	302	683
XI. Intangible costs	100,882	122,191
C. PROFIT FROM OPERATIONS	102,935	67,584
D. LOSS FROM OPERATIONS		

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I. FINANCE INCOME	49,695	18,446
I. Financial income from related persons and other financial income	25,950	1,187
II. Interest income (from third parties)	2,135	493
III. Gains and positive effects of currency clause	21,610	16,766
F. FINANCE EXPENSES	612,261	503,280
I. Financial expenses related party transactions and other financial expenses	14,276	21,852
II. Interest expense (by third parties)	415,261	422,753
III. Foreign exchange gains and negative effects of currency clause	182,724	58,675
G. PROFIT FROM FINANCING		
H. LOSS FROM FINANCING	562,566	484,834
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	1,832	18,949
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE TROUGH INCOME STATEMENT	385,418	494,874
K. OTHER INCOME	18,963	71,842
L. OTHER EXPENSES	24,861	34,283
M. OPERATING PROFIT BEFORE TAX		
N. LOSS FROM OPERATIONS BEFORE TAX	849,115	855,616
Q. PROFIT BEFORE TAXATION		
R. LOSS BEFORE TAXATION	849,115	855,616
S. INCOME TAXES		
I. Current tax expense		124
II. Deferred income tax expense		
III. Deferred income tax benefit		37,024
T. EARNINGS OF EMPLOYER		
U. NET PROFIT		
V. NET LOSS	849,115	818,716

3. In the Balance sheet as of 31.12.2014, the Joint Stock Company Tigar Pirot has reported the following positions:

BALANCE SHEET (in thousands of RSD)

	As of 31 december 2014	As of 31 december 2013	As of 31 december 2012
ASSETS			
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	1,983,302	2,308,016	2,888,125
I. INTANGIBLE ASSETS	13,758	16,381	28,701
Investment in development	33	71	5
Concessions, patents, licenses, trademarks, software and other rights	9,823	12,157	14,767
Intangible assets under construction	3,902	4,153	13,929
Advances for intangible assets	0	0	0
II. PROPERTY, PLANT AND EQUIPMENT	1,257,829	1,410,676	1,505,315
Land	54,376	54,156	26,060
Buildings	643,255	655,518	678,835
Plant and equipment	231,157	260,838	295,680
Investment property	290,896	395,695	455,444
Property, plant and equipment construction	28,945	37,706	33,009
Investments in property, plants and equipment	9,200	6,763	16,287
III. BIOLOGICAL AGENTS	0	0	0
IV. LONG-TERM FINANCIAL PLACEMENTS	504,651	880,959	1,354,109
Shares in subsidiaries	480,785	856,716	1,303,534

