



General Assembly Tigar a.d. 2012.



June 20, 2012.

21 May 2012

Dear Shareholder,

Please be advised that the annual session of the Shareholders' Assembly of the Joint-Stock Company Tigar from Pirot (Tigar AD) will be held on **20 June 2011** in Pirot, in the Large Auditorium of the Serbian Military Club, Trg Pirotskih oslobodilaca bb, starting at **12:00 hours**.

A g e n d a

- 1. Election of Chairperson of the Shareholders' Assembly;**
- 2. Adoption of the Rules of Procedure of the Shareholders' Assembly;**
- 3. Adoption of the Financial Report of Tigar AD, along with reports associated with the Financial Report: report of the Board of Directors, report of the independent auditor, and report of the Supervisory Board;**
- 4. Adoption of the 2011 Consolidated Financial Report of Tigar AD, along with reports associated with the Consolidated Financial Report: report of the Board of Directors, report of the independent auditor, and report of the Supervisory Board;**
- 5. Appointment of independent auditors;**
- 6. Adoption of the Articles of Association of Tigar AD, aligned with the Companies Law;**
- 7. Adoption of the Bylaws of Tigar AD, aligned with the Companies Law;**
- 8. Election of the Supervisory Board of Tigar AD;**
- 9. Remuneration of the Supervisory Board of Tigar AD;**
- 10. Establishment of elements of Tigar AD's 2012-2014 Business Plan.**

You are kindly invited to take part in the decision-making under the above items on the Agenda, either in person or by proxy. Detailed information about voting by proxy is contained in the Notice of the Ordinary Session of the Shareholders' Assembly which is appended hereto. Also appended is a Power of Attorney Form for the proxy.

If you decide not to participate in person but by proxy, kindly complete the Power of Attorney Form, identifying yourself (address, ID card number or citizen's number/corporate ID number) and your proxy (full name and voting instructions under each item on the Agenda), and submit the Power of Attorney to Tigar AD not later than 3 days before the session (either in person or by mail in a blue envelope).

This booklet contains the following materials for the session: extract from the 2011 Annual Report and draft resolutions under each item on the agenda, along with explanatory notes.

Some of the materials for the session, including the Rules of Procedure of the Shareholders' Assembly, the Articles of Association, the Bylaws, the Supervisory Board Remuneration and Reward Policy, and the Elements of the 2012-2014 Business Plan, as well as other materials pertaining to this particular session of the Shareholders' Assembly may be downloaded from the Company's website **www.tigar.com**.

Note:

Kindly arrive at the venue of the session not later than 10 a.m. for registration of attendance and other formalities, so that the session of the Shareholders' Assembly may begin on time. Please note that you will be required to present an ID card for identification purposes.

Based on a decision of Tigar AD's Board of Directors, shareholders of record at the unified registry as of 23 April 2010 have been invited to this session.

Sincerely yours,

Slavoljub Stanković
Company Secretary

**Tigar**®**TIGAR AD****EXTRACT FROM 2010 ANNUAL REPORT****Date: 2012-05-16**

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GENERAL ASSESSMENT OF 2011 PERFORMANCE

In 2011, international demand grew and attested to a gradual economic recovery of developed countries in particular. However, adverse developments in the Serbian real sector and financial markets continued, including a decline in domestic demand. Banks focused their credit activities on short-term financing with monthly or quarterly repayments, or on a revolving basis, secured either by domestic and international accounts receivable (including letters of credit) or mortgages. Given that a long-term loan from Apex IV for the financing of permanent working capital was not disbursed in 2011, the Company resorted to financial bridging through the issuance of short-term corporate bonds. This method of financing led to high finance expenses and a larger proportion of raw material purchases from European distributors as opposed to direct purchases from overseas manufacturers, resulting in increased costs.

The Company gave the highest development priority to its footwear business, where it focused its overall resources, including financial resources. Footwear exports grew by 9%, while domestic sales recorded a 7% decline. Based on placed orders, this segment could have reported a considerably higher growth but was constrained by the permanent working capital available for financing growth. In the domestic market, sales were adjusted to the ability of customers to pay, which resulted in lower but collectable sales.

