

**QUESTIONNAIRE
ON ISSUERS CORPORATE MANAGEMENT PRACTICES**

Business name:	TIGAR AD Pirot
Registered address:	213, Nikole Pašića Str.
Corporate ID number:	07187769
Fiscal ID number:	100358298

Instructions for completing the Questionnaire:

- To asked question, in addition to YES/NO answer, it is necessary to more closely describe the circumstances under which certain answers are given.
- If the information source for the answer to a question is an act of the corporation that is publicly available, it is necessary to specify the place or site on which one can have access to such file (for example, web page), and in case such act is not published, there should be specified the its name, numer and the body of the companythat has enacted it.
- If the source of information for the given answer is the common practice of the company, it is necessary to illustrate the same by specifying the specific example based on which such answer was formulated.

1. Has the company adopted its own code of corporate governance, or it accepted another application of the code of corporate governance?	
answer	Yes, the Company has adopted in 2005 its own Code of Corporate Governance.
Web page on which is publically available the text of the Code of Corporate Governance applied by the Company:	Code of Corporate Governance may be downloaded from the Company's website www.tigar.com
2. Are the principles of the Code of Corporate Governance applied by the Company included within the internal acts of the Company and easily accessible to all stakeholders?	
answer	Yes
the most important documents that deal with corporate governance issues, and the way their accessibility is provided	The issues related to corporate governance are considered in the By-Laws of the Company Tigar a.d, as well as in the Rules of Procedure of Supervisory and Executive Boards of the Company.
4. Does the Company, in accordance with the Article 368 of the Company Law, publishes within its annual reports the compliance of business operations with the principles of corporate governance and therefore explains eventual deviations from them?	
answer	Yes
GENERAL ASSEMBLY AND SHAREHOLDERS	
5. Does the invitation for the General Assembly of the Company contains all the prescribed elements and information including the date of shareholders with data on shareholders' rights to participate in the work of the General Assembly and in proposing Agenda, and deadlines for their usage, as well as description of procedures for voting by Proxy, absentee ballots cast or electronically?	
answer	Invitation for the sessions of General Assembly contains all the prescribed elements and necessary information.
6. Is the invitation to the meeting of General Assembly, with all the relevant explanations and announcements, instantly after being sent to stockholders, submitted to Stock Exchange for publication on the regulated market or MTP Belex?	
answer	Yes. The session material is submitted to shareholders, Stock Exchane and publishes at the website of the Company at the latest 30 days before the holding of the General Assembly meeting.
Specify whether and in what time period after sending the invitation to shareholders, the same gets submitted to the Stock Exchange for publication in 2012.	Agenda and decision proposals for the annual General Assembly are being submitted to the Stock Exchange parallelly with their sending to shareholders, and they were published on the BSE website on 21. 5. 2012.
7. Are the materials for the General Assembly meeting available on the website of the Company?	
answer	Yes. At least 30 days before the holding of the General Assembly, the session material gets published at Company's website.