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Shares in associated companies and joint ventures	12,018	12,020	11,677
Shares in other legal entities and other securities for available for sale	94	153	153
Other long-term investments	11,754	12,070	38,745
V. LONG-TERM RECEIVABLES	207,064	0	0
Receivables from parent company and its subsidiaries	207,064	0	0
C. DEFERRED TAX ASSETS	0	0	0
D. CURRENT ASSETS	2,851,148	2,936,294	3,332,031
I. INVENTORIES	453,874	621,303	665,669
Material, spare parts, tools and supplies	5,574	6,531	9,149
Unfinished production and unfinished services	0	67,895	67,882
Goods	430,666	532,532	567,095
Fixed assets for sale	0	0	6,337
Advances paid to suppliers	17,634	14,345	15,206
II. DUE ON SALE	1,892,079	1,811,666	1,917,668
Customers in the country - the parent and subsidiaries	1,648,171	1,419,098	1,409,118
Customers abroad - parent and subsidiaries	115,847	127,897	102,829
Customers in the country - other related parties	585	978	834
Customers in the country	57,380	172,988	301,275
Customers abroad	70,096	90,705	103,612
Other receivables from sales	0	0	0
III RECEIVABLES FROM SPECIFIC	0	0	0
IV. OTHER RECEIVABLES	57,116	206,744	236,964
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	0	0	0
VI. SHORT-TERM FINANCIAL PLACEMENTS	239,953	276,539	120,752
Short-term loans and investments - parent and subsidiaries	239,480	276,539	120,752
Short-term loans and investments - other related parties	456	0	0
Other short-term financial investments	17	0	0
VII. CASH AND CASH EQUIVALENTS	109,103	2,088	7,571
VIII. VALUE ADDED TAX	12,297	0	16,402
IX. PREPAYMENTS	86,726	17,954	367,005
I. TOTAL ASSETS	4,834,450	5,244,310	6,220,156
F. OFF BALANCE SHEET ASSETS			
	As of 31 december 2014	As of 31 december 2013	As of 31 december 2012
EQUITY AND LIABILITIES			
A. EQUITY	0	0	649,897
I. SHARE AND OTHER CAPITAL	642,704	642,704	2,062,152
Share Capital	642,704	642,704	2,062,152
II. SUBSCRIBED CAPITAL UNPAID	0	0	0
III. TREASURY SHARES	0	0	0
IV. RESERVES	143	143	206,215
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	112,818	112,817	167,943
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	6	0	0
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	0	0	0
VIII. RETAINED EARNINGS	0	0	623,646
Retained profit from previous years	0	0	623,646
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	0	0	0
X. LOSS	1,811,014	961,899	2,410,059
Loss of previous years	961,899	144,549	210,396
Loss for the year	849,115	817,350	2,199,663
B. NON-CURRENT ASSETS	755,963	893,579	757,641

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I. LONG-TERM PROVISIONS	220,604	221,704	224,262
Provision for retirement and other employee benefits	5,920	7,429	11,061
Provision for lawsuits	214,684	214,275	213,201
Other long-term provisions		0	0
II. LONG-TERM LIABILITIES	535,359	671,875	533,379
Long-term loans in the country	535,359	671,875	532,961
Liabilities based on financial leasing	0	0	418
C. DEFERRED TAX LIABILITIES	0	0	37,024
D. CURRENT LIABILITIES	5,133,830	4,556,965	4,775,594
I. SHORT-TERM FINANCIAL LIABILITIES	3,051,513	2,781,875	2,667,176
Short-term loans from parent companies and subsidiaries	119,984	66,187	45,000
Short-term loans from other related parties	0	0	0
Short-term loans in the country	2,042,117	1,992,538	2,150,564
Other current financial liabilities	889,412	723,150	471,612
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	52,541	52,114	54,140
III. ACCOUNTS PAYABLE	990,652	1,048,472	1,485,044
Suppliers - parent and subsidiaries in the country	164,010	212,622	628,966
Suppliers - parent and subsidiaries abroad	50,584	41,642	42,182
Suppliers - other related parties in the country	3,972	4,949	4,619
Suppliers in the country	293,792	396,512	381,229
Foreign suppliers	478,113	391,121	354,742
Other liabilities	181	1,626	73,306
IV. OTHER CURRENT LIABILITIES	941,583	590,544	404,910
V. LIABILITIES FOR VALUE ADDED TAX	0	4,905	4,538
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	15,364	18,550	41,764
VII. ACCRUALS	82,177	60,505	118,022
I. THE LOSS IN EXCESS OF CAPITAL	1,055,343	206,234	0
F. TOTAL LIABILITIES	4,834,450	5,244,310	6,220,156
G. OFF BALANCE SHEET LIABILITIES	0	0	0

4. Decision on the manner of covering the loss reported in the financial statement for the year 2014 will be made later on.

5. Financial statement of Tigar ad Pirot for 2014 together with the Report of the Independent auditor is published on Tigar's website www.tigar.com, in both Serbian and English.