Tigar Technical Rubber Goods LLC (TTRG) reported a sales growth of 18%, but this growth was not sufficient to produce a positive bottom line.

Tigar Chemical Products LLC (TCP) did not take part in public procurement tendering for road paint and this resulted in a decline in sales revenues but did not significantly affect their bottom line.

A lack of supply of complementary goods, particularly tires, reduced sales revenues in that segment.

Overall, exports grew by 10% but the consolidated sales income, which includes the sales income earned by Tigar's entities operating abroad, matched 2010 levels. In the footwear segment, contrary to 2010 when new customers absorbed 20% of exports, sales in 2011 focused on existing customers. Conversely, TTRG sold 20% of its products to new customers. Tigar Footwear's 2012 sales plans are based on existing customers, leaving considerable room for growth relative to plan, depending on market conditions. TTRG's plans call for half of its sales to be made to new customers. TCP is resuming production of road paint, owing above all to its excellent quality references. Similar to a year ago, tire distribution this year will largely depend on the supply.

The previous year was characterized by significant commodity price increases, recording the highest prices of raw materials in history during the first half of the year. A downward trend began during the last quarter, albeit with continued fluctuations. Tigar respond to these price increases twice during the year: it increased the prices of its exports by 10% on average in January and June, and increased domestic prices by smaller percentages several times during the year.

In 2011, the Company continued to invest heavily in the development of new groups of products to maintain a leadership position in the market segments in which it operates, as well as in the development of new and alternative materials primarily aimed at improving product performance, while cost optimization targeted productivity growth.

The Holding Company (Tigar AD) reported an operating income of 4,143 million RSD, an operating result of 11 million RSD, a profit before taxes of 152 million RSD and a net profit of 122 million RSD.

**Tigar**®**TIGAR AD****EXTRACT FROM 2011 ANNUAL REPORT****Date: 2012-05-16**

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At the consolidated level, Tigar reported an operating income of 5.2 billion RSD, a sales income of 4.3 billion RSD, and an operating result of approximately 13 million RSD. Sales revenues roughly matched 2010 levels. The gross loss at the end of the year was some 236 million RSD. Consolidated assets amounted to 8.9 billion RSD, of which non-current assets came to 5.1 billion RSD and current assets to 3.7 billion RSD. Consolidated capital was recorded at roughly 3 billion RSD.

The difference between the net result of the Holding Company and the consolidated net result, before and after taxation, is attributed to differences between finance income and other income. First, at the consolidated level dividends are eliminated as internal income. Second, with regard to other income, assets are valued differently at the individual level than at the consolidated level. We had the same situation in 2009, when we sold our remaining 10% stake in Tigar Tyres. Other income in Tigar AD's statement were recorded at 688,343 (000) RSD, while in the consolidated statement they amounted to 327,820, which had a negative impact on that year's bottom line of 361 million RSD.

An overall assessment of the year 2011 shows that international market demand continued to grow but domestic market demand did not. Customer orders in excess of achieved sales revenues show that the Company held a stable and prospective market position, but also that the utilization of this potential required adequate permanent working capital to finance growth.

Even though the Company failed to meet expectations in 2011, its business activities are proceeding according to plan which, following a period of investment in buildings and equipment, and a period of investment in product and market development, calls for full commercialization and production and sales growth, while maintaining the same levels of fixed costs. In industry in general, two to four years need to pass between the implementation of projects for new capacities and their full commercialization. In Tigar's case, this process proceeded in the midst of a global economic crisis.

