

| | |
|---|--------------------------------------|
|   | TIGAR a.d. Pirot General Assembly |
| | Date:22.06.2016 Page: 1/23 |
| MINUTES | |

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

| | |
|---------------------|---|
| Place: | Large Conference Room of Tigar a.d. Pirot |
| Date : | 22.06.2016 |
| Time: | 12h |
| Time of completion: | 13h24min. |

Present representatives of shareholders:

| Ord.No. | Shareholders' representative | Identification number | Number of votes |
|---------|------------------------------|-----------------------|-----------------|
| 1. | Jurišić Vitomir | 2408956720032 | 2.024 |
| 2. | Mandić Saša | 0708979340004 | 20.298 |
| 3. | Miladinović Siniša | 2702933732527 | 3.073 |
| 4. | Milivojević Dragan | 3007950773648 | 25.100 |
| 5. | Radenković Stevan | 0707978710111 | 378.922 |
| 6. | Stanković Slavoljub | 0205958732520 | 131.727 |

Present shareholders:

| Ord.No | Shareholders | Identification number | Number of votes |
|--------|-------------------|-----------------------|-----------------|
| 1. | Milanković Goran | 1707965303235 | 2.200 |
| 2. | Radenković Nikola | 1811982710008 | 39.540 |

Shareholders who voted in absentia:

| Ord.No | Shareholders | Identification number | Number of votes |
|--------|----------------|-----------------------|-----------------|
| 1. | Živković Dejan | 2704969710298 | 5 |

Present are:

- Members of the Executive Board: Branislav Čurić (Managing Director), Gorica Stanković, Nataša Pop-Krstić, Zorica Mladenović, Zoran Mančić
- Directors of factories: Miodrag Dopuđa (Footware Factory), Žarko Ćirić (Technical Goods Factory), Bojan Živković (Chemical Products Factory)
- Members of the Supervisory Board of Tigar a.d. : Nebojša Petrović and Nikola Radenković
- Slobodan Petrović, President of Independent Trade Union of Tigar a.d. Pirot
- Aleksandra Đorđević, head of the accounting function
- Srđan Stojanović: head of working group for preparation of the General Assembly
- Representatives of the audit firm 'Stanišić Audit I.I.c' : Zorica Dimitrijević and Marijana Nikolić
- Company Secretary, Danijela Cenić

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 2/23 |

Chairman of the GA, Stanković Slavoljub, opens the regular annual session of the General Assembly of the Joint Stock Company Tigar Pirot, welcomes all the attendees and in the beginning of the session provides information that Nebojša Đenadić submitted his letter of resignation for personal reasons at the function of Managing Director, whose resignation Tigar a.d. accepted and based on its own decision appointed new Managing Director – Branislav Čurić, the Executive Director for Commerce and Marketing in Tigar a.d. Chairman of the GA gives word to the Managing Director of Tigar a.d. Branislav Čurić.

The Managing Director Branislav Čurić, welcomed all the participants and first explained that on 20.06.2016 by the decision of Supervisory Board of Tigar a.d. and by the proposal of Nebojša Đenadić he was appointed new Managing Director of Tigar a.d. On behalf of the management of Tigar a.d., the employed and shareholders, he expressed his gratitude to Nebojša Đenadić for the results obtained in the process of consolidation of Tigar Group and explicated that Nebojša Đenadić shall remain in the Company as a member of the team that continues to work on the consolidation of the Company. In his speech, the Managing Director gave a brief review of the past activities, primarily concerning the first phase in the process of consolidation, compiled and accepted Prepackaged Plan of Reorganization for Tigar ad and Tigar Footware, and that the already mentioned plans are being implemented for a year and a half, including rationalization on every ground, safety in production and stability of its market position both in domestic market as well as in export, together with opening new possibilities. Among the past activities are the changes which resulted in positive effects, workforce optimization, as well as investing in the construction of a new plant, the White Mixing Room for production of rubber compounds, which represents the key for the Company's existence and development. The Managing Director pointed out that the team headed by Nebojša Đenadić with the help of the shareholders, purchasers, suppliers, creditors, state and other authorities made a significant breakthrough compared with year 2012. Ahead is the next, more difficult phase in the implementation of the measures envisaged by the Prepackaged Plan of reorganization. The plan envisages not only settlement of the debts from an earlier period but also a series of other measures, with the aim of reducing the principal amount of debts and interests: sale of real estates, sale of dependent entities, debt conversion into equity capital according to the adopted plan. Tigar a.d. started the process of negotiations for rebalance for its largest creditors under more favorable conditions of debt rescheduling trough additional reduction of interest rates, longer period for repayment of debt, writing off the debt, debt conversion into equity capital, with the aim of stabilizing and subsisting. In that sense, all activities are continued for the Company's stabilization, protection and preservation of the shareholders' investments as well as their trust, and the most important, the Company's existence and preservation of jobs for our employees.

In the end of his speech, the Managing Director wished a successful work of the General Assembly, making the necessary decisions and expressed his gratitude for the trust given.

President of General Assembly invited Nebojša Petrović, president of the Supervisory Board of Tigar a.d. to address the present:

Nebojša Petrović, president of the Supervisory Board of Tigar a.d. Pirot welcomes the Managing Director, shareholders and others present. In his introductory part he

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 3/23 |

emphasized that the team, founded in 2013 and headed by Nebojša Đenadić reached a certain level of results that deserve to be mentioned and marked down once again in this session of General Assembly. President of the Supervisory Board said that he perceived himself as a member of the team which set in 2013 with proclaimed and defined aims since the early beginning, together with the management of Tigar a.d. led by Nebojša Đenadić. In this sense, there were proclaimed three principal goals. The first goal was to restart the production which further implies that 1.600 workers retain their jobs. The second goal was to show that Tigar a.d. has high-quality manufacturing program that can survive on Serbian market as well as on others, both traditional and modern markets in Europe and beyond. The stated goal was achieved this year when effectively shown income at the consolidated level amounted to cc RSD 19 million. The third, arising goal is the one which from the early beginning appeared to be problematic for realization of the two previous goals. Namely, as a question frequently posed was the situation in which the Company was found in 2013, that is, the high degree of destruction over Tigar a.d.

2015 showed that Tigar Group is able to cover the functioning needs from its own manufacturing, financial and other arrangements, and to achieve, though small, but positive business result.

In his speech, president of the Supervisory Board pointed at the merits of Nebojša Đenadić earned while performing the function of Managing Director, Valentine Ivaniš, first president of the Supervisory Board in the new team, who launched the first round of activities for the existence of the Company and the stabilization of its business, as well as at the merits of other members of the Supervisory Board as of 2013, who together gave a certain contribution and every assignment took with great earnest. After his letter of resignation at the post of Managing Director, recommendation and order of the Supervisory Board is that Nebojša Đenadić remain in the narrowest team of Tigar a.d. which shall continue to take care of the company's business, bearing in mind the responsibility throughout his work and engagement at the function of Managing Director. President of the Supervisory Board pointed out that Tigar a.d shall remain a company taken care of by the Supervisory Board, despite further professional engagement of its members.

In the end of his speech, President of the Supervisory Board addressed the shareholders with a request for support to the newly appointed Managing Director, so as to give a positive impulse and to continue the already initiated activities in the next period with joint engagement and contribution.

According to the Rules of Procedure of the General Assembly of Tigar a.d., the President of GA appointed recording secretary, voting committee members. For the recording secretary was appointed **Maja Apostolović**, whereas the voting committee shall work in the following structure: **Suzana Jocić** (secretary of the committee), **Vesna Stanisavljević** and **Marjan Stojanović**.

Total number of voting shares: **1.138.775 shares**

Present shareholders and proxies at the GA: **602.889 votes**

Votes required for General Assembly (quorum): **569.389 shares**

| | |
|---|---|
|   | TIGAR a.d. Pirot General Assembly |
| | <p style="text-align: center;">MINUTES</p> |

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.