6. This Decision shall enter into force upon its adoption.

There was approached the secret ballot for the **second item** of the Agenda, **Making decision on adopting the Consolidated Financial report of Tigar a.d. Pirot for the year 2014, together with the Supervisory Board report, and reports related to it: Report of the Executive Board on business and Report of the Supervisory board.**

Total votes "IN FAVOR": 451.962

Total votes "AGAINST": 50

Total votes "ABSTAIN": 12.304

Total votes "NOT VOTED": 0

Required number of votes for adoption: 232.159

Total votes: 464.316

By the majority of votes, **there was made** the following

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DECISION**on adopting the Consolidated Financial report of the Joint Stock Company Tigar, Pirot for the year 2014 and of reports related to it**

1. It is hereby adopted the Consolidated financial statement of the Joint Stock Company Tigar, Pirot for the year 2014 as well as of reports related to it:

- Executive Board's Report on business of Tigar ad Pirot in 2014.
- Auditor's Report Ernst & Young Ilc Belgrade
- Report of the Supervisory Board of Tigar ad Pirot in relation to business results in 2014

2. Within the Consolidated Income statement of the Financial Statement for the period January – December 2014, the Joint Stock Company has reported the following results:

Income statement (in thousands of RSD)	january-december 2014	january-december 2013
INCOME FROM OPERATIONS		
A. OPERATING INCOME	2,734,470	3,106,115
I Sales of goods	145,519	448,739
II Sales of products and services	2,566,507	2,640,019
III Revenues from premiums, subsidies, donations, grants etc.		
IV Other operating income	22,445	17,357
EXPENSES FROM OPERATIONS		
B. OPERATING EXPENSES	2,961,349	3,587,638
I Cost of commercial goods sold	63,057	253,004
II Work performed by the company and capitalized	270	26,124
III Increase in inventories of finished products and work in progress	0	
IV Decrease in inventories of finished products and work in progress	15,425	64,583
V Material consumed	941,854	1,102,762
VI Fuel and energy consumed	185,212	181,005
VII Staff costs	1,132,331	1,278,153
VIII Production expenses	261,439	328,753
IX Amortization	213,002	218,277
X Costs of long-term provisions	3,302	1,704
XI Intangible costs	145,996	185,523
C. PROFIT FROM OPERATIONS		
D. LOSS FROM OPERATIONS	226,879	481,523
I. FINANCE INCOME	33,875	26,162
I Financial income from related persons and other financial income	973	1,661
II Interest expense (by third parties)	2,344	4,251
III Foreign exchange gains and negative effects of currency clause	30,558	20,250
F. FINANCE EXPENSES	982,153	644,722
I Financial expenses related party transactions and other financial expenses	4,031	6,442
II Interest expense (by third parties)	573,282	513,923
III Foreign exchange gains and negative effects of currency clause	404,839	124,358
G. PROFIT FROM FINANCING		
H. LOSS FROM FINANCING	948,278	618,559
I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	14,044	19,015
J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	158,210	69,991
K. OTHER INCOME	50,077	151,029
L. OTHER EXPENSES	124,017	87,495
M. OPERATING PROFIT BEFORE TAX		

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N. LOSS FROM OPERATIONS BEFORE TAX	1,393,262	1,087,524
Q. PROFIT BEFORE TAXATION		
R. LOSS BEFORE TAXATION	1,393,262	1,087,524
S. INCOME TAXES		
I Current tax expense	16,893	6,519
II Deferred income tax expense	735	863
III Deferred income tax benefit	4,354	60,682
T.EARNINGS OF EMPLOYER		
U. NET PROFIT		
V. NET LOSS	1,406,536	1,034,224

3. In the Consolidated Balance Sheet as of 31.12.2014, the joint stock company Tigar, Pirot has reported the following values:

BALANCE SHEET (in thousands of RSD)