Dragan Nikolić
Chairman of the Board of Directors

	TIGAR AD SUPERVISORY BOARD
REPORT OF THE SUPERVISORY BOARD	Date: 2012-05-18 Page: 1/2

TO THE SHAREHOLDERS' ASSEMBLY OF TIGAR AD

Pursuant to Article 592 (7) of the Companies Law (Official Gazette of the Republic of Serbia, nos. 36/11 and 99/11) and pursuant to Article 103 (b) (1) of the Articles of Association of the Joint-Stock Company Tigar Pirot (Tigar AD), the Company's Supervisory Board hereby submits the following

Report to Shareholders on Tigar AD performance in 2011

The Supervisory Board of the Joint-Stock Company Tigar, Pirot (hereafter: Tigar AD), composed of Milivoje Cvetanović, Milić Radović and Dragan Milosavljević, was elected for a term of office of 3 years at the session of the Shareholders' Assembly held on 19 June 2009. At the same time and under the same resolution, **Milivoje Cvetanović** was appointed to serve as Chairman of the Supervisory Board.

In preparation for the 2012 annual session of Tigar AD's Shareholders' Assembly, the Supervisory Board reviewed Tigar AD's 2011 Annual Report, inspected various documents as necessary, and familiarized itself with all the facts relating to the accounting and reporting practices at Tigar and its subsidiaries, compliance with the law, and compliance of the organization and its actions with the Code of Business Ethics.

The Financial Report was found to have been prepared in conformity with applicable regulations. The Annual Report provides an assessment of the Company's business environment and describes the status of all key processes within Tigar which are reflected in its operating result.

In addition to the Financial Report, the Supervisory Board inspected other documents related to the activities of the Board of Directors, the Executive Board, the Chief Executive Officer and other bodies of the Company, and found that these documents were issued in accordance with applicable regulations and that they reflected the Company's adopted policies.

In addition to the financial result of the Holding Company Tigar AD, Tigar reported the consolidated result for Tigar and its subsidiaries. The Supervisory Board was pleased to note a continued growth of operating income, which is indicative of a positive trend, regardless of the current financial result which depended on many internal and external factors during the period.

As required by law, Tigar's financial statements have been audited by an independent auditor, whose opinion will be presented to the Shareholders' Assembly.

The Supervisory Board is of the opinion that the reported net profit of 121,996 (000) RSD for the year 2011 is true and accurate and concurs with the recommendation of Tigar AD's Board of Directors that the net profit be allocated to retained earnings, while leaving the possibility that if long-term sources of financing are increased and conditions are created for the distribution of dividends, the competent body of the Company may issue a decision to distribute dividends up to 30% of the profit reported in 2011 accounts.

Such a distribution is in line with the Company's financial capabilities and needs, while the remainder of the retained earnings will be kept for special purposes, primarily investments as needed by the Company.

It is the opinion of the Supervisory Board that the 2011 Annual Report is correct and comprehensive, that it highlights issues which constitute the essence of Tigar's business operations, and that it contains a realistic assessment of Tigar's business environment.

The Company's Financial Report, which is a numerical summary of the results of its operations, has been prepared in a self-explanatory manner and is consistent with accounting standards and regulations, and with adopted accounting policies.



**TIGAR AD
SUPERVISORY BOARD**

REPORT OF THE SUPERVISORY BOARD

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The Supervisory Board is familiar with the preparations for the session of Tigar AD's Shareholders' Assembly, and is also actively taking part in the preparation of some of the materials for the session.

The Supervisory Board has not only reviewed the Company's accounts, but also management activities leading to the achievement of the reported business results. It has concluded that management made an utmost effort to accomplish the goals set by the business policies and plans, and to ensure that the organization follows the Code of Business Ethics.

The Supervisory Board has also found that the Company's organization and operations were consistent with its Corporate Governance Code, and that there have been no complaints from shareholders, corporate bodies, or other parties, or any proceedings in this regard.

The Supervisory Board is familiar with the comprehensive activities aimed at aligning the organization and operations of the Holding Company and its subsidiaries with the new Companies Law and other applicable legislation. These activities are proceeding in accordance with the procedures and dates stipulated by this legislation and the Company's internal documents.

The management and financing of subsidiaries, as the principal business activity of the Company, along with the supply of supporting services (in human resources, legal, accounting, finance and other areas), as well as sales, purchasing and commercial logistical services in the country and abroad (following merging of Tigar Trade LLC with the Holding Company Tigar AD), were the main features of the Company's business activities and sources of income in 2011.