For the session it is envisaged the following **agenda**:

1. Making decision on adopting the Financial Statement of Tigar a.d. Pirot for the year 2015 and of reports related to the financial statement, Executive Board Business Report Supervisory Board Report and Independent Auditor's Report.
2. Making decision on adopting the Consolidated Financial Statement of Tigar a.d. for the year 2015 and of reports related to the Consolidated Financial Statement, Executive Board's Business Report and the Supervisory Board Report and Independent Auditor's Report.
3. Making decision on the election of Independent Auditor for the year 2016
4. Making decision on the amendments and supplements of the By-Laws of Tigar a.d.
5. Making decision on the appointment of a member of the Supervisory Board of Tigar a.d. Pirot

President of the GA proposes that the first and the second item on the agenda be joined into a single item in the part of reporting due to their interrelatedness and similitude and that for each of the items on the agenda it should be voted individually, which was adopted.

I

Making decision on adopting the Financial Statement of Tigar a.d. Pirot for the year 2015 and of reports related to the financial statement Executive Board Business Report Supervisory Board Report and Independent Auditor's Report.

and

II

Making decision on adopting the Consolidated Financial Statement of Tigar a.d. Pirot for the year 2015 and of reports related to the Consolidated Financial Statement, Executive Board's Business Report and the Supervisory Board Report and Independent Auditor's Report.

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

President of the GA calls for the rapporteur according to the here given items of the agenda.

Aleksandra Đorđević first explained to the participants that on 01.06.2015 the Prepackaged Plan of Reorganization (hereinafter referred to as PPR) became valid, so that activities related to its implementation started. Related to that, on 06.08.2015 decisions were made concerning the adoption of the draft of the Contract about merger of the subsidiaries Tigar Footware I.l.c., Tigar Technical Goods I.l.c., Tigar Chemical Products I.l.c. as assigning companies to the Joint Stock Company Tigar, as acquiring company. The date of the status change, that is, merger is on 11.09.2015. Following the status change, starting from 12.09.2015 the entire business of the given manufacturing units is shown within the data referring to the parent company Tigar a.d. She pointed at

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 5/23 |

the most important positions of the Report. Namely, the parent company Tigar a.d. in the period January – December 2015 recorded total operating income of RSD 2.4 billion. Operating expenses amounted to RSD 2.2 billion.

Operating profit (EBIT) for 2015 amounted to RSD 162 million. Operating profit prior to amortization and long-term reserves (EBITDA) amounted to RSD 247 million. Net loss amounted to RSD 264 million.

All this is due to great financial expenses, which for 2015 amounted to RSD 429 million the majority of which constitutes interest expenses in the amount of RSD 294 million and negative exchange rate differences in the amount of cc RSD 124 million, which mainly refer to short term and long term loans. Other income amounted to RSD 86 million, whereas other expenses amounted to RSD 190 million and for the most part refer to depreciation of the participation in capital of related parties and depreciation of non-material assets (Tigar Footware) in the amount of RSD 141 million.

The assets of the parent company on 31.12.2015 amounts to RSD 5.9 billion, out of which fixed assets amount to RSD 3.9 billion, whereas the current assets amount to RSD 2 billion.

Long term reserves and obligations of the parent company amount to RSD 6.8 billion, whereas short term obligations amount to RSD 1.6 billion. Loss above capital value amounts to RSD 2.5 billion.

The audit of financial statements for 2015 was performed by audit firm Stanišić Audit I.I.c Belgrade. As for the individual financial statements for 2015 the audit firm gave its reserved opinion for Tigar a.d. The basis for the reserved opinion refers to the following:

- Financial statements of the Company as of 31.12.2014 were subjected to audit by another auditor, and the newly elected audit firm did not have at its disposal and insight the initial states that are included in the results determination for the year ending at 31.12.2015.
- Non-material investments of capitalized expenses of development in the amount of cc RSD 269 million refer to the amounts in Footware Factory. Apart from the fact that the Company has already depreciated a significant amount of nonmaterial investments in the net amount of RSD 185 million (2014 – 105 million, 2015 – 79 million); the auditor stated that there are indications that the nonmaterial investments are shown in a value higher than their recoverable value and that these categories do not have economic profitability, therefore the fact that they are shown in the balances is not justified.
- On 31.12.2015 total receivables from related parties are stated in the amount of RSD 366.5 thousand. Bearing in mind the fact that the corporation does not make provision for receivables from related parties in accordance with the Company's accounting polices, and since they were accumulated year by year, the values were high and amounted to over RSD 2.2 billion. With the validity of the Prepackaged Plan of Reorganization there occurred a status change of merger of production units to the parent company resulting in mutual offset of receivables, so that there remain values in the amount of cc RSD 170 million (mostly with the economic society Ti-Car Trade Ltd.)
- Stocks with a slow turnover in which there was no fluctuation more than one year in the amount of RSD 237 million. Our professional services submitted their analyses however they were not sufficiently substantiated for the purposes of the auditors. During the

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 6/23 |

annual inventory there were no significant proposals for impairment of goods by the census commission since in 2013 a substantial amount of goods was depreciated.

When it comes to positions shown in **the consolidated financial statement**, total realized operating income on a consolidated basis for the period January – December 2015 amounts to RSD 2,826.617 thousand, which is 3.37% more compared to the same period last year, when they amounted to RSD 2,734.471 thousand. Consolidated operating expenses in 2015 in the amount of RSD 2,806.701 thousand are lower for 5.91% compared to the period January – December 2014 when they amounted to RSD 2,982.972 thousand. Lower operating expenses in 2015 result from the measures and controls taken in the cost reduction part, rationalization of labour, business optimization, as well as external factors such as the decrease in price of raw material.

Structure of operating expenses in 2015 in total costs by groups is as follows: expenses of wages, salaries and other personnel expenses account for about 40%, expenses for the cost of material and energy corrected for the changes in inventories and incomes from activating the effect account for 35%, the cost of goods account for 2%, expenses of amortization and reserves costs account for 7%, whereas other expenses account for 16%.

Reported operating income (EBIT) for 2015 amounted to RSD 19.9 million, whereas the operating loss for the same period last year amounted to RSD 248.5 million, which represents a better result for RSD 268.4 million. EBIT growth in 2015 compared to the previous year is an indicator of good business moves that gave these results.

Reported operating income before depreciation (EBITDA) in 2015 amounted to RSD 213 million, whereas in the same period in the previous year, the reported operating loss before depreciation in the amount of RSD 32 million which represents an improvement in the amount of RSD 245 million. The trend of business growth is an indicator of stabilization of business.

Financial expenses on a consolidated basis in the period January – December 2015 amounted to RSD 522.8 million, whereas financial expenses on a consolidated basis in the same period last year amounted to RSD 992.8 million. The largest part of financial expenses are the costs of interest on a consolidated basis in the amount of 389.5 million, whereas negative exchange differences and other financial expenses are shown in the amount of RSD 133.3 million. The effects of decreasing financial expenses result from validity of the Prepackaged Plan of Reorganization and its implementation. It is obvious that the amount of interests is still very high and of great importance.

Large burdens on the basis of borrowing from earlier periods and financial expenses still significantly affect net results so that the net loss on a consolidated basis in 2015 amounted to RSD 0.6 billion, while in 2014 amounted to RSD 1.4 billion which shows a trend of improvement by 60 %. Viewed individually, the parent company Tigar a.d. achieved an operating income of RSD 2.4 billion, the operating result (EBIT) of RSD 162 million, the loss before tax of RSD 260 million and a net loss of 264 million. At the subsidiary level in 2015 occurred in all entities a significant shift in the part of stabilization of operations to the level of operating results (EBIT) compared to the previous year, while the part of net results, the situation is as it follows: net operating losses recorded by Tigar Footwear llc (up to 11.09.2015) in the amount of RSD 150.8 million, Tigar Technical Rubber llc (up to 11.09.2015) in the amount of RSD 85 million, Ti - Car Trade in the amount of RSD 69.2 million, Tigar Montenegro in the amount of EUR

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 7/23 |

41 thousand, Tigar Partner in the amount of MKD 468 thousand, Tigar Catering llc in the amount of RSD 1million, Tigar Incon llc in the amount of RSD 15.9 million and Tigar Tours in the amount of RSD 0.3 million.