ASSETS	As of 31 december 2014	As of 31 december 2013	As of 31 december 2012
A. SUBSCRIBED CAPITAL UNPAID			
B. NON-CURRENT ASSETS	5,113,669	5,477,305	5,728,837
I. INTANGIBLE ASSETS	415,482	487,546	581,929
Investment in development	368,482	434,142	463,708
Concessions, patents , licenses , trademarks , software and other rights	16,243	17,450	23,451
Goodwil	0	0	0
Other inangible assets	0	100	82
Intangible assets under construction	30,757	35,854	94,688
Advances for intagible assets	0	0	0
II. PROPERTY, PLANT AND EQUIPMENT	4,674,322	4,965,518	5,096,336
Land	525,279	444,382	366,965
Buildings	2,678,462	2,787,681	2,761,877
Plant and equipment	800,631	877,165	982,115
Investment property	582,070	755,514	815,262
Property, plant and equipment construction	57,190	72,020	152,293
Investments in property, plants and equipment	10,749	8,816	17,824
Advances for properties,plant and equipment	19,940	19,940	0
III. BIOLOGICAL AGENTS	0	0	0
IV. LONG-TERM FINANCIAL PLACEMENTS	23,866	24,241	50,572
Shares in subsidiaries	0	0	0
Shares in associatied companies and joint ventures	12,018	12,171	11,827
Shares in other legal entities and other	94	0	0
Other long-term investments	11,754	12,070	38,745
V. LONG-TERM RECEIVABLES	0	0	0
C. DEFERRED TAX ASSETS	0	1,875	23,924
D. CURRENT ASSETS	1,820,521	2,164,386	2,466,739
I. INVENTORIES	1,111,209	1,147,985	1,218,266
Material, spare parts,tools and suplies	97,547	99,618	115,301
Unfinished production and unfinished services	102,577	234,208	302,068
Finished products	252,125	116,740	621,937
Goods	595,272	670,223	132,050
Fixed assets for sale	27,162	0	6,337
Advances paid to suppliers	36,525	27,196	40,573
II. DUE ON SALE	393,108	520,025	689,592
Customers in the country - the parent and	0	0	0

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subsidiaries			
Customers abroad - parent and subsidiaries	0	0	0
Customers in the country - other related parties	3,402	29,457	28,354
Customers in the country	282,629	361,661	452,465
Customers abroad	107,077	128,907	208,773
Other receivables from sales	0	0	0
III RECEIVABLES FROM SPECIFIC	1,384	4,761	0
IV. OTHER RECEIVABLES	52,005	63,176	47,204
V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT	0	0	0
VI. SHORT-TERM FINANCIAL PLACEMENTS	473	472	5,223
Short-term loans and investments - parent and subsidiaries	0	0	0
Short-term loans and investments - other related parties	472	472	5,180
Other short-term financial investments	0	0	43
VII. CASH AND CASH EQUIVALENTS	194,656	220,447	198,767
VIII. VALUE ADDED TAX	22,943	19,634	16,894
IX. PREPAYMENTS	44,743	187,886	290,793
I. TOTAL ASSETS	6,934,190	7,643,566	8,219,500
F. OFF BALANCE SHEET ASSETS			
EQUITY AND LIABILITIES	As of 31 december 2014	As of 31 december 2013	As of 31 december 2012
A. EQUITY	0	0	951,593
I. SHARE AND OTHER CAPITAL	642,704	642,704	2,062,152
Share Capital	642,704	642,704	2,062,152
II. SUBSCRIBED CAPITAL UNPAID	0	0	0
III. TREASURY SHARES	0	0	0
IV. RESERVES	5,409	5,396	5,252
V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT	1,509,155	1,506,949	1,571,185
VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	77,139	87,216	53,087
VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS	3,593	0	0
VIII. RETAINED EARNINGS	0	0	0
IX. PARTICIPATION RIGHTS WITHOUT CONTROL	87,802	88,216	83,604
X. LOSS	3,832,302	2,413,007	2,823,686
Loss of previous years	2,420,235	1,374,171	678,249
Loss for the year	1,412,067	1,038,836	2,145,437
B. NON-CURRENT ASSETS	2,024,794	1,321,211	1,548,185
I. LONG-TERM PROVISIONS	254,496	291,854	293,185
Provision for retirement and other employee benefits	36,736	78,654	79,985
Provision for lawsuits	217,760	213,200	213,200
Other long-term provisions	0	0	0
II. LONG-TERM LIABILITIES	1,770,298	1,029,357	1,255,000
Long-term loans in the country	535,359	724,075	1,153,779
Long-term loans abroad	944,950	301,462	100,803