Despite the negative impact of the global financial crisis, the Company again reported a profit, the value of the Company was maintained, and a robust basis was created, after a period of investment, to achieve full product commercialization and growth, and to report good operating results in the coming years.

The Supervisory Board will deem that it has successfully completed its task if the Shareholders' Assembly shares its opinion and accepts this Report.

Issued in Belgrade on 18 May 2012.

**TIGAR AD
SUPERVISORY BOARD**

**s. Milivoje Cvetanović
Chairman**



**TIGAR AD
BOARD OF DIRECTORS**

PROPOSED RESOLUTION

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Pursuant to Article 592 (7) of the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11) and pursuant to Article 88 (a), (1) and (6) of the Articles of Association of the Joint-Stock Company Tigar Pirot (Tigar AD), the Board of Directors of Tigar AD, being the competent body up to the time of alignment with the Companies Law, proposes to the Shareholders' Assembly to pass the following

RESOLUTION

adopting Tigar AD's 2011 Financial Report and other reports in connection with the Financial Report

1. The Financial Report of Tigar AD for the year 2011, and the reports in connection with the Financial Report, including:
 - Tigar AD's 2011 Annual Report presented by the Board of Directors,
 - The 2011 report presented by the auditor firm Deloitte d.o.o., and
 - The 2011 report presented by the Supervisory Board
 -are hereby adopted in their entirety.
2. According to the income statement for the January-December 2011 period, Tigar AD reported the following results:

	<u>In thousands of RSD</u>	
	<u>2011.</u>	<u>2010.</u>
OPERATING INCOME		
Sales of goods, products and services	3,967,657	3,664,473
Own work capitalized	118,160	118,190
Other operating income	27,805	34,806
	<u>4,113,622</u>	<u>3,817,469</u>
OPERATING EXPENSES		
Cost of commercial goods sold	(3,022,823)	(2,300,257)
Cost of material	(192,715)	(281,648)
Staff costs	(519,952)	(489,045)
Depreciation, amortization and provisions	(51,908)	(53,764)
Other operating expenses	(315,257)	(554,588)
	<u>(4,102,655)</u>	<u>(3,679,302)</u>
OPERATING PROFIT /(LOSS)	<u>10,967</u>	<u>138,167</u>
Finance income	304,273	125,476
Finance expenses	(439,446)	(273,347)
Other income	310,830	239,769
Other expences	(34,361)	(156,701)
	<u>152,263</u>	<u>73,364</u>
PROFIT BEFORE TAXATION	<u>152,263</u>	<u>73,364</u>
INCOME TAXES		
- Current income tax expense	(29,026)	(24,023)
- Deferred income tax expense	(1,241)	(1,236)
	<u>(30,267)</u>	<u>(25,259)</u>
NET PROFIT	<u>121,996</u>	<u>48,105</u>



**TIGAR AD
BOARD OF DIRECTORS**

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3. According to the balance sheet as of 31 December 2011, Tigar AD reported the following items:

	<u>In thousands of RSD</u>	
	<u>2011.</u>	<u>2010.</u>
ASSETS		
Non-current assets		
Intangible assets	23,913	24,030
Property, plant and equipment	1,226,615	1,042,031
Investment property	227,011	
Equity investments	2,348,428	2,115,409
Other long –term financial placements	41,720	45,468
	<u>3,867,687</u>	<u>3,226,938</u>
Current assets		
Inventories	986,031	880,900
Non-current assets held for sales	6,846	20,039
Accounts receivable	2,071,781	1,627,244
Receivables for prepaid income taxes		908
Short-term financial placements	89,169	51,042
Cash and cash equivalents	155,262	227,195
Value added tax and prepayments	244,551	137,093
Deffered tax assets		
	<u>3,553,640</u>	<u>2,944,421</u>
Total assets	<u><u>7,421,327</u></u>	<u><u>6,171,359</u></u>
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	2,062,152	2,062,152
Reserves	206,215	206,215
Revaluation reserves		
(Accumulated Loss)/Retained earnings	616,484	532,383
Non-controlling interest		
Translation reserves		
	<u>2,884,851</u>	<u>2,800,750</u>
Long-term provisions and liabilities		
Long-term provisions	12,577	12,842
Long-term liabilities	754,450	639,769
	<u>767,027</u>	<u>652,611</u>
Current liabilities		
Short-term financial liabilities	2,500,849	1,410,182
Accounts payable	1,025,128	1,166,539
Other current liabilities	138,597	68,116
Value added tax and other public duties payable	73,989	57,178
And accruals		
Income tax payable	26,272	12,610
	<u>3,764,835</u>	<u>2,714,625</u>
Deffered tax liabilities	4,614	3,373
Total equity and liability	<u><u>7,421,327</u></u>	<u><u>6,171,359</u></u>

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BOARD OF DIRECTORS****PROPOSED RESOLUTION**

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1. The reported net profit of 121,996 (000) RSD shall be allocated to retained earnings.
5. The Board of Directors believes that the procurement of long-term sources of financing up to 10,000,000 € will allow for a favorable modification of the structure of the sources of financing, thereby creating conditions for the distribution of dividends.

Following alignment of the governing bodies with one of the models stipulated in applicable legislation and if long-term sources of financing are increased to a level of 10,000,000 €, the competent body of the Company is hereby authorized to issue a decision on the distribution of dividends based on FY2011 final accounts, up to 30% of the reported profit.
6. Tigar AD's 2011 Financial Report, along with the 2011 Annual Report presented by the Board of Directors, the report of the independent auditor and the report of the Supervisory Board, shall be posted in their entirety on the Company's website www.tigar.com in both Serbian and English, 30 days prior to the date of the ordinary session of the Shareholders' Assembly, and shall also be available for inspection at the Company's headquarters on any business day during normal business hours.
7. Following adoption by the Shareholders' Assembly, Tigar AD's Financial Report, along with the auditors' report and the respective Resolution passed at the ordinary session of the Shareholders' Assembly, shall be submitted to the Business Registers Agency and publicly disclosed pursuant to applicable accounting and auditing regulations.

Explanatory Notes

As part of preparations for Tigar AD's ordinary annual session of the Shareholders' Assembly, the Board of Directors reviewed Tigar AD's 2009 Annual Report, and particularly the financial statements contained in this Report, and recommended to the General Assembly to adopt this Report, along with the auditors' report and the report of the Supervisory Board. The Financial Report was found to have been prepared in accordance with accounting and auditing regulations, as attested to by the opinions of the auditor and the supervisory body.

In view of the fact that Tigar AD's income statement as of 31 December 2011 reports a net profit of RSD 121,996 (000) RSD, the Board of Directors, acting within the scope of its powers, proposed the allocation of the entire net profit to retained earnings. Such allocation is consistent with the Company's financial capabilities and needs, and the retained earnings will be kept for specific purposes, primarily investments as needed by the Company. However, if long-term sources of financing are increased and conditions are created for the distribution of dividends, the competent body of the Company may issue a decision on the distribution of dividends in the aggregate amount of 30% of the profit reported in the final accounts for FY 2011.

Approving the proposal of the Board of Directors, the Shareholders' Assembly passed the Resolution as stated above.

TIGAR AD Board of Directors**s. Dragan Nikolić
Chairman**



**TIGAR AD
BOARD OF DIRECTORS**

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Pursuant to Article 592 (7) of the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11) and pursuant to Article 88 (a), (1) and (6) of the Articles of Association of the Joint-Stock Company Tigar Piro (Tigar AD), the Board of Directors of Tigar AD, being the competent body up to the time of alignment with the Companies Law, proposes to the Shareholders' Assembly to pass the following

RESOLUTION
adopting Tigar AD's 2011 Consolidated Financial Report and other reports
in connection with the Consolidated

1. The Consolidated Financial Report of Tigar AD for the year 2011, and the reports in connection with the Consolidated Financial Report, including:
 - Tigar AD's 2011 Annual Report presented by the Board of Directors,
 - The 2011 report presented by the auditor firm Deloitte d.o.o., and
 - The 2011 report presented by the Supervisory Board

are hereby adopted in their entirety.