Indicate how the materials for General Assembly are available to shareholders if not available on Company website	Material for General Assembly is submitted to shareholders by post within legal time, at latest 30 days before holding the session and is also available for inspection at the seat of the Company.
8. Has the company established some of the legal possibilities of e-participation in the work of General Assembly, and if so, how?	
answer	The Company has established all the forms of participation in the work of General Assembly provided by the law.
9. Does the Company publishes decisions and Minutes from the sessions of General Assembly – immediately or in prescribed terms after the holding of GA meeting?	
answer	Yes, on Company website are published decisions and Minutes from GA, and decisions in form of report on significant event are published in daily newspaper.
List the ways in which the Company enabled the informing of shareholders and public on mentioned issues in 2012.	Made decisions and respective Minutes are published on Company website and on website of BSE. After GA session, passed decisions are also being published in daily newspaper <i>Politika</i> .
10. Are session materials – decisions and other relevant documents related to General Assembly of the Company also done and published in English language?	
answer	All the documents related to General Assembly are also published in English language.
11. Has the Company adopted the Rules of Procedure on the work of the General Assembly, and does this document or some other Company act contain rules and procedures that ensure shareholders to receive timely answer to all relevant questions from the scope of GA of the Company?	
answer	Yes – Within the Rules of Procedure on the work of General Assembly of the Joint Stock Company Tigar Pirov are defined principles of work of the GA and is ensured that shareholders receive answers to all relative questions.
State whether the Company has provided and in what manner to keep all shareholders informed in continuity with such rules and procedures.	There is a department for investors' relations within the Company, which is in constant communication with shareholders and considers, among other, these issues as well.
12. Does the Company have a clearly defined dividend policy and procedures and deadlines for its payoff?	
answer	Supervisory Board defines the dividend policy at annual level.
13. Has the Company issued shares in previous year with limitation of shareholders preemptive rights for new emissions of Company shares?	
answer	No, the Company did not issued shares, and the institute of preemptive rights is included into the Company By-Laws.
14. Is there established a mechanism for prevention of eventual conflicts between shareholders and the Company?	
answer	Yes
Specify the manner in which the shareholders are informed on this procedures	Shareholders are acknowledged with that through the Code of Corporate Governance which is published on Company website.
15. When electing Board members, does the General Assembly has comprehensive information on the candidates, especially the information about the existence and nature of the relationship with the company and its related parties, companies with competing activities and major business partners of the company?	
answer	Yes, the principle of proposing the Supervisory Board members is their independence in relation to company business, which is presented on the occasion of the GA, where are available comprehensive information on proposed candidates.
16. Is there enabled the realization of the shareholders' right to participate in the work of General Assembly and decision-making without restrictions?	
answer	Yes, they are given the access to all documents as well as participation on the General Assembly based on principle "one share one vote".
Specify the manner on which is caused the participation of shareholders on the GA session (example: number of shares they own)	Right to participate in the work of General Assembly have all the shareholders of the Company on a day determined by Supervisory Board as a Shareholders' Day, holding at least 0,1% of the total number of shares, or collect authorization for 0,1% of shares.
COMPANY BOARD AND EXECUTIVE DIRECTORS	
17. What is the established managing system in the Company?	
unicameral – Board of Directors (specify data on board composition, with note: executive, non-executive and independent directors, as well as	

data on Board Chairman)	
bicameral – specify members of Supervisory Board with note: independent member, Chairman of Supervisory Board)	Bicameral managing system: Dragan Nikolic, BoD Chairman Gordana Lazarević, independent member Tihomir Nenadić, independent member Alexander de Costa, independent member Vladimir Nikolić, independent member
18. Is by Company acts more precisely determined the competence of the Board of Directors, i.e., Supervisory Board of the Company?	
answer	Yes. Competence of the Board of Directors and of the Supervisory Board is more precisely defined by Company By-Laws, and the key principles of their work are also determined by the Code of Corporate Governance.
19. Do the Company acts determine the criteria by which are defined required expert and professional knowledges and experiences, and other conditions for their appointment as board members?	
answer	These issues are regulated by the Company Law. The By-Laws of the Company, Code of Corporate Governance and Rules of Procedure of the Supervisory Board also define key requirements that should fulfil persons, members of Company's board.
20. Does the board of the Company at least once a year analyze and appraise the quality and efficiency of its work, and therefore proposes measures and actions for their improvement and respectively advise shareholders on such actions and measures?	
answer	Yes, question of quality and efficiency of the work of Supervisory Board is considered and analyzed on its sessions when are also contemplated measures that can improve the efficiency of its work.
21. Are independent directors, i.e., independent members of the Supervisory Board obliged and in which manner inform the company and shareholders on all the changes that may affect their status with respect to independence?	
answer	Members of Supervisory Board are liable to inform the Supervisory Board on changes in their status, and the company then informs the public in their periodical reports.
22. Has the General Assembly of the Company adopted the transparent and publicly available remuneration policy for members of the Company's board and does the height of their remuneration depends on their contribution in achievement of the financial and non-financial results and business goals of the Company?	
answer	Yes, the policy of determining remunerations for Supervisory Board members is adopted by shareholders on regular annual General Assembly.
23. Does the board of the company, besides the legally required audit committees has also formed other committees, or other professional advisory bodies?	
answer	Yes
Specify the name of committees, i.e., bodies formed, with the number of members and description of assigned jobs, as well as company acts by which such bodies were formed and their competencies regulated.	Appointing Committee Remuneration Committee Audit Committee
24. Are the remunerations paid to Committees' members comprised by the policy of remuneration of the board members, i.e., determined within the frames defined by General Assembly?	
answer	Yes
25. Do company acts clearly define authorizations and responsibilities of executive directors?	
answer	Yes
Specify company acts which govern these issues. In companies with unicameral management system – specify in what manner and by which acts are distinguished jobs and authorizations between executive and non-executive directors. In bicameral management system – specify whether is formed the Executive Board.	Executive Board of Tigar a.d. is formed by the Supervisory Board. Competences and responsibilities of Executive Board are defined within the Rules of Procedure on the work of Executive Board as well as by the Company By-Laws.
26. Do company acts determine criteria which define required expert and professional knowledges and experiences, as well as other conditions for appointment of an individual as executive director?	