Gains in business were achieved by Tigar Business Service llc in the amount of RSD 19 million, Free Zone in the amount of RSD 42.7 million, Tigar Chemical Products (up to 11.09.2015) in the amount of RSD 1.8 million, Tigar Insurance in the amount of RSD 0.1 million and Tigar Trade in the amount of KM 1 thousand.

In order to resolve the status of the company Tigar Americas we have hired a lawyer to undertake steps to close down the aforementioned company, according to the decisions of the managing authority bearing in mind that there is no communication with the manager of Tigar Americas since 2013 and that the results shown were unsatisfactory even while it worked.

At the consolidated level, the value of total assets amounted to RSD 6.6 billion out of which fixed assets in the amount of RSD 4.5 billion, while current assets amounted to RSD 2.1 billion. At the consolidated level, the loss above the capital is RSD 2.1 billion. On the liabilities side the equity value is 0, liabilities for short term loans amount to RSD 0.4 billion and other liabilities amounted to RSD 1.4 billion.

By replacing the short-term liabilities with the long-term loans, through a process of long-term financial stabilization we provided a better impact on the current liquidity of the company.

For the consolidated financial statement for the year 2015, auditing firm Stanišić Audit l.l.c gave abstained opinion for Tigar a.d. The basis for their abstained opinion mostly refers to depreciation of various forms of property.

- Financial statements of the Company as of 31.12.2014 were subjected to audit by another auditor, and the newly elected audit firm did not have at its disposal and insight the initial states that are included in the results determination for the year ending at 31.12.2015.

- Non-material investments of capitalized expenses of development in the amount of cc RSD 269 million refer to the amounts in Footware Factory. Apart from the fact that the Company has already depreciated a significant amount of nonmaterial investments in the net amount of RSD 185 million (2014 – 243 million, 2015 – 79 million); the auditor stated that there are indications that the nonmaterial investments are shown in a value higher than their recoverable value and that these categories do not have economic profitability, therefore the fact that they are shown in the balances is not justified.

- Stocks with a slow turnover in which there was no fluctuation more than one year in the minimum amount of RSD 237 million.

- On 31.12.2015 the Group did not consolidate the data of the subsidiary Tigar Americas USA due to lack of communication as well as financial information of this society. During 2015 the managing authorities brought decisions concerning the steps necessary to close down this company.

- Inconsistencies regarding the amount of the Group's basic capital with the data from the Registry of Business Entities due to failure to convert the equity.

- Calculation of the accumulated reserves and minor interest.

In the end of the speech, it was pointed out that there is a visible shift, both in the part concerning business, as well as in the opinion submitted by the auditors.

| | | |
|--|--------------------------------------|--|
|  TIGAR ® | TIGAR a.d. Pirot General Assembly | |
| | MINUTES | |
| | Date: 22.06.2016 | |
| | Page: 8/23 | |

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 Statement of Tigar a.d. Pirot for the year 2015 and of reports related to the financial statement , Executive Board Business Report Supervisory Board Report and Independent Auditor's Report.**

Total votes: 602.889

Required number of votes for adoption: 301.445

Total votes "IN FAVOR": 598.576

Total votes "AGAINST": 1.200

Total votes "ABSTAIN": 3.113

Following the ballot, the President of the General Assembly stated that 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 2015

1. It is hereby adopted the Financial statement of the Joint Stock Company Tigar, Pirot for the year 2015 as well as reports related to it:
 - Executive Board's Report on business of Tigar ad Pirot in 2015.
 - Report of the Supervisory Board of Tigar ad Pirot
 - Auditor's Report Stanisic Audit I.l.c Belgrade
2. Within the Income statement of the Financial Statement for the period January-December 2015, the Joint Stock Company has reported the following positions:

| Income statement (in thousands of RSD) | January December 2015 | January December 2014 |
|---|--------------------------|-----------------------------|
| INCOME FROM OPERATIONS | | |
| A. OPERATING INCOME | 2,362,695 | 1,855,835 |
| I. SALES OF GOODS | 1,374,616 | 1,446,938 |
| 1. Income from sales of goods to parent and subsidiaries in the country | 344,206 | 437,797 |
| 2. Income from sales of goods to parent and subsidiaries abroad | 43,426 | 74,158 |
| 3. Income from sales of goods to other related parties in the country | | |
| 4. Income from sales of goods to other related parties abroad | | |
| 5. Income from sales of goods in the country | 228,906 | 69,306 |
| 6. Income from sales of goods abroad | 758,078 | 865,677 |
| II. SALES OF PRODUCTS AND SERVICES | 854,765 | 392,320 |
| 1. Income from sales of products and services to parent and subsidiaries in the country | 219,535 | 351,812 |
| 2. Income from sales of products and goods to parent and subsidiaries abroad | 47,089 | |
| 3. Income from sales of products and services to other related parties in the country | 261 | 171 |
| 4. Income from sales of products and services to other related parties abroad | | |
| 5. Income from sales of products and services in the country | 261,002 | 39,060 |

**Tigar**®TIGAR a.d. Pirot
General Assembly**MINUTES**

Date:22.06.2016

Page: 9/23

| | | |
|---|------------------|------------------|
| 6. Income from sales of finished products and services abroad | 326,878 | 1,277 |
| III. REVENUES FROM PREMIUMS, SUBSIDIES, DONATIONS, GRANTS, ETC. | | |
| IV. OTHER OPERATING INCOME | 133,314 | 16,577 |
| EXPENSES FROM OPERATIONS | | |
| B. OPERATING EXPENSES | 2,200,658 | 1,755,978 |
| I. COST OF COMMERCIAL GOODS SOLD | 1,178,334 | 1,261,701 |
| II. WORK PERFORMED BY THE COMPANY AND CAPITALIZED | | |
| III. INCREASE IN INVENTORIES OF FINISHED PRODUCTS AND WORK IN PROGRESS | 40,189 | |
| IV. DECREASE IN INVENTORIES OF FINISHED PRODUCTS AND WORK IN PROGRESS | | |
| V. MATERIAL CONSUMED | 307,667 | 4,648 |
| VI. FUEL AND ENERGY CONSUMED | 121,011 | 85,143 |
| VII. STAFF COSTS | 359,814 | 196,104 |
| VIII. PRODUCTION EXPENSES | 51,906 | 58,742 |
| IX. AMORTIZATION | 77,624 | 48,456 |
| X. COST OF LONG-TERM PROVISIONS | 7,102 | 302 |
| XI. INTANGIBLE COSTS | 137,389 | 100,882 |
| C. PROFIT FROM OPERATIONS | 162,037 | 99,857 |
| D. LOSS FROM OPERATIONS | | |
| I. FINANCE INCOME | 115,048 | 49,695 |
| I. FINANCIAL INCOME FROM RELATED PERSONS AND OTHER FINANCIAL INCOME | 95,997 | 25,950 |
| 1. Financial income from parent and subsidiaries | 69,817 | |
| 2. Financial income from other related parties | | |
| 3. Financial income from participation in the profit of related parties and joint ventures | | |
| 4. Other financial income | 26,180 | 25,950 |
| II. INTEREST INCOME (from third parties) | 1,118 | 2,135 |
| III. GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE | 17,933 | 21,610 |
| F. FINANCE EXPENSES | 429,085 | 612,261 |
| I. FINANCIAL EXPENSES RELATED PARTY TRANSACTIONS AND OTHER FINANCIAL EXPENSES | 10,848 | 14,276 |
| 1. Financial expenses from relation with parent and subsidiaries | 4,696 | 10,245 |
| 2. Financial expenses from relation with other related parties | | |
| 3. Financial expenses from participation in the loss of subsidiaries and related parties and joint actions | | |
| 4. Other financial expenses | 6,152 | 4,031 |
| II. INTEREST EXPENSE (by third parties) | 293,980 | 415,261 |
| III. FOREIGN EXCHANGE GAINS AND NEGATIVE EFFECTS OF CURRENCY CLAUSE | 124,257 | 182,724 |
| G. PROFIT FROM FINANCING | | |
| H. LOSS FROM FINANCING | 314,037 | 562,566 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 13,838 | 1,832 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 37,373 | 385,418 |
| K. OTHER INCOME | 72,377 | 18,963 |
| L. OTHER EXPENSES | 152,900 | 24,861 |
| M. OPERATING PROFIT BEFORE TAX | | |
| N. LOSS FROM OPERATIONS BEFORE TAX | 256,058 | 852,193 |
| Q. NET PROFIT FROM DISCONTINUED OPERATION, EFFECTS OF CHANGED ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM EARLIER PERIOD | | |
| R. NET LOSS FROM DISCONTINUED OPERATION, EXPENSES OF CHANGED ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM EARLIER PERIOD | 3,506 | |
| S. PROFIT BEFORE TAXATION | | |
| T. LOSS BEFORE TAXATION | 259,564 | 852,193 |
| U. INCOME TAXES | | |
| I. CURRENT TAX EXPENSE | 4,791 | |
| II. DEFERRED INCOME TAX EXPENSE | | |
| III. DEFERRED INCOME TAX BENEFIT | | |
| V. EARNINGS OF EMPLOYER | | |
| W. NET PROFIT | | |
| X. NET LOSS | 264,355 | 852,193 |

