



Pursuant to the Article 335 and 365 of the Company Law (Official Gazette of the Republic of Serbia, No. 36/2011 and 99/2011), Article 65 of the Law on the Capital Market (Official Gazette of the Republic of Serbia, No. 31/2011), Article 8 of the Articles of Association of the Company for Exploration, Production, Refining, Distribution and Sale of Crude Oil and Petroleum Products and Exploration and Production of Natural gas "Naftna industrija Srbije" j.s.c. Novi Sad (hereinafter: the Company or NIS j.s.c. Novi Sad), No. 70/IV-12a dated 25 June 2012 (hereinafter: Articles of Association) and the Decision No. 85/4-3 of NIS j.s.c. Novi Sad Board of Directors on convening the 5<sup>th</sup> Regular Meeting of the Shareholders' Assembly of NIS j.s.c. Novi Sad adopted on 14 May 2013, the following

**INVITATION  
TO THE 5<sup>th</sup> REGULAR SHAREHOLDERS' ASSEMBLY OF  
NIS J.S.C. NOVI SAD**

(hereinafter: Invitation)

is hereby announced.

Dear Shareholders,

We hereby announce that the 5<sup>th</sup> Regular Meeting of Shareholders' Assembly of NIS j.s.c. Novi Sad shall be held on Tuesday, 18 June 2013 at 12 p.m. at the NIS Business Centre, 1 Milentija Popovica St., Belgrade, in the conference room 332 on the 3<sup>rd</sup> floor.

1) With respect to the 5<sup>th</sup> Regular Meeting of Shareholders' Assembly of NIS j.s.c. Novi Sad, the Board of Directors has established the following

**Agenda:**

1. Appointment of the Chairman at the 5<sup>th</sup> regular Shareholders' Assembly Meeting of NIS j.s.c. Novi Sad.

2. Adoption of the Minutes of the 4<sup>th</sup> regular Shareholders' Assembly Meeting of NIS j.s.c. Novi Sad, dated 25 June 2012.
3. Approval of NIS j.s.c. Novi Sad Reports for 2012:
  - NIS j.s.c. Novi Sad financial statements for 2012;
  - NIS j.s.c. Novi Sad consolidated financial statements for 2012;
  - The report on completed audit of NIS j.s.c. Novi Sad financial statements for 2012;
  - The report on completed audit of NIS j.s.c. Novi Sad consolidated financial statements for 2012 and
  - NIS j.s.c. Novi Sad Annual Report for 2012.
4. Adoption of the Reports of the Board of Directors of NIS j.s.c. Novi Sad:
  - Annual Report of the Board of Directors of NIS j.s.c. Novi Sad on accounting practice, financial reporting practice and compliance with the law and other regulations; and
  - Report on the evaluation of the activities of the Board of Directors of NIS j.s.c. Novi Sad for the period from May 2012 through April 2013.
5. Adoption of the Information on approval of transactions involving personal interest for the period from May 2012 through March 2013.
6. Adoption of the Report of the Shareholders' Assembly Board for Supervising Business Operations and Reporting Procedure to NIS j.s.c. Novi Sad shareholders:
  - Activity Report for 2012 and 2013;
  - Report on the implementation of the Expenditure Plan (Budget) for 2012 and 2013.
7. Adoption of Decision on the appointment and remuneration of the auditor of the Financial Statements and the Consolidated Financial Statements of NIS j.s.c. Novi Sad for 2013.
8. Adoption of the Decision on the profit distribution for 2012, dividend payment and determination of the total amount of retained earnings of NIS j.s.c. Novi Sad.
9. Adoption of the Remuneration Policy for the members of the Board of Directors and members of NIS j.s.c. Novi Sad Board of Directors' Committees.
10. Dismissal of the members of NIS j.s.c. Novi Sad Board of Directors.
11. Appointment of members of NIS j.s.c. Novi Sad Board of Directors.
12. Dismissal and appointment of members of the Shareholders' Assembly Board for Supervising Business Operations and Reporting Procedure to NIS j.s.c. Novi Sad shareholders;
  - Approval of the Expenditure Plan (Budget) of the Shareholders' Assembly Board for Supervising Business Operations and Reporting Procedure to NIS j.s.c. Novi Sad shareholders for 2013 and 2014.