answer	Yes
27. Is there established and conducted in Board of Directors or in Supervisory Board (in companies with bicameral management system) the document on evaluation of the work of executive directors?	
answer	Yes, Supervisory Board periodically revises the work of executive directors.
28. Do the remunerations of Executive Board members consist of fixed and variable part (bonuses, incentives and other) depending on the contribution to the achievement the financial and non-financial results and business goals of the company?	
answer	Yes, remuneration to the members of the Executive Board is determined that way.
29. Does the Company has the established and efficient mechanisms for providing truthful, timely, comprehensive and equal reporting of company's members by executive directors, i.e., in what manner is regulated the procedure of reporting the non-executive directors, or members of Supervisory Board - on all the issues that affect the business, financial position and eventual risks related to company's assets?	
answer	All the relevant issues of importance for the business, financial position and eventual risks are considered on Supervisory Board sessions, in which work also take part - as rapporteurs, executive directors, if events in some of the aspects of the business dictate the need for that.
30. Do executive directors report the Board of the company on issues addressed in article 416 of Company Law, especially in terms of giving qualitative opinions and analysis of significant issues that have determined the business operations of the company during reporting period, with the perception and analysis of important risks and future long-term and short-term prospects of the company?	
answer	Yes
Specify the issues on which is realized the reporting of company's boards	Reporting of company's boards is realized in all the relevant area of business, and during 2012 it mainly addressed on the functioning of the company's financial system, production status and company's market positioning.
31. Is in company organized a function of the Company Secretary, and if so, specify more closely his/her duties and responsibilities?	
Answer: Yes	Company secretary has the following duties: - monitoring of legal regulations - responsible for preparation and conduct of General Assembly, Supervisory Board and Executive Board sessions - responsible for keeping a register of Minutes from sessions of GA, Supervisory Board and Executive Board - responsible for keeping and maintenance of documents determined by the By-Laws
SUPERVISION AND CONTROL	
32. Is there formed a Audit Committee within the Company?	
answer	Yes
Specify the composition of the Audit Committee, and if its Chairman is independent director/member of Supervisory Board; and if at least one member of A.Committee is the certified auditor appointed by General Assembly of the company?	Gordana Lazarević Alexander de Costa Nada Tošić
33. Has the company formed bodies. i.e., appointed persons that perform jobs related to internal supervision?	
answer	Yes, Internal auditor
Specify the act of the company by which are regulated these issues and indicate conditions for the appointing of persons to manage such affairs and information on such person whom meets requirements prescribed for the position of internal auditor in accordance with the law	These issues are regulated by the Rules of Procedure on Internal Revision, and are managed by certified internal auditor.
34. Do the company acts more closely define the issues from the article 452 of the Company Law?	