2. According to the income statement from the Consolidated Financial Report for the January-December 2011 period, Tigar AD reported the following results:

	<u>In thousands of RSD</u>	
	<u>2011.</u>	<u>2010.</u>
OPERATING INCOME		
Sales of goods, products and services	4,296,923	4,288,191
Own work capitalized	710,666	743,239
Increase in the value of inventories	264,350	89,828
Other operating income	26,546	39,624
	<u>5,298,485</u>	<u>5,160,882</u>
OPERATING EXPENSES		
Cost of commercial goods sold	(836,916)	(902,193)
Cost of material	(1,862,687)	(1,563,187)
Staff costs	(1,770,138)	(1,611,720)
Depreciation, amortization and provisions	(177,188)	(187,982)
Other operating expenses	(638,622)	(624,515)
	<u>(5,285,552)</u>	<u>(4,889,597)</u>
OPERATING PROFIT /(LOSS)	<u>12,934</u>	<u>271,285</u>
Finance income	108,672	72,209
Finance expenses	(537,174)	(391,035)
Other income	237,660	74,505
Other expences	(57,822)	(46,648)
	<u>(235,731)</u>	<u>(19,684)</u>
PROFIT/ (LOSS) BEFORE TAXATION		
	<u>(235,731)</u>	<u>(19,684)</u>
INCOME TAXES		
- Current income tax expense	(65,456)	(31,088)
- Deferred income tax expense	(7,946)	(6,349)
	<u>(73,402)</u>	<u>(37,437)</u>
NET LOSS FOR THE YEAR	<u>(309,133)</u>	<u>(57,121)</u>

3. According to the balance sheet in the Consolidated Financial Report as of 31 December 2011, Tigar AD reported the following balance sheet items:

	2011.	<u>In 000 RSD</u> 2010.
ASSETS		
Non-current assets		
Intangible assets	547,151	398,125
Property, plant and equipment	4,521,484	4,288,114
Investment property	227,011	
Equity investments	11,819	11,819
Other long –term financial placements	41,720	45,468
	<u>5,355,759</u>	<u>4,743,526</u>
Current assets		
Inventories	2,073,287	1,823,646
Non-current assets held for sales	6,846	20,039
Accounts receivable	892,958	903,162
Receivables for prepaid income taxes	2,171	7,097
Short-term financial placements	4,765	4,986
Cash and cash equivalents	251,093	369,524
Value added tax and prepayments	301,178	327,267
Deffered tax assets	22,160	21,305
	<u>3,525,724</u>	<u>3,455,721</u>
Total assets	<u><u>8,903,643</u></u>	<u><u>8,220,552</u></u>
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	2,062,152	2,062,152
Reserves	5,418	941
Revaluation reserves	1,079,077	1,051,401
(Accumulated Loss)/Retained earnings	(167,411)	197,134
Non-controlling interest	72,688	55,169
Translation reserves	44,198	26,868
	<u>3,096,122</u>	<u>3,393,665</u>
Long-term provisions and liabilities		
Long-term provisions	84,127	83,087
Long-term liabilities	1,270,109	1,729,282
	<u>1,354,236</u>	<u>1,812,369</u>
Current liabilities		
Short-term financial liabilities	2,684,202	1,716,210
Accounts payable	1,164,507	851,145
Other current liabilities	296,432	183,926
Value added tax and other public duties payable		
And accruals	114,852	110,455
Income taxes payable	50,326	18,086
	<u>4,310,319</u>	<u>2,879,822</u>
Deffered tax liabilities	<u>142,966</u>	<u>134,696</u>
Total equity and liability	<u><u>8,903,643</u></u>	<u><u>8,220,552</u></u>