2) The Shareholders' Assembly deliberates on all items of the Agenda to be voted by the Company shareholders, holders of ordinary shares of NIS j.s.c. Novi Sad. The total number of shares held by shareholders with voting rights is 163.060.400.

3) Pursuant to Article 358 of the Company Law, decisions of the Shareholders' Assembly are adopted by simple majority of votes of present shareholders with voting rights in relation to the relevant issue, with the following exceptions:

- Decisions referred to in Item 3 of the Agenda pertaining to the adoption of Financial Statements for 2012, adoption of Consolidated Financial Statements for 2012, adoption of the report on completed audit of Financial Statements for 2012 and the report on completed audit of Consolidated Financial Statements for 2012, the Shareholders' Assembly adopts by simple majority of votes of present shareholders with voting rights, with the required positive vote of the Republic of Serbia.

4) The Shareholders' Assembly may discuss and deliberate only on items included in the Agenda.

5) Pursuant to Article 335 of the Company Law, the materials for the Shareholders' Assembly are available for shareholders at the official website of NIS j.s.c. Novi Sad ([www.nis.eu](http://www.nis.eu)) from the date of publication of the Invitation until the date when the Shareholders' Assembly Meeting is held. In accordance with Article 5. item 5.1 of the Rules of Procedure of the Shareholders' Assembly of NIS j.s.c. Novi Sad, each shareholder or proxy may review the materials for a regular meeting of the Shareholders' Assembly at the Office for Minority Shareholders' Affairs, Business Centre NIS j.s.c. Novi Sad, Narodnog fronta no. 12, Novi Sad (entrance from Podgoricka street), ground floor, every working day from 8 a.m. - 4 p.m from the date of publication of the Invitation until the date when the Shareholders' Assembly Meeting is held. Taking into account that the materials for regular Shareholders' Assembly meetings are available to shareholders at the official website of the Company and that all the materials can be downloaded in whole by shareholders, NIS j.s.c. Novi Sad shall provide the copies of materials for regular Shareholders' Assembly meeting to the shareholders and their proxies, provided that the costs of photocopying shall be covered by the shareholders themselves.

6) Pursuant to Article 331 of the Company Law, the day of determination of the list of shareholders with the right to participate at the 5<sup>th</sup> Regular Shareholders' Assembly Meeting of NIS j.s.c. Novi Sad (the Shareholders' day) falls on the 10<sup>th</sup> day prior to the day when the Shareholders' Assembly meeting is to be held, i.e. 8 June 2013. The Shareholders' list is available at the Office for Minority Shareholders' Affairs, Business Centre NIS j.s.c. Novi Sad, Narodnog fronta no. 12, Novi Sad (entrance from Podgoricka street), ground floor, as from the first working day following the Shareholders' day until the working day prior to the day when the 5<sup>th</sup> Regular Shareholders Assembly of NIS j.s.c. Novi Sad is to be held, every working day from 8 a.m. - 4 p.m, for the purpose of exercising the shareholders' right to review the materials. Only the shareholders determined to be NIS j.s.c. Novi Sad shareholders on the Shareholders' date shall be entitled to participate at the Shareholders' Assembly meeting.

7) In accordance with Article 328 Of the Company Law, the shareholders shall be entitled to participate in the activities of the Shareholders' Assembly, which includes as follows: (1) the voting right (2) the right to participate in discussion at the Shareholders' Assembly Meeting, in relation to the items of the Agenda, including the right to put forward motions, ask questions and to receive answers in relation to the Agenda items.

8) Shareholders can exercise the right to participate in the activities of the Shareholders' Assembly personally, through a proxy or by written voting in the case of absence in accordance with the Company Law.

**The shareholder holding at least 0.1% of the total number of Company shares i.e. 163.060 shares, i.e. proxy who represents the shareholders holding at least 163.060 shares of NIS j.s.c. Novi Sad on the Shareholders' day shall have the right to participate personally in the activities of the Shareholders' Assembly of NIS j.s.c. Novi Sad.**

Shareholders individually holding less than 0.1% of the total number of NIS j.s.c. Novi Sad shares, i.e. less than 163.060 shares, are entitled to participate in the activities of the Shareholders' Assembly of NIS j.s.c. Novi Sad through a common proxy or alternatively they may vote in writing in the case of absence, in accordance with the Company Law and Article 8.11 of the Articles of Association of NIS j.s.c. Novi Sad.