| | | |
|--|--|-------------|
|  Tigar ® | TIGAR a.d. Pirot General Assembly | |
| | MINUTES | |
| | Date: 22.06.2016 | Page: 10/23 |

3. In the Balance sheet as of 31.12.2015, the Joint Stock Company Tigar Pirot has reported the following positions:

| BALANCE SHEET (in thousands of RSD) | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| ASSETS | As of 31 December 2015 | As of 31 December 2014 | As of 31 December 2013 |
| A. SUBSCRIBED CAPITAL UNPAID | | | |
| B. CURRENT ASSETS | 3,894,327 | 1,983,302 | 2,308,016 |
| I. INTANGIBLE ASSETS | 279,515 | 13,758 | 16,381 |
| Investment in development | 268,544 | 33 | 71 |
| Concessions, patents , licenses , trademarks , software and other rights | 7,200 | 9,823 | 12,157 |
| Goodwill | | | |
| Other intangible assets | | | |
| Intangible assets under construction | 3,771 | 3,902 | 4,153 |
| Advances for intangible assets | | | |
| II PROPERTY, PLANT AND EQUIPMENT | 3,291,008 | 1,257,829 | 1,410,676 |
| Land | 454,761 | 54,376 | 54,156 |
| Buildings | 1,713,331 | 643,255 | 655,518 |
| Plant and equipment | 675,729 | 231,157 | 260,838 |
| Investment property | 292,513 | 290,896 | 395,695 |
| Other properties, plants and equipment | | | |
| Property, plant and equipment construction | 129,511 | 28,945 | 37,706 |
| Investments in others' property, plants and equipment | 5,223 | 9,200 | 6,763 |
| Advances in property, plants and equipment | 19,940 | | |
| III. BIOLOGICAL AGENTS | | | |
| 1. Forest and perennial crops | | | |
| 2. Primary stock | | | |
| 3. Biological agents in preparation | | | |
| 4. Advances for biological agents | | | |
| IV. LONG-TERM FINANCIAL PLACEMENTS | 323,804 | 504,651 | 880,959 |
| Shares in subsidiaries | 313,298 | 480,785 | 856,716 |
| Shares in associated companies and joint ventures | 491 | 12,018 | 12,020 |
| Shares in other legal entities and other securities available for sale | 94 | 94 | 153 |
| Long-term financial placements to parent and subsidiaries | | | |
| Long-term financial placements to other related parties | | | |
| Long-term placements in the country | | | |
| Long-term placements abroad | | | |
| Held to maturity securities | | | |
| Other long-term investments | 9,921 | 11,754 | 12,070 |
| V. LONG-TERM RECEIVABLES | | 207,064 | |
| Receivables from parent company and its subsidiaries | | 207,064 | |
| Receivables from other parties | | | |
| Receivables on the basis of sale of goods on commodity loan | | | |
| Receivables for sale according to contracts for financial leasing | | | |
| Receivables on the basis of bonds | | | |
| Contentious and suspicious receivables | | | |
| Other long-term receivables | | | |
| C. FERRED TAX ASSETS | | | |
| D.CURRENT ASSETS | 1,976,298 | 2,851,148 | 2,936,294 |
| I. INVENTORIES | 1,399,397 | 453,874 | 621,303 |
| Material, spare parts, tools and supplies | 151,414 | 5,574 | 6,531 |
| Unfinished production and unfinished services | 136,514 | | 67,895 |
| Finished products | 391,998 | | |
| Goods | 347,474 | 430,666 | 532,532 |
| Fixed assets for sale | 362,160 | | |
| Advances paid to suppliers | 9,837 | 17,634 | 14,345 |
| II. DUE ON SALE | 502,322 | 1,892,079 | 1,811,666 |
| Customers in the country - the parent and subsidiaries | 239,730 | 1,648,171 | 1,419,098 |



Tigar®

TIGAR a.d. Pirot
General Assembly

MINUTES

Date:22.06.2016

Page: 11/23

| | | | |
|--|-------------------------------|-------------------------------|-------------------------------|
| Customers abroad - parent and subsidiaries | 125,698 | 115,847 | 127,897 |
| Customers in the country - other related parties | 1,093 | 585 | 978 |
| Customers abroad – other related parties | | | |
| Customers in the country | 72,487 | 57,380 | 172,988 |
| Customers abroad | 63,314 | 70,096 | 90,705 |
| Other receivables from sales | | | |
| III. RECEIVABLES FROM SPECIFIC | | | |
| IV. OTHER RECEIVABLES | 26,818 | 57,116 | 206,744 |
| V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | | | |
| VI. SHORT-TERM FINANCIAL PLACEMENTS | | 239,953 | 276,539 |
| Short-term loans and investments – the parent and subsidiaries | | 239,480 | 276,539 |
| Short-term loans and investments - other related parties | | 456 | |
| Short-term loans in the country | | | |
| Short-term loans abroad | | | |
| Other short-term financial investments | | 17 | |
| VII. CASH AND CASH EQUIVALENTS | 1,430 | 109,103 | 2,088 |
| VIII. VALUE ADDED TAX | 12,914 | 12,297 | |
| IX. ACCRUALS | 33,417 | 86,726 | 17,954 |
| E. TOTAL ASSETS | 5,870,625 | 4,834,450 | 5,244,310 |
| F. OFF BALANCE SHEET ASSETS | 798,813 | | |
| EQUITY AND LIABILITIES | As of 31 December 2015 | As of 31 December 2014 | As of 31 December 2013 |
| A. EQUITY | | | |
| I. SHARE AND OTHER CAPITAL | | | |
| SHARE CAPITAL | 642,704 | 642,704 | 642,704 |
| Shares of societies with limited liability | | | |
| Investments | | | |
| State capital | | | |
| Social capital | | | |
| Cooperative shares | | | |
| Share premium | | | |
| Other equity | | | |
| II. SUBSCRIBED CAPITAL UNPAID | | | |
| III. TREASURY SHARES | | | |
| IV. RESERVES | 143 | 143 | 143 |
| V. REVALUATION RESERVES BASED ON REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT | 205,809 | 112,818 | 112,818 |
| VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | | 6 | |
| VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 2,042 | | |
| VIII. RETAINED EARNINGS | 1,823 | | |
| Retained profit from previous years | 1,823 | | |
| Retained profit from ongoing year | | | |
| IX. PARTICIPATION RIGHTS WITHOUT CONTROL | | | |
| X. LOSS | 3,371,206 | 1,814,668 | 962,476 |
| Loss of previous years | 3,106,851 | 962,476 | 143,183 |
| Loss for the year | 264,355 | 852,192 | 819,293 |
| B. LONG-TERM RESERVES AND LIABILITIES | 6,785,725 | 755,963 | 893,579 |
| I. LONG-TERM RESERVES | 240,390 | 220,604 | 221,704 |
| Reserves for costs within the warranty period | | | |
| Reserves for costs of renewing natural resources | | | |
| Reserves for costs of restructuring | | | |
| Provision for retirement and other employee benefits | 29,197 | 5,920 | 7,429 |
| Provision for lawsuits | 211,193 | 214,684 | 214,275 |
| Other long-term reserves | | | |
| II. LONG-TERM LIABILITIES | 6,545,335 | 535,359 | 671,875 |