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Liabilities based on financial leasing	15,881	3,820	418
Other long-term liabilities	274,109	0	0
C. DEFERRED TAX LIABILITIES	114,777	117,631	175,839
D. CURRENT LIABILITIES	6,308,305	6,287,250	5,543,883
I. SHORT-TERM FINANCIAL LIABILITIES	3,555,912	3,709,620	3,272,752
Short-term loans in the country	2,042,605	2,211,127	2,197,566
Liabilities on fixes assets and assets from	27,162	0	0
Other current financial liabilities	1,486,145	1,498,493	1,075,186
II. PREPAYMENTS, DEPOSITS AND GUARANTEES	100,564	78,241	57,554
III. ACCOUNTS PAYABLE	1,050,541	1,037,057	1,006,006
Suppliers - other related parties in the country	4,259	18,099	41,518
Suppliers in the country	502,240	544,868	513,118
Foreign suppliers	532,398	448,955	444,695
Other liabilities	11,644	25,135	6,675
IV. OTHER CURRENT LIABILITIES	1,374,461	1,296,447	947,479
V. LIABILITIES FOR VALUE ADDED TAX	32,172	32,691	61,360
VI OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	28,787	43,954	66,228
VII. ACCRUALS	165,868	89,240	132,504
I. THE LOSS IN EXCESS OF CAPITAL	1,513,686	82,526	0
F. TOTAL LIABILITIES	6,934,190	7,643,566	8,219,500
G. OFF BALANCE SHEET LIABILITIES	0	0	0

4. Consolidated Financial statement of Tigar ad Pirot for 2014 together with the Report of the Independent auditor is published on Tigar's website www.tigar.com, in both Serbian and English.

5. This Decision shall enter into force upon its adoption.

After decisions made, the shareholder **Nikola Radenković** asks how it is possible that a shareholder with 50 votes is allowed to vote on what the Chairperson of the GA explained that each shareholder has the right to vote no matter the number of votes, and that the right to participate in the work of the GA session have only those shareholders having at least 1700 shares.

III**Making Decision on the election of the independent auditor**

Rapporteur: **Aleksandra Đorđević**, Director of accounting Function

Pursuant to the Law on companies (article 453.) and the Law on Audit (article 21), 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.

On the request for a bid for Annual audit of individual and consolidated financial statements with the pre-audit for the year 2015, there have responded five audit firms, of which 4 were acceptable.

Bids were sent by:

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- audit firm Auditor, at price of 16.250 EUR (without VAT)
- audit firm Ernst & Young, at price of 45.000 EUR (without VAT)
- audit firm Moore Stephens, at price of 19.500 EUR (without VAT)
- audit firm Stanišić audit, at price of 15.500 EUR (without VAT)

Taking into account the fact that since the "big four" offer for the 2015 audit was submitted only by the auditing company Ernst & Young, and bearing in mind the overall financial situation in which the company is right now, the Audit Committee following a review of all outstanding bids made a recommendation to the Supervisory Board to propose to the GA the audit firm **Company for audit and consulting Stanisic Audit doo Belgrade**, as independent auditors for Tigar, Pirot and its subsidiaries for 2015.

The firm Stanisic Audit and Consulting Ltd. Belgrade is an audit firm with long term tradition (founded in 1999) and performed audits in legal entities of different activities (in manufacturing, trade and service industries). Among other things, they have carried out the audits for the following clients: IMK 14. oktobar Kruševac, Kopaonik ad Beograd, Zorka Sabac, Paracin Paraćinka. The audit firm is among the leading domestic companies for audit and consulting, with a team of professionals who can realize top quality services in a way that the auditing and consulting services improve the quality of the business organization using their services.

Taking into account all the advantages and disadvantages, we believe that this audit company can provide services in an efficient and cost-effective manner.

After the presentation of the Director of the Accounting function, the President of the GA opens debate on the third item on the agenda.

The shareholder **Dragan Milivojevic** applies for discussion and suggests that there should not be allowed in the collaboration with a new auditing firm to come in the same situation as with the current auditing firm - cooperation to take place through the activities of unqualified people, which would be precisely defined in the treaty itself with the Company Audit and consulting Stanisic Audit llc Belgrade. As for Ernst & Young, he believes that it is necessary to review the adjusted cost of the audit in accordance with the services provided. As a reminder, the previous shareholders' meeting it was obvious that the current auditor was four times more expensive than the most advantageous, so you definitely need quality to match with the price.