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BOARD OF DIRECTORS****PROPOSED RESOLUTION****Date: 2012-05-16**

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4. Tigar AD's 2009 Consolidated Financial Report, the Board of Directors' 2011 Annual Report (which includes results based on consolidated financial statements), the auditors' report, and the Supervisory Board's report, shall be posted in their entirety, in both Serbian and English, on the Company's web site www.tigar.com 30 days prior to the ordinary session of the Shareholders' Assembly. They will also be available for inspection at the Company's headquarters on any business day during normal business hours.
5. Following adoption by the Shareholders' Assembly at its ordinary session, the Consolidated Financial Report, along with the auditors' report and the General Assembly's Resolution, shall be submitted to the Business Registers Agency and publicly disclosed pursuant to applicable accounting and auditing regulations.

Explanatory Notes

Tigar AD's 2011 Consolidated Financial Report has been prepared in accordance with applicable accounting and auditing regulations.

The Company's Board of Directors has adopted the 2011 Annual Report and the 2011 consolidated result contained therein.

Tigar AD's auditors Deloitte d.o.o. have audited the consolidated financial statements and issued a report which includes their opinion.

The Supervisory Board has also reviewed the 2011 consolidated financial statements and issued a positive opinion concerning the accuracy and objectivity of the accounts of 2011 consolidated financial results.

A continued growth of operating income was noted with approval; it is indicative of a positive trend, regardless of the current financial result which depended on many internal and external factors during the period.

Based on the 2011 consolidated result, the 2011 consolidated performance and conditions reported in the Annual Report, the auditors' report and opinion, and the Supervisory Board's 2011 report, the General Assembly approved these reports in their entirety, on recommendation of the Board of Directors, and passed the Resolution as set out above.

TIGAR AD Board of Directors

s. Dragan Nikolić
Chairman

**Tigar**®**TIGAR AD
BOARD OF DIRECTORS****PROPOSED RESOLUTION****Date: 2012-05-16**

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

**RESOLUTION
on the appointment of Tigar AD's independent auditors**

1. Deloitte d.o.o. from Belgrade and EKI Revizija d.o.o. from Belgrade are hereby appointed as independent auditors of Tigar AD and its subsidiaries for the year 2012.
2. The roles and powers of the auditors identified in Article 1 above shall be as conferred by the law which regulates accounting and auditing.
3. This Resolution enters into force on the date it is passed.

Explanatory Notes

Pursuant to the Companies Law, a joint-stock company is required to have an independent auditor who is appointed by the Shareholders' Assembly.


The function, rights and obligations of the independent auditor are defined by accounting and auditing regulations.

The firm Deloitte d.o.o. from Belgrade is a reputable auditing firm that belongs to the "big four" internationally recognized auditing firms, which the Board of Directors of Tigar AD has selected to recommend to audit the Company's FY2012 financial statements, having reviewed several bids for the provision of this service and taking into account the positive opinion in this regard of the Supervisory Board. The selection of Deloitte was also supported by the fact that this auditing firm has been providing auditing services to Tigar for many years, that it is familiar with the business operations of Tigar and its subsidiaries, and that the international reputation of this firm is important to Tigar in its international transactions and as a company listed on the Prime Market of the Belgrade Stock Exchange. Deloitte is also nominated because it is acceptable in any domestic or international high-value transactions.

In accordance with the provisions of the Capital Market Law, the appointment of another auditor is proposed, which is standard international practice. EKI Revizija was founded by the University of Belgrade/Graduate School of Economics and its references include renowned companies.

Approving the recommendation of the Board of Directors, the General Assembly passed this Resolution on the appointment of independent auditors.

TIGAR AD Board of Directors**s. Dragan Nikolić
Chairman**

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

R E S O L U T I O N
adopting the Articles of Association of Tigar AD

1. The Articles of Association, as appended hereto and constituting an integral part hereof, are hereby adopted in their entirety.
2. The Articles of Association are adopted for purposes of alignment with the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11).
3. This Resolution enters into force on the date it is passed.