| | | | |
|---|--------------------------------------|--|-------------|
|   | TIGAR a.d. Pirot General Assembly | | |
| | MINUTES | | |
| | Date: 22.06.2016 | | Page: 12/23 |

| | | | |
|---|------------------|------------------|------------------|
| Convertible liabilities | | | |
| Liabilities for the parent and subsidiaries | | | |
| Liabilities for other related parties | | | |
| Liabilities for securities issued in period longer than one year | 317,125 | | |
| Long-term loans in the country | 4,379,536 | 535,359 | 671,875 |
| Long-term loans abroad | 950,167 | | |
| Liabilities based on financial leasing | | | |
| Other long-term liabilities | 898,507 | | |
| G. BILITIES FOR VALUE ADDED TAX | 3,075 | | |
| H. SHORT-TERM FINANCIAL LIABILITIES | 1,604,594 | 5,137,484 | 4,557,542 |
| I SHORT-TERM FINANCIAL LIABILITIES | 418,543 | 3,051,513 | 2,781,875 |
| Short-term loans from parent companies and subsidiaries | 16,086 | 119,984 | 66,187 |
| Short-term loans from other related parties | | | |
| Short-term loans in the country | | 2,042,117 | 1,992,538 |
| Short-term loans abroad | | | |
| Liabilities on the basis of fixed assets and assets for sale from discontinued operations | | | |
| Other short-term financial liabilities | 402,457 | 889,412 | 723,150 |
| II. PREPAYMENTS, DEPOSITS AND GUARANTEES | 44,436 | 52,541 | 52,114 |
| III. ACCOUNTS PAYABLE | 743,878 | 990,652 | 1,048,472 |
| Suppliers - parent and subsidiaries in the country | 83,712 | 164,010 | 212,622 |
| Suppliers - parent and subsidiaries abroad | 50,507 | 50,584 | 41,642 |
| Suppliers - other related parties in the country | 2,158 | 3,972 | 4,949 |
| Suppliers- other related parties abroad | | | |
| Suppliers in the country | 321,310 | 293,792 | 396,512 |
| Foreign suppliers | 283,504 | 478,113 | 391,121 |
| Other liabilities | 2,687 | 181 | 1,626 |
| IV. OTHER CURRENT LIABILITIES | 347,760 | 945,237 | 591,121 |
| V. LIABILITIES FOR VALUE ADDED TAX | 74 | | 4,905 |
| VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 6,563 | 15,364 | 18,550 |
| VII. ACCRUALS | 43,340 | 82,177 | 60,505 |
| I. THE LOSS IN EXCESS OF CAPITAL | 2,522,769 | 1,058,997 | 206,811 |
| J. TOTAL LIABILITIES | 5,870,625 | 4,834,450 | 5,244,310 |
| K. OFF BALANCE SHEET LIABILITIES | 798,813 | | |

4. Financial statement of Tigar ad Pirot for 2015 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

The President opened discussion for the second item on the Agenda.

Since there was no discussion, the President 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 2015, together with the reports related to the Consolidated Financial report, Executive Board report and reports related to it, Report of the Supervisory Board on business and Auditor's report.**

Total votes: 602.889
 Required number of votes for adoption: 301.445
 Total votes "IN FAVOR": 598.279
 Total votes "AGAINST": 1.200
 Total votes "ABSTAIN": 3.410

| | |
|--|--------------------------------------|
|  TIGAR ® | TIGAR a.d. Pirot General Assembly |
| | Date: 22.06.2016 Page: 13/23 |
| MINUTES | |

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

DECISION

on adopting the Consolidated Financial report of the Joint Stock Company Tigar, Pirot for the year 2015 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 2015 as well as of reports related to it:
 - Executive Board's Report on business of Tigar ad Pirot in 2015.
 - Report of the Supervisory Board of Tigar ad Pirot in relation to business results in 2015
 - Auditor's Report by Stanišić Audit I.I.c Belgrade
2. Within the Consolidated Income statement of the Financial Statement for the period January – December 2015, the Joint Stock Company has reported the following results:

| Income statement (in thousands of RSD) | Januar- Decembar 2015 | Januar- Decembar 2014 |
|---|-----------------------------|-----------------------------|
| INCOME FROM OPERATIONS | | |
| A. OPERATING INCOME | 2,826,617 | 2,734,471 |
| I Sales of goods | 72,569 | 145,519 |
| 1. Income from sales of goods to the parent and subsidiaries in the country | | |
| 2. Income from sales of goods to the parent and subsidiaries abroad | | |
| 3. Income from sales of goods to other related parties | | |
| 4. Income from sales of goods to other related parties abroad | | |
| 5. Income from sales of goods in the country | 60,879 | 114,208 |
| 6. Income from sales of goods abroad | 11,690 | 31,311 |
| II INCOME FROM SALES OF PRODUCTS AND SERVICES | 2,707,606 | 2,566,507 |
| 1. Income from sales of products and services to the parent and subsidiaries in the country | | |
| 2. Income from sales of products and services to the parent and subsidiaries abroad | | |
| 3. Income from sales of products and services to other related parties in the country | 290 | 218 |
| 4. Income from sales of products and services to other related parties abroad | | |
| 5. Income from sales of products and services in the country | 1,462,497 | 1,198,403 |
| 6. Income from sales of finished products and services abroad | 1,244,819 | 1,367,886 |
| III INCOME FROM PREMIUMS, SUBVENTIONS, DONATIONS ETC. | | |
| IV OTHER OPERATING INCOME | 46,442 | 22,445 |
| EXPENSES FROM OPERATIONS | | |
| B. OPERATING EXPENSES | 2,806,701 | 2,982,972 |
| I Cost of commercial goods sold | 59,117 | 63,057 |
| II Work performed by the company and capitalized | 39,637 | 270 |
| III Increase in inventories of unfinished and finished products and work in progress | 88,420 | |
| IV Decrease in inventories of unfinished and finished products and work in progress | | 15,425 |
| V Material consumed | 926,170 | 941,854 |
| VI Fuel and energy consumed | 175,642 | 185,212 |
| VII Staff costs | 1,139,438 | 1,153,955 |
| VIII Production expenses | 331,925 | 261,439 |
| IX Amortization | 184,122 | 213,002 |
| X Costs of long-term provisions | 9,188 | 3,302 |
| XI Intangible costs | 109,156 | 145,996 |
| C. PROFIT FROM OPERATIONS | 19,916 | |
| D. LOSS FROM OPERATIONS | | 248,501 |
| E. FINANCE INCOME | 32,486 | 33,875 |
| I Financial income from related persons and other financial income | 295 | 973 |

