



Pursuant to Article 282 (4) (1) of the Companies Law (Official Gazette of the RoS, nos. 36/2011 and 99/2011) and pursuant to Article 49 (1) (12) of the Bylaws of JSC Tigar, Nikole Pašića 213, 18300 Pirot (hereafter: the Company), the Supervisory Board of the Company issued on 28 November 2012 the following:

**DECISION
ON THE ACQUISITION OF TREASURY SHARES IN THE REGULATED MARKET**

1. The Company has issued a total of 1,718,460 ordinary voting shares, whose nominal value is 1,200.00 RSD per share, or a total of 2,062,152,000 RSD. The shares are registered at the Central Securities Repository and Clearing House and identified by the CFI code ESVUFR and ISIN number RSTIGRE55421.
2. The Company shall purchase and acquire treasury shares up to 5% of the total issued stock, or a maximum of 85,923 shares.
3. The Company shall acquire the said treasury shares in the regulated market – the Belgrade Stock Exchange – with the goal of averting adverse developments in the securities market and preventing considerable and direct damage to the Company. The shares acquired in this manner shall not carry any voting rights at the Shareholders' Assembly, shall not be included in the decision-making quorum, and shall not entitle to dividends.
4. The Company shall acquire the treasury shares at prices synchronized with market conditions on the Belgrade Stock Exchange.
5. Decisions regarding the volume and price at which the Company is to acquire the treasury shares shall be made by the Chief Executive Officer – Jelena Petković, based on public information on the trading of the Company's shares on the Belgrade Stock Exchange and in accordance with the Company's financial capability, provided that the price at which the shares are to be acquired shall not be less than 0.10% P/B or greater than 0.4% P/B per share during a period of 2 (two) years.
6. The Company shall acquire the treasury shares in one or several cycles, depending on market developments. The Company shall continue to acquire treasury shares until the reasons identified in Article 3 of this Decision no longer exist, or until the threshold identified in Article 2 of this Decision is reached, during a period not longer than 2 (two) years after the date of this Decision.
7. The Company shall dispose of or cancel all the treasury shares acquired under this Decision not later than within one year after the date of acquisition.
8. The Executive Committee shall check and ensure that each acquisition of treasury shares complies with the conditions stipulated in Article 282 (2) (2-4) of the Companies Law and produce a written report thereon.



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9. The Executive Committee is required to inform the shareholders at the next session of the Shareholders' Assembly about the reasons for and the method of acquisition of the treasury shares, the number and total nominal value of such shares, their proportion relative to the share capital of the Company, and the total amount the Company has paid for the shares.
10. This Decision enters into force on the date it is issued.

Explanatory Notes

In the opinion of the Supervisory Board, the current price of JSC Tigar stock does not reflect the fair value of the Company. The Supervisory Board is convinced that the present volatility of the financial market is of a temporary nature but that it might produce adverse consequences, not only vis-a-vis the Company but its shareholders as well. Therefore, the above Decision on the acquisition of treasury shares in the regulated market is taken in order to protect the interests of the Company and the shareholders, and with the goal of implementing the Company's business development plans and averting any direct and substantial damage to the Company and the shareholders.

During the past six months, the price of the Company's stock has continuously declined, from 450.00 RSD six months ago to 190.00 RSD per share on 20 November 2012.

The Supervisory Board believes that the acquisition of treasury shares on the Belgrade Stock Exchange is justified and necessary if the share price drops below 0.4 P/B (price-to-book ratio). Any ratio lower than that does not realistically reflect the performance of the Company, its market position, the resources at its disposal or its business plan for the upcoming period. The stock price on 20 November 2012 was well below the said 0.4 P/B and amounted to 0.11 P/B.

In accordance with the above, the Company is seeking to prevent any further decline in the share price through the acquisition of treasury shares, as this decline might continue as a result of adverse developments in the domestic financial market.

**JSC TIGAR
SUPERVISORY BOARD**

**Dragan Nikolić
Chairman**