Explanatory Notes

Tigar AD is required to align with the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11), including its Articles of Association whose content and substance are governed by Articles 265 and 592 of the said Law.

On recommendation of the Board of Directors, towards such alignment, the Articles of Association as appended hereto are adopted.

In conformity therewith, the Resolution stated above was passed.

TIGAR AD Board of Directors

s. Dragan Nikolić
Chairman

**Tigar**®**TIGAR AD
BOARD OF DIRECTORS****PROPOSED RESOLUTION****Date: 2012-05-16**

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

**RESOLUTION
adopting the Bylaws of Tigar AD**

1. The Bylaws of Tigar AD, as appended hereto, are hereby adopted in their entirety.
2. The Bylaws of Tigar AD are adopted for purposes of alignment with the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11).
3. This Resolution enters into force on the date it is passed.

Explanatory Notes

Tigar AD is required to align with the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11), including its Bylaws whose content and substance are governed by Articles 246 of the said Law. Such alignment is reflected in the new Bylaws, which were drafted and proposed by the Board of Directors and constitute an integral part of this Resolution.

In conformity therewith, the Resolution stated above was passed.

TIGAR AD Board of Directors**s. Dragan Nikolić
Chairman**

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

**RESOLUTION
on the election of the Supervisory Board of Tigar AD**

1. The following individuals are hereby elected to serve on the Supervisory Board of Tigar AD:
 1. **Dragan Nikolić**
 2. **Vladimir Nikolić**
 3. **Gordana Lazarević**
 4. **Tihomir Nenadić**
 5. **Jose Alexandre F. da Costa**
2. The term of office of this Supervisory Board shall be four years.
3. The Supervisory Board shall exercise its rights and perform its duties in accordance with applicable legislation and internal documents of the Company which regulate the status, function, scope, competences, proceedings and decision-making of the Supervisory Board.
4. This Resolution enters into force on the date it is passed.


Explanatory Notes

As part of alignment with the Companies Law (Official Gazette of the RoS, nos. 36/11 and 99/11), Tigar AD, as an open joint-stock company, is required, *inter alia*, to elect new bodies.

Given that in its internal document – the Bylaws – Tigar opted for the bicameral management model, the Supervisory Board is elected to supervise the achievement of the Company's business objectives and, in this regard, to provide oversight of the performance of the Company's executive directors, to provide internal supervision of the Company's operations, and to perform the other duties and tasks which fall within its competence.

The proposed candidates for the Supervisory Board are experienced in performing similar functions as independent and non-executive members of the previous Board of Directors. Their work has been recognized with approval, as they have participated in the making of management decisions which have successfully directed the Company's business operations. This is the main reason for their election to serve on the Supervisory Board during the said period, to ensure a continuation of the Company's business policies which have ensured good operating results.

TIGAR AD Board of Directors**s. Dragan Nikolić
Chairman**

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

R E S O L U T I O N
**approving the Remuneration and Reward Policy for the Supervisory Board
and the committees of the Supervisory Board of Tigar AD**

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

Explanatory Notes

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


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

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

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

TIGAR AD Board of Directors

s. Dragan Nikolić
Chairman

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

R E S O L U T I O N
adopting elements of the 2012-2014 Business Plan of Tigar AD

1. The elements of the Business Plan of Tigar AD for the period from 2012 to 2014 are hereby adopted.
2. The significant elements, which are appended hereto and constitute an integral part hereof, include:
 - Planned sales volume during the period,
 - Planned production output during the period,
 - Planned capital expenditures during the period,
 - Planned workforce during the period,
 - Planned overall indebtedness during the period,
 - Consolidated income statements for the period, and
 - Consolidated balance sheets for the period.

Explanatory Note

This document establishes the groundwork of the 2012-2014 Business Plan in all segments of operations. The documents sets forth the business policies, strategies and objectives of the Company during the next three years. Their implementation will be the responsibility of executive directors, with the Supervisory Board providing oversight.

TIGAR AD Board of Directors

s. Dragan Nikolić
Chairman