| | | |
|---|--------------------------------------|--|
|   | TIGAR a.d. Pirot General Assembly | |
| | Date: 22.06.2016 Page: 14/23 | |
| MINUTES | | |

| | | |
|--|----------------|------------------|
| 1. Financial income from the parent and subsidiaries | | |
| 2. Financial income from other related parties | | |
| 3. Income from participation in the profit of subsidiaries and joint ventures | | |
| 4. Other financial income | 295 | 973 |
| II Interest expense (by third parties) | 2,679 | 2,344 |
| III Foreign exchange gains and positive effects of currency clause | 29,512 | 30,558 |
| F. FINANCE EXPENSES | 522,808 | 992,800 |
| I Financial expenses related party transactions and other financial expenses | 6,246 | 4,031 |
| 1. Financial expenses from the relation with the parent and subsidiaries | | |
| 2. Financial expenses from the relation with other related parties | | |
| 3. Expenses from the participation in the loss of the related parties and joint ventures | | |
| 4. Other financial expenses | 6,246 | 4,031 |
| II. Interest expense (by third parties) | 389,474 | 583,930 |
| III Foreign exchange gains and negative effects of currency clause | 127,088 | 404,839 |
| G. PROFIT FROM FINANCING | | |
| H. LOSS FROM FINANCING | 490,322 | 958,925 |
| I. INCOME FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 18,608 | 14,044 |
| J. LOSS ADJUSTMENT OTHER PROPERTY CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | 27,369 | 158,210 |
| K. OTHER INCOME | 84,087 | 50,077 |
| L. OTHER EXPENSES | 161,534 | 124,017 |
| M. OPERATING PROFIT BEFORE TAX | | |
| N. LOSS FROM OPERATIONS BEFORE TAX | 556,614 | 1,425,532 |
| O. NET PROFIT FROM DISCONTINUED OPERATION, EFFECTS OF CHANGED ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM EARLIER PERIOD | | |
| P. NET LOSS FROM DISCONTINUED OPERATION, EXPENSES FROM CHANGED ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM EARLIER PERIOD | 3,506 | |
| Q. PROFIT BEFORE TAXATION | | |
| R. LOSS BEFORE TAXATION | 560,120 | 1,425,532 |
| S. INCOME TAXES | | |
| I Current tax expense | 23,903 | 16,893 |
| II Deferred income tax expense | 15 | 735 |
| III Deferred income tax benefit | 7,430 | 4,354 |
| T. EARNINGS OF EMPLOYER | | |
| U. NET PROFIT | | |
| V. NET LOSS | 576,608 | 1,438,806 |
| I NET PROFIT BELONGING TO MINOR INVESTORS | 15,104 | 5,531 |
| II NET PROFIT BELONGING TO MAJORITY SHAREHOLDER | | |
| III NET LOSS BELONGING TO MINOR INVESTORS | | |
| IV NET LOSS BELONGING TO MAJORITY SHAREHOLDER | 591,712 | 1,444,337 |

3. In the Consolidated Balance Sheet as of 31.12.2015, the Joint Stock Company Tigar Pirot has reported the following positions:

| BALANCE SHEET (in thousands of RSD) | | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| ASSETS | As of 31 December 2015 | As of 31 December 2014 | As of 31 December 2013 |
| A. SUBSCRIBED CAPITAL UNPAID | | | |
| B. NON-CURRENT ASSETS | 4,530,441 | 5,113,669 | 5,477,305 |
| I. INTANGIBLE ASSETS | 279,860 | 415,482 | 487,546 |
| Investment in development | 268,544 | 368,482 | 434,142 |
| Concessions, patents, licenses, trademarks, software and other rights | 7,434 | 16,243 | 17,450 |
| Other intangible assets | 3 | | 100 |
| Intangible assets under construction | 3,879 | 30,757 | 35,854 |
| Advances for intangible assets | | | |
| II. PROPERTY, PLANT AND EQUIPMENT | 4,240,075 | 4,674,321 | 4,965,518 |
| Land | 517,802 | 525,279 | 444,382 |

**Tigar**®TIGAR a.d. Pirot
General Assembly**MINUTES**

Date:22.06.2016

Page: 15/23

| | | | |
|--|-------------------------------|-------------------------------|-------------------------------|
| Buildings | 2,518,424 | 2,678,462 | 2,787,681 |
| Plant and equipment | 723,714 | 800,631 | 877,165 |
| Investment property | 292,513 | 582,070 | 755,514 |
| Property, plant and equipment construction | 161,394 | 57,190 | 72,020 |
| Investments in property, plants and equipment | 6,288 | 10,749 | 8,816 |
| Advances for properties, plant and equipment | 19,940 | 19,940 | 19,940 |
| III. BIOLOGICAL AGENTS | | | |
| IV. LONG-TERM FINANCIAL PLACEMENTS | 10,506 | 23,866 | 24,241 |
| Shares in subsidiaries | | | |
| Shares in associated companies and joint ventures | 491 | 12,018 | 12,171 |
| Shares in other legal entities and other | 94 | 94 | |
| Other long-term investments | 9,921 | 11,754 | 12,070 |
| V. LONG-TERM RECEIVABLES | | | |
| Receivables from the parent and subsidiaries | | | |
| C. DEFERRED TAX ASSETS | | | 1,875 |
| D. CURRENT ASSETS | 2,117,297 | 1,884,157 | 2,164,386 |
| I. INVENTORIES | 1,588,154 | 1,174,846 | 1,147,985 |
| Material, spare parts, tools and supplies | 129,280 | 97,547 | 99,618 |
| Unfinished production and unfinished services | 136,514 | 166,214 | 234,208 |
| Finished products | 391,998 | 252,125 | 116,740 |
| Goods | 509,357 | 595,272 | 670,223 |
| Fixed assets for sale | 399,680 | 27,162 | |
| Advances paid to suppliers | 21,325 | 36,526 | 27,196 |
| II. DUE ON SALE | 310,266 | 393,108 | 520,025 |
| Customers in the country - the parent and subsidiaries | | | |
| Customers abroad - parent and subsidiaries | | | |
| Customers in the country - other related parties | 3,832 | 3,402 | 29,457 |
| Customers in the country | 224,271 | 282,629 | 361,661 |
| Customers abroad | 82,163 | 107,077 | 128,907 |
| Other receivables from sales | | | |
| III. RECEIVABLES FROM SPECIFIC | 129 | 1,384 | 4,761 |
| IV. OTHER RECEIVABLES | 70,845 | 52,005 | 63,176 |
| V. FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH INCOME STATEMENT | | | |
| VI. SHORT-TERM FINANCIAL PLACEMENTS | | 472 | 472 |
| Short-term loans and investments - parent and subsidiaries | | | |
| Short-term loans and investments - other related parties | | 472 | 472 |
| Other short-term financial investments | | | |
| VII. CASH AND CASH EQUIVALENTS | 85,481 | 194,656 | 220,447 |
| VIII. VALUE ADDED TAX | 16,541 | 22,943 | 19,634 |
| IX. PREPAYMENTS | 45,881 | 44,743 | 187,886 |
| E. TOTAL ASSETS | 6,647,738 | 6,997,826 | 7,643,566 |
| F. OFF BALANCE SHEET ASSETS | 811,313 | | |
| EQUITY AND LIABILITIES | As of 31 December 2015 | As of 31 December 2014 | As of 31 December 2013 |
| A. EQUITY | | | |
| I. SHARE AND OTHER CAPITAL | 642,704 | 642,704 | 642,704 |
| Share Capital | 642,704 | 642,704 | 642,704 |
| II. SUBSCRIBED CAPITAL UNPAID | | | |
| III. TREASURY SHARES | | | |
| IV. RESERVES | 5,411 | 5,409 | 5,396 |
| V. REVALUATION RESERVES BASED ON | 1,509,372 | 1,509,155 | 1,506,949 |

