



PROPOSAL FOR THE DECISION ACCORDING TO ITEM 4 OF THE AGENDA

Pursuant to Article 441 paragraph 1 item 15 of the Companies Law (Official Gazette of the RS, nos. 36/11, 99/11, 83/14 and 5/15) and to Article 49 paragraph 1 item 7 of the By-Laws of the Joint Stock Company Tigar Pirot, the Supervisory Board of the Joint Stock Company Tigar Pirot, on its session held on 17 May 2016 proposes to General Assembly to make, on its session scheduled for 22 June 2016, the following:

DECISION

on amendments and supplements of the Joint Stock Company Tigar By-Laws

- 1) It is hereby determined the proposal of Amendments and Supplements of the By-Laws of the Joint Stock Company Tigar Pirot as of 20.06.2012 having the following content:

Article 1

Article 17 paragraph 1 of the By-Laws gets amended and now reads as it follows:

“Total basic capital of the Company amounts to RSD 642,704,040.00.“

Total basic capital of the Company is divided to 1,718,460 issued and registered ordinary shares of class D.

All shares are shares of the same class. Shares of the Company are ordinary, issued to bearer (holder) and they are transferable due to the positive regulations.

Nominal value of the every ordinary voting share of one class in the capital of the Company is amounted to RSD 374.00.

Article 2

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

“All issued shares of the Company are ordinary shares and they are issued to bearer (holder); the number of votes per share is one; the nominal value per share is RSD 374.00 (three hundred and seventy-four dinars) and the designation of the shares is: CFI Code ESVUFR, and ISIN number RSTIGRE55421. “

Article 3

Article 26 paragraph 3 of the By-Laws amends and now reads:

“Any decision for issuing 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

Article 34 paragraph 1 item 2 of the By-Laws amends and now reads:



**Joint Stock Company TIGAR Pirot
SUPERVISORY BOARD**

MATERIAL FOR THE SESSION OF THE GENERAL ASSEMBLY

2016-05-17

List/Lists: 2/4

“2. Basic capital increases and decreases, and every issue of shares, except in the case of authorized capital.”

Article 5

Article 42, after the paragraph 2 the new paragraph 3 will be added, reading as it follows:

“Signatures of shareholders – individuals on the prescribed Proxy form must not be verified in accordance with the applicable law governing the verification of signatures.”

Current paragraphs 3, 4, 5 and 6 are becoming paragraphs 4, 5, 6 and 7.

Article 6

Article 49 paragraph 1 item 9 of the By-Laws reading:

“9. Issuing of bonds and other securities as provided for under the Law and these Bylaws”– to be deleted

Article 7

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

“9. Determining the issue price of shares and other securities as provided under the Article 260, paragraph 2 of the Companies Law and under the Article 263 paragraph 2 of the Companies Law.”

Current paragraphs 11, 12, 13, 14, 15, 16, 17 and 18 are becoming paragraphs 10, 11, 12,13, 14, 15, 16 and 17.

Article 8

Article 50 paragraph 5 of the By-Laws reading as it follows

“The Chairman of the Supervisory Board shall represent the Company in the relation with the executive directors (members of the Executive Board) and shall have other powers as provided with the law, these Bylaws and other documents of the Company” – to be deleted.

Article 9

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

“Number of executive directors, their appointing and dismissal

Article 60

The Company has 5 (five) executive directors forming the Executive Board:

- Executive Director for corporate management
- Executive Director for finances and accounting



**Joint Stock Company TIGAR Pirot
SUPERVISORY BOARD**

MATERIAL FOR THE SESSION OF THE GENERAL ASSEMBLY

2016-05-17

List/Lists: 3/4

- Executive Director for production processes, development and investment
- Executive Director for commercial activities and marketing
- Executive Director for support of business activities

Executive directors are appointed by the Supervisory Board of the Company at the proposal of the Nominating Committee. “

Article 10

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

“Executive directors shall give a report in writing to the Supervisory Board in accordance with the Law on Companies (Article 431 and relative application of Article 416).“

Article 11

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

“3. Representing the Company. “

Article 65 paragraph 1 item 5 of the By-Laws amends and now reads:

“5. Appoint and dismiss members of governing bodies of all subsidiaries (performing the duties which fall within the competence of the General Assembly of the respective subsidiary), or representatives of the Company in bodies and institutions on different grounds.“- to be deleted

Current paragraphs 6, 7, 8, 9 ,10 and 11 are becoming paragraphs 5, 6, 7, 8, 9 i 10.

Article 12

Article 73 of the By-Laws is amended 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 person responsible for internal monitoring of operations must meet the requirements for an internal auditor in accordance with the law governing the accounting and auditing procedures; must be employed by the Company and perform only internal control and can not be a director or member of the Supervisory Board.

The individual of the preceding paragraph shall be appointed by the Supervisory Board on the proposal of the Audit Committee.

The person who manages the affairs of internal control must meet the requirements in terms of professional and technical knowledge and experience that make him/her eligible for this function, which are provided by the special act of the Company.

 Tigar ®	Joint Stock Company TIGAR Pirot SUPERVISORY BOARD
MATERIAL FOR THE SESSION OF THE GENERAL ASSEMBLY	2016-05-17 List/Lists: 4/4

The person who manages the affairs of internal control is appointed by the Supervisory Board on the proposal of the Audit Committee.

Other individuals engaged to perform internal supervision duties do not need to fulfill the criteria prescribed for the internal auditor pursuant to the law which regulates accounting and auditing. Such individuals are engaged in compliance with the conditions provided by the act on organization and systematization of jobs in the Company.”

Article 13

Article 76 paragraph 2 of the By-Laws is amended and now reads:

„The acquisition or disposal as contemplated in this article includes the acquisition or disposal of assets in any manner in accordance with Article 470 of the Companies Law.”

2. This Decision must be directed to the General Assembly for consideration and adoption.

E x p l a n a t i o n

By-Laws of the Joint Stock Company Tigar was adopted at the session of the General Assembly as of 20 June 2012 and aimed for the harmonization of the Company with the provisions of the Companies Law (Official Gazette of RS, nos. 36/11, 99/11, 83/14 and 5/15).

The proposed amendments and supplements to the By-Laws on some issues: competence to decide on issuance of other securities - debentures, exclusions of obligation of signatures verification of the shareholders on the proxy for the voting, organization of internal control, etc., shall be further harmonized with the Companies Law, such as listed issues are dealt with in accordance with the legal provisions in this field.

By amendments and supplements to the provisions about the number of executive directors and in accordance with the needs of the Company that is in the reorganization process in accordance with the Prepackaged Plan of reorganization, this area shall be governed in a different way compared to existing regulations in the By-Laws (the number of executive directors will be reduced for certain areas that form the Executive Board).

By amendments and supplements to the provisions about the value of the share capital and the nominal value of shares, the provisions of the By-Laws are adjusted with the new values after the reduction of share capital in accordance with the law.

This is the essence of amends and supplements of the By-Law, which was fully adopted by the Supervisory Board and directed to the General Assembly for consideration.

**Chairman of the Supervisory Board
Nebojsa Petrovic**