Director of accounting function considered that the cooperation with the audit firm and consulting Stanisic Audit doo Belgrade will be performed much better since it was a domestic house that has no obligation to harmonize with foreign companies, and the professor Zoran Petrovic, employed in the said house is one of the creators of the Accounting Act and the Audit Act.

The Managing Director also gives his explanation to shareholder Milivojevic that Tigar probably will be able to influence the contents of the contract with the Company for audit and consulting Stanisic Audit doo Belgrade, while in case of Ernst & Young that was not possible since it was about their standard contract that could not be changed, and the giving of the report was conditioned bz the payment.

Goran Milanković applied for discussion and noted that he had cooperation with the house Stanišić Audit doo Belgrade and that the contract had to be terminated because this house does not have enough capacity for this type of work.

After the closing of the discussion, there was approached the secret ballot on the **third item** on the agenda / **Making Decision on election of the independent auditor.**

Total votes "IN FAVOR": 441.959

Total votes "AGAINST": 8.314

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Total votes "ABSTAIN": 14.043
Total votes "NOT VOTED": 0
Required number of votes for adoption: 232.159
Total votes: 464.316

By the majority of votes, there was made the following

**DECISION
on election of independent auditors
of the Joint Stock Company Tigar Pirot**

1. As for the independent auditor of the Joint Stock Company Tigar Pirot and its dependent entities for the year 2015 is hereby elected '**Audit and Consulting Company - Stanišić Audit I.I.c. Belgrade**

2. Status and responsibilities of the auditor referred to in item 1 hereof are regulated by the Law on audit.

3. This decision shall come into force upon its adoption.

IV

Making Decision on amendments and supplements of Tigar ad By-Laws

After this item on the agenda was not possible to carry out the voting because the verz Bz-Laws of Tigar ad Pirot for the adoption of this decision stipulates the obligation of voting of more than half of the total number of shareholders or 569,388 votes representing a quorum which was not reached at this meeting of shareholders.

Dragan Milivojevic suggests that this agenda item is a stumbling block not only in this session, but also in the previous annual GA sessions and considers that the reason of that is one large shareholder that interferes with these decisions. The requirement that within the legal framework should be attempted to find out the possibility of a solution to this problem.

President of the GA explained that the only way to overcome the problems is that there should be pre-consulted all the majority shareholders in order to know in advance that they will all vote, and then schedule a regular or extraordinary session of the Assembly.

Dragan Milivojevic requires that shareholders should be contacted directly, rather than through a representative one of which has even left this duty.

President of the GA finds that all of this has already been taken and that we certainly will not stop there because it is a problem with the amendment to the By-Laws is evident even in the part of the height of capital that is registered in the Business Registers Agency pursuant to the real situation and the stated capital of the By/Laws which does not correspond to reality.

Director for Complementary programs involves into discussion in order to clarify what actions and measures have been taken in relation to this issue and emphasizes that even before the convening of the GA was made a consultation with the representative of the largest

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shareholder. It is about the custody account and the communication in the last few years was made with the eksponentom of that investment fund but we have lost communication with him and we do not know who is the real owner of that custody account. Two months ago we had the compliance for the holding of the GA session and for the support of the proposed amendments to the Company's By-Laws. After that we have received no feedback inspite of several attempts to establish contact. An attempt was made to establish communication and through representatives of the shareholders in the Supervisory Board of Tigar AD Pirot. Central Securities Depository is not obliged to publish the exact address of shareholders, so that there is currently no way to come up with the same. It is noted that the present quorum is reached with the largest number of votes collected without the biggest shareholder since 2005.

President of the GA added that the meeting of shareholders has approved the financial statements and thereby the reducing of capital and that the amending of the By/Laws in this regard can not be achieved, which represents contradiction.