**Tigar**®TIGAR a.d. Pirot
General Assembly**MINUTES**

Date:22.06.2016

Page: 16/23

| | | | |
|--|------------------|------------------|------------------|
| REVALUATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT | | | |
| VI. UNREALIZED GAINS ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 84,716 | 77,139 | 87,216 |
| VII. UNREALIZED LOSSES ON SECURITIES VALUE AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS | 4,976 | 3,593 | |
| VIII. RETAINED EARNINGS | | | |
| Retained earnings in previous years | | | |
| IX. PARTICIPATION RIGHTS WITHOUT CONTROL | 91,147 | 87,802 | 88,216 |
| X. LOSS | 4,405,805 | 3,814,092 | 2,413,007 |
| Loss of previous years | 3,814,093 | 2,369,755 | 1,374,171 |
| Loss for the year | 591,712 | 1,444,337 | 1,038,836 |
| B. LONG-TERM PROVISIONS AND LIABILITIES | 6,862,923 | 2,024,795 | 1,321,211 |
| I. LONG-TERM PROVISIONS | 255,595 | 254,496 | 291,854 |
| Provision for retirement and other employee benefits | 42,692 | 36,736 | 78,654 |
| Provision for lawsuits | 211,193 | 217,760 | 213,200 |
| Other long-term provisions | 1,710 | | |
| II. LONG-TERM LIABILITIES | 6,607,328 | 1,770,299 | 1,029,357 |
| Liabilities for securities issued in more than one year | 317,125 | | |
| Long-term loans in the country | 4,379,536 | 535,359 | 724,075 |
| Long-term loans abroad | 950,167 | 944,950 | 301,462 |
| Liabilities based on financial leasing | 11,425 | 15,881 | 3,820 |
| Other long-term liabilities | 949,075 | 274,109 | |
| G. DEFERRED TAX LIABILITIES | 107,363 | 114,777 | 117,631 |
| H. SHORT-TERM LIABILITIES | 1,754,883 | 6,353,730 | 6,287,250 |
| I. SHORT-TERM FINANCIAL LIABILITIES | 416,816 | 3,555,912 | 3,709,620 |
| Short-term loans from the parent and subsidiaries | | | |
| Short-term loans from other related parties | | | |
| Short-term loans in the country | | 2,042,605 | 2,211,127 |
| Liabilities on fixed assets and assets from discontinued operations for sale | 9,452 | 27,162 | |
| Other current financial liabilities | 407,364 | 1,486,145 | 1,498,493 |
| II. PREPAYMENTS, DEPOSITS AND GUARANTEES | 56,025 | 100,564 | 78,241 |
| III. ACCOUNTS PAYABLE | 768,531 | 1,050,547 | 1,037,057 |
| Suppliers- the parent and subsidiaries in the country | | | |
| Suppliers – the parent and subsidiaries abroad | | | |
| Suppliers - other related parties in the country | 4,835 | 4,259 | 18,099 |
| Suppliers in the country | 459,272 | 502,240 | 544,868 |
| Foreign suppliers | 298,686 | 532,398 | 448,955 |
| Other liabilities | 5,738 | 11,650 | 25,135 |
| IV. OTHER CURRENT LIABILITIES | 433,906 | 1,419,881 | 1,296,447 |
| V. LIABILITIES FOR VALUE ADDED TAX | 6,591 | 32,172 | 32,691 |
| VI. OTHER TAXES, CONTRIBUTIONS AND OTHER FEES | 12,758 | 28,787 | 43,954 |
| VII. ACCRUALS | 60,256 | 165,867 | 89,240 |
| I. THE LOSS IN EXCESS OF CAPITAL | 2,077,431 | 1,495,476 | 82,526 |
| J. TOTAL LIABILITIES | 6,647,738 | 6,997,826 | 7,643,566 |
| K. OFF BALANCE SHEET LIABILITIES | 811,313 | | |

4. Consolidated Financial statement of Tigar ad Pirot for 2015 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.

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 17/23 |

III

Making Decision on the election of the independent auditor

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

President of General Assembly invites Aleksandra Đorđević, Director of accounting function as a rapporteur for this item on agenda:

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 2016, there have responded and sent their bids three audit firms:

- audit firm MDM Audit at price EUR 12.000 (without VAT)
- audit firm Moore Stephens at price EUR 10.500 (without VAT)
- audit firm Stanišić Audit I.I.c. from Belgrade at price EUR 9.400 (without VAT)

Not even one audit firm belonging to the 'big four' submitted its offer for the 2016 audit. Bearing in mind the overall financial situation in which the Company is right now and taking into account the fact that the Annual Financial statements audit for 2015 was done by auditing firm Stanišić Audit doo Belgrade, 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 Stanišić Audit doo Belgrade, as independent auditors for Tigar Joint Stock Company Pirot and its subsidiaries for 2016.

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

Dragan Milivojević applies for discussion and requests an explanation about the submitted offers and costs to the audit firms for conducting the audit, with reference to the height of the costs paid to Stanišić Audit I.I.c. in 2015 for performing audits.

Once again, Aleksandra Đorđević explained that audit firms submitted in total three bids: audit firm MDM Audit at price EUR 12.000 (without VAT), audit firm Moore Stephens at price 10.500 EUR (without VAT), audit firm Stanišić Audit I.I.c. from Belgrade at price EUR 9.400 (without VAT). Nataša Pop-Krstić, Executive Director for Corporate Management, engages herself in the discussion with a note that for performing audits in 2015, audit firm Stanišić Audit offered their bid for EUR 15.500 without VAT, and since following the adoption of this decision there came about a status change of merger of subsidiaries to the parent company, the cost was reduced and an amount of cc EUR 10.400 thousand without VAT was paid, where EUR 2.000 thousand refer to performing audit of consolidated financial statements. At the recommendation of a member of the Supervision Board, Nikola Radenković who is at the same time a member of the Audit Commission and a shareholder there started negotiations concerning the correction of the cost. According to that, the audit firm Stanišić Audit I.I.c. submitted a corrected bid when it comes to the amount of costs paid for performing the audit.

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 18/23 |

After the closing of the discussion, there was approached the secret ballot on the **third item** on the agenda:

Total votes: 602.889
 Required number of votes for adoption: 301.445
 Total votes "FOR": 585.525
 Total votes "AGAINST": 1.228
 Total votes "ABSTAIN": 16.136

By the majority of votes, there was made the following

DECISION
on election of independent auditor of the Joint Stock Company Tigar Pirot for 2016

1. As for the independent auditor of the Joint Stock Company Tigar Pirot for the year 2016 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

Rapporteur: Danijela Cenić, the Company's Secretary

President of the GA gives word to Danijela Cenić, the Company's Secretary so as to explain the most important amendments and supplements.

At the beginning of the speech, Danijela Cenić, explained that there did not come about essential amendments and supplements, but technical adjustments. To remind, at the General Assembly session held on 18.12.2013 was made a decision about equity decrease of the Company so as to cover the loss recorded in the corrected financial statement for the year 2012. In that sense, the equity in the amount of RSD 2.062.152 divided into a total of 1.718.460 shares with nominal value of RSD 1.200 was decreased to the amount of RSD 642.704.000 so that the nominal value of a share amounts to RSD 374.00. Since there was an incompatibility of the registered equity with the Agency under the Tigar a.d. By-Laws, amendments to it remedy the already mentioned incompatibility. Also, amendments and supplements on the number of executive directors (their number is reduced from 8 to 5), in accordance with the Company's needs, operation rationalization is being performed.

President of the GA opens discussion opens debate on this item on the agenda.

Nikola Radenković applies for discussion and points at the possibility to convert the existing debt to the state into equity, that is, whether voting for the By-Laws in part related to nominal value of the shares in the amount of RSD 374.00 following the conversion the amount remains RSD 374.00 or RSD 1.200.00.

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 19/23 |

The secretary explained that the decision made for the amount of RSD 374.00 was registered with the Business Registers Agency.