answer	
Specify in what manner are regulated mutual rights and liabilities of persons in charge for internal audit and the Audit Committee, especially in the part of reporting	Functionally reports the Audit Committee.
35. Are there defined and in which level of the company, the mechanisms and rules for the implementation of supervision and control, and indicators that particularly should address the need of performing the preventive internal supervision and audit?	
answer	In company exist and are applied defined mechanisms and rules for the implementation of supervision and control, as well as indicators based on which is carried out preventive supervision and audits.
36. Does the system of internal control include activities relating to insider information?	
answer	System of internal control involves activities relating to insider information.
37. Does the external auditor of the company inform the Audit Committee on issues set forth in Article 453 of the Company Law?	
answer	During the elaboration of the questionnaire, the external auditor has not completed yet the audit of the annual financial statement.
Specify in what manner is arranged the communication of external auditor with the Audit Committee	
38. Does the external auditor also prepare a separate internal document for the board of the company (letter to management) which comprises important weaknesses identified in control procedures, accounting and operative proceedings of the company, with respective suggestions for their improvement?	
answer	Yes
39. Does the external auditor take part in sessions of General Assembly on which are being considered reports on conducted audit of company's financial statements?	
answer	Yes
TRANSPARENCY AND PUBLIC	
40. Does the Company have a clearly defined and publicly available reporting policy which defines principles, rules and procedures of reporting shareholders, competent bodies, public and all interested parties?	
answer	The policy of reporting shareholders is determined by the Code of Corporate Governance, chapter "Disclosure and transparency", as well as by the Agreement on inclusion and organization of securities trading on the BSE listing
41. Does the company publishes business reports with the report of external auditor in accordance with the law, by-law and regulations of Stock Exchange?	
answer	Yes. According to legislation, Business reports with the report of external auditor are published at company website www.tigar.com/docs/izvestaji , as well on those of the Stock Exchange and Securities Commission.
42. Do the business reports of the company include all the elements prescribed by the law, especially the one set by article 289 of Company Law and article 50 of Law on Capital Market?	
Response to include all elements from aforementioned articles	Yes. The business report for 2011 was published in accordance with Company Law and Law on Capital Market.
43. Does the Company, in addition to information prescribed by Law on Capital Market, determine and promptly publicly disclose other data that may affect the share price and status of shareholders?	
answer	Yes
Specify the information on published data in compliance with Law on capital Market (example – changes in significant participation in capital; acquiring/alienation of own shares et.c.), as well as other data important in relation to price (example – business news, shareholders agreements, court procedures for contesting Assembly decisions et.c.)	<p>Company regularly publishes all the relevant information in compliance with Law on Capital Market, as well as other data that may impact the price.</p> <p>On Company website, in section for investors are contained all the reports on significant events which are also disclosed to BSE and Securities Commission and there is published as well the Annual document on published information.</p>

44. Are publicly available updated information on company insiders with data on share number/percentage of share in the company?	
answer	Interim reports contain information on the number of shares and eventual acquiring within reporting period – for members of Supervisory Board.
Specify which information are available and where are they publicly disclosed	
45. Does the Company publicly disclose biographical information on Board members, executive directors, members of Audit Committee and individuals in charge for internal audit?	
answer	Company publicly disclose biographical information on board members.
Specify where the data have been published	http://www.tigar.com
46. Does the Company publicly disclose information on transactions with related parties and transactions with persons and parties connected with them with special powers in company?	
answer	Yes
Specify where the data were published	Data on transactions with related parties and transactions with persons and parties connected to them shall be published as part of the interim report on business operations.
47. Does the Company inform the public on particularly paid remunerations and other financial and non-financial rights and benefits realized by holders of management and supervision functions, as well as by members of Company's Committees?	
answer	In the periodical report on business operations which is publicly available as well as within the session for the General Assembly, that is being submitted to shareholders and is also available on corporate website – are published data on remunerations and other financial and non-financial benefits.
Specify where the data are published	www.tigar.com
48. Does the Company uses its own website for the publication of all the relevant information?	
answer	Yes
Specify the web address	www.tigar.com
49. Is the internet website of the company organized in a manner to enable simple access to information significant for investors?	
answer	Yes
Specify the manner in which is organized the informing of investors (example – is there organized special content for investors on Company website, which can accessed from the home page of the Company)	Within the corporate site is organized a special section – Investor Relations, that is easily available. Parallely with that, investors are enabled to monitor the trading via teletrader.
50. Are all relevant investment information published in the English language?	
answer	Yes

DECLARATION – It is hereby declared that the following people have agreed with answers given in this Questionnaire (circle):

- 1) All executive directors and members of Supervisory Board of the Company,
- 2) All members of the Executive Board of the Company (executive and non-executive directors),

and that answers to questions from this Questionnaire are true and correct at their best knowledge and therefore agree that they can be made public on the website of the Belgrade Stock Exchange a.d. Belgrade.



name and surname of
legal representative
(signature)