V

Making Decision on appointinga member of the Supervisory Board of the Joint Stock Company Tigar Pirot

Rapporteur: **Zorica Mladenović**, H&R Director

In her capacity as member of the nominating committee, Executive Director of Human Resources explained that due to the resignation of one member of the Supervisory Board of Tigar AD Pirot, the number of members has declined below the number required by the By/Laws and the Supervisory Board, and using the legal possibilities committed the cooptation of the new member. The proposal of the candidate for cooptation, and now for the appointment by the General Assembly was prepared by the Nominating Committee, consisting of Nebojša Petrović, the President and members Zorica Mladenovic and Igor Markičević. After consultation, the access to documents and the verifying of the compliance with legal requirements, the Nominating Committee proposes to appoint as the new member of the Supervisory Board MR. Bogdan Popara, from Belgrade, born 27.08.1974., Professor at the Faculty of strategic and operational management a graduated mechanical engineer and PhD in international business. Work experience as an assistant professor and faculty, but also in economic affairs and insurance companies. Given the above, the Supervisory Board considers that the proposed candidate with his knowledge and experience can contribute to the tasks and duties of the Supervisory Board and unanimously proposed to the General Assembly to elect Popara Bogdan as a member of the Supervisory Board of Tigar AD Pirot for a term that coincides with the mandate period of the other members.

The Chairman of ther General Assembly opens discussion per this item on the Agenda.

Dragan Milivojević sets out a proposal according to which shareholders should have thier representatives in managing bodies.

The Chairman of the General assembly explains that the law itself provides such possibility that certain number of shareholders should create a group and propose its representative for the member of the Supervisory Board. He reminds of the fact that the bpresent member of the Superviosry Board Mr. Igor Markičević, has been elected that way.

Nikola Radenković assumes that a member of the Supervisory Board from Erste bank should not be in the Supervisory Board anymore.

Dragan Milivojević agrees with the proposal and asks if now could be raised the proposal related to the dismissal of the Supervisory Board member.

Sasa Mandic noted that this representative does not represent the bank but the shareholder.



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Chairman of the General Assembly explained that when convening the ordinary or extraordinary session of General Assembly, all shareholders have the right to propose amendments to the agenda within the legal deadline, while amendments to the agenda may not be possible at the session, but it is possible to give a proposal for the next regular or extraordinary session of the General Assembly.

After the closing of the discussion was approached the secret ballot for the **fifth item** on the agenda **Making Decision on appointing a member of the Supervisory Board of Tigar AD**

Total votes "IN FAVOR": 449.067

Total votes "AGAINST": 1.596

Total votes "ABSTAIN": 13.653

Total votes "NOT VOTED": 0

Required number of votes for adoption: 232.159

Total votes: 464.316

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By the majority of votes, **there was made** the following

**DECISION
on appointing a member of the Supervisory Board
of the Joint Stock Company Tigar Pirot**

1. As for the member of the Supervisory Board of the Joint Stock Company Tigar Pirot is hereby appointed **Bogdan Popara, personal identification number 270897485004** on a mandate period that coincides with the duration of the four-year term of office of the Supervisory Board members, elected by the General Assembly of Tigar ad Pirot on 14.06.2013.
2. The appointed member of the Supervisory Board shall exercise his rights and duties in accordance with legal regulations and internal regulations of the company, governing status issues, scope, operation and decision-making of the Supervisory Board.
3. This decision shall come into force upon its adoption.

Aleksandar Radojevic, a member of the Supervisory Board of Tigar AD Pirot welcomes all present and addresses to the shareholders to give their opinion about the other members of the Supervisory Board.

Shareholders declare that they have no objections to the work of other members of the Supervisory Board.

Dragan Milivojevic raises the question about when are to be expected the results for the first six months of this year, on what the Managing Director explains that in the first six months has been recorded a trend of cost reduction and the trend of increased sales, and that by 31.08.2015, the six-month reports will be disclosed on the company's website.

The Chairman of the General Assembly notes that the work of today's session of the General Assembly has been completed and that all decisions were made by the required majority of votes.

The session was adjourned at 13:45h.

RECORDING SECRETARY

COMPANY SECRETARY

GA CHAIRMAN

MEMBERS OF THE VOTING COMMITTEE