Srđan Stojanović, head of the GA preparation team, joined the discussion and explained that there is an incompatibility between the By-Laws and the shares' nominal value and if it were to come to new shares issuing, according to the Law on Capital Market and Law on Companies, the average trading price on the stock market in last 3 or 6 months is taken, but not lower than the nominal value. In case there is still incompatibility between the By-laws and nominal value in financial statements, an assessment of shares' value should be done according to which conversion of debt into equity would be carried out.

Following the closing of the discussion the secret ballot for the **fourth item** on the agenda was approached.

Total votes: 1.138.775

Required number of votes for adoption: 569.388

Total votes "IN FAVOR": 597.377

Total votes "AGAINST": 1.206

Total votes "ABSTAIN": 4.306

Following the voting, President of the GA states that by the majority of votes, **there was made** the following

DECISION
on amendments and supplements of Tigar a.d. Pirot By-Laws

- 1) In the By-Laws of the Joint Stock Company Tigar a.d. Pirot since 20.06.2016 amendments and supplements of its regulations is done in the following way:

Article 1

Article 17 of the By-Laws amends and now reads:

'The total issued capital of the Company amounts to RSD 642.704.040.

The capital of the Company is divided into 1.718.460 of issued and subscribed ordinary shares of Class D. All shares are of the same class. The shares of the Company are ordinary, they identify the holder, and they are transferrable as provided for in applicable legislation.

The nominal value of each ordinary voting share of one class in the capital of the Company is RSD 374.00'

Article 2

In Article 20 paragraph 2 of the By-Laws amends and now reads :

'All issued shares of the Company are ordinary shares and they identify the holder. The number of votes per share is one. The nominal value per share is RSD 374.00 RSD (three hundred seventy-four Serbian Dinars) and the

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date:22.06.2016 Page: 20/23 |

designation of the shares is: CFI Code ESVUFR, and ISIN number RSTIGRE55421.'

Article 3

In Article 26, paragraph 3 amends and now reads:

'Any decision to issue convertible bonds, warrants or other securities, as well as the determination of the number, time, price of acquisition, and other terms of the issue, shall be made by the General Assembly.'

Article 4

In Article 34, paragraph 1, item 2 amends and now reads:

' 2. Capital increases and decreases, and every issue of securities, except in the case of authorized capital'

Article 5

In Article 42, following paragraph 2 a new paragraph 3 is added and it reads:

'Shareholders' signatures – individuals at the power of attorney need not be validated in accordance with the law applicable to signature validation.'

Hitherto paragraphs 3,4,5 and 6 are now paragraphs 4, 5, 6 and 7.

Article 6

In Article 49 paragraph 1, item 9 of the By-Laws which reads:

'9. Issuing of bonds and other securities as provided for under the Law and these By-Laws'
is to be deleted.

Article 7

In Article 49 paragraph 1, item 10 of the By-Laws becomes item 9, amends and now reads:

'9. Determining the issue price of shares as provided for under Article 260, Paragraph 2 of the Law on Companies and under Article 263 Paragraph 2 of the Law on Companies'

Hitherto items 11,12,13,14,15,16,17 and 18 become items 10,11,12,13,14,15,16 and 17.

Article 8

Article 50 paragraph 5 of the By-Laws which reads:

'The Chairperson of the Supervisory Board shall represent the Company vis-a-vis the executive directors (members of the Executive Committee) and shall have other powers as provided for under the law, these Bylaws and other documents of the Company.'
is to be deleted.

Article 9

Subtitle and Article 60 paragraphs 1 and 2 of the By-Laws amend and now read:

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date:22.06.2016 Page: 21/23 |

‘Number of Executive Directors, Appointments and Dismissals’

Article 60

The Company shall have 5 (five) executive directors who will comprise the Executive Committee, including:

- an ED for Corporate Management
- an ED for Finance and Accounting
- an ED for Production Processes, Development and Investments
- an ED for Commercial Operations and Marketing, and
- an ED for Business Activities Support

The Supervisory Board shall appoint the executive directors at the proposal of Nominating Committee

Article 10

Article 62, paragraph 4 of the By-Laws amends and now reads:

‘The executive directors in accordance with the Law on Companies (under Article 431 and appropriate application of Article 416) shall report in writing to the Supervisory Board.’

Article 11

In Article 65, paragraph 1, item 3 of the By-Laws amends and now reads:

‘3) Represent the Company.’

In Article 65, paragraph 1, item 5 of the By-Laws which reads:

‘5. Appoint governing bodies of all subsidiaries (performing the duties which fall within the competence of the General Meeting of the respective subsidiary), that is representatives of the Company in bodies and institutions on different grounds.’
is to be deleted.

Hitherto items 6, 7, 8, 9, 10 and 11 become items 5, 6, 7,8 ,9 and 10.

Article 12

Article 73 of the By-Laws amends and now reads:

‘Internal supervision

Article 73

Through its internal documents, the Company shall stipulate the mode of implementation and organization of internal supervision of its business operations.

At least one individual competent for internal supervision affairs must fulfill the criteria prescribed for an internal auditor in accordance with the law which regulates accounting and auditing, must be employed in the Company and manage only the internal supervision affairs and shall not at the same time be a director or a member of the Supervisory Board.

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 22/23 |

The individual from the previous paragraph is appointed by the Supervision Board at the proposal of Audit Committee.

The individual who will manage internal supervision affairs must fulfill the professional knowledge and experience criteria stipulated by the Company in a special document.

The individual who will manage internal supervision affairs is appointed by the Supervision Board at the proposal of Audit Committee.

Other individuals engaged to perform internal supervision duties need not fulfill the criteria prescribed for the internal auditor pursuant to the law which regulates accounting and auditing. These individuals are engaged in accordance with the conditions envisaged by the document of organization and disposition of jobs in the Company.'

Article 13

Article 76, paragraph 2 of the By-Laws amends and now reads:

'The acquisition or disposal as contemplated in this article means the acquisition or disposal of assets in any way under Article 470. of the Law on Companies.'

2. Based on this Decision there will be drawn up a consolidated text of the By-Laws.
3. This decision shall come into force upon its adoption

V

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

Rapporteur: Zorica Mladenović, Executive Director of Human Resources and member of the Nominating Committee

Zorica Mladenović explained that the candidate proposed for a member of the Supervisory Board was given by the Nominating Committee, consisting of Nebojša Petrović, the President and members Aleksandar Đurković and Zorica Mladenović. The nominated candidate Nikola Radenković is from Belgrade, born on 18.11.1982. He was educated in Paris where he graduated. He is at the post of Director in company Nikomms doo Belgrade. At the session held on 26.08.2015 the Supervisory Board of Tigar a.d. Pirot committed the cooptation of Nikola Radenković at the post of member of the Supervisory Board. Since the Law on Companies envisages that the mandate period of the co-opted member expires in the first following session of the GA, it is necessary that the General Assembly within its jurisdiction, make a decision on appointing Nikola Radenković a member of the Supervisory Board of Tigar AD Pirot for a term that coincides with the mandate period of the other members.

Since there was no discussion for this item on the agenda, President of GA announces the voting results:

| | | |
|---|----------------|--------------------------------------|
|  | Tigar ® | TIGAR a.d. Pirot General Assembly |
| MINUTES | | Date: 22.06.2016 Page: 23/23 |

Total votes: 602.889
Required number of votes for adoption: 301.445

Total votes "IN FAVOR": 595.727
Total votes "AGAINST": 1.430
Total votes "ABSTAIN": 5.732

Following the voting, President of GA states that 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 **Nikola Radenković, personal identification number 1811982710008** 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

The President 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 13:24h.

RECORDING SECRETARY

Maja Apostolović

President of General Assembly

Slavoljub Stanković

MEMBERS OF THE VOTING COMMITTEE:

1. **Suzana Jocić**, secretary
2. **Vesna Stanisavljević**, member
3. **Marjan Stojanović**, member