9) A shareholder is entitled to authorize a person to participate in the activities of the Shareholders' Assembly on his/her/its behalf via a power of attorney, including the right to vote on his/her/its behalf. The proxy exercises the same right as the Shareholder who has granted the power of attorney, with regard to the participation in the Shareholders' Assembly meeting.

Any person with legal capacity may be a shareholder's proxy with exception of persons for whom it has been explicitly prescribed under Article 345 of the Company Law that they cannot be shareholders' proxies.

A power of attorney for voting cannot be transferred to another person.

A power of attorney granted to a proxy by shareholder of NIS j.s.c. Novi Sad can be:

- (i) issued for a definite period, in which case it shall be valid during the period for which it has been granted;
- (ii) issued for an indefinite period, if this is strictly prescribed by the Power of Attorney or the Power of Attorney does not indicate any term, in which case it shall be deemed as valid until its revocation;
- (iii) issued for a particular meeting of the Shareholders' Assembly of NIS j.s.c. Novi Sad, in which case it shall be deemed as valid for the potential repeated meeting.

If a power of attorney is issued only for a particular meeting of the Shareholders' Assembly, the form for granting a power of attorney prescribed by the Company and published at its Internet page shall be used ([www.nis.eu](http://www.nis.eu)).

A power of attorney for voting shall be in writing and include in particular:

- Shareholders data (i.e. particularly the following data: name and surname, personal identification number and registered address of the shareholder who is a domestic natural person or name and surname, passport number or other identification number and registered address of the shareholder who is a foreign natural person i.e. official business name, corporate identification number and registered seat of the of the shareholder who is a domestic legal entity or official business name, corporate identification number and registered seat of the shareholder who is a foreign legal entity);

- Proxy data (i.e. particularly the following data: name and surname, personal identification number and registered address of the proxy who is a domestic natural person or name and surname, passport number or other identification number and registered address of the proxy who is a foreign natural person i.e. official business name, corporate identification number and registered seat of the of the proxy who is a domestic legal entity or official business name, corporate identification number and registered seat of the of the proxy who is a foreign legal entity).
- number, type and class of the owned shares for which the power of attorney is issued as well as their ISIN number and CFI code; and
- the shareholder's signature, legal representative's signature, or proxy's signature.

The signature of a shareholder in the power of attorney shall be certified by the competent authority, and/or person. If the certification is made abroad, in a country a signatory of the Hague Convention on abolishing the requirement of legalization for foreign public documents ("Official Gazette of the FNRJ" No.10/62-supplement, international agreements and other agreements), the additional certification shall be made by apostille, unless a relevant bilateral agreement between the Republic of Serbia and the country in which certification is made is entered into on mutual recognition of public documents. In case the country in which certification is made is not a signatory of the Hague Convention on abolishing the requirement of legalization for foreign public documents and there is no bilateral agreement between the Republic of Serbia and the country in which certification is made entered into on mutual recognition of public documents, the relevant legalization procedure must be conducted. The list of countries with which the Republic of Serbia has entered into relevant bilateral agreements is available on the Internet page of the Ministry of Justice of the Republic of Serbia: [www.mpravde.gov.rs](http://www.mpravde.gov.rs). The Company shall not be responsible for the accuracy of data published on the above Internet page. The wording of the certification prepared in foreign language shall be translated into Serbian language by certified court interpreter in the Republic of Serbia and such translation shall also be submitted to the Company.

Taking into account the above mentioned, and in accordance with the Article 9 item 9.5 of the NIS j.s.c. Novi Sad Shareholders Assembly Rules of Procedure, we kindly invite shareholders, in case the shareholder is represented by his proxy at NIS j.s.c. Novi Sad Shareholders' Assembly meeting, to submit a copy the respective Power of Attorney and pertaining documents to the following address: NIS j.s.c. Novi Sad, Narodnog fronta 12 St., Novi Sad (with mandatory remark: for Corporate Secretary Department) no later than 3 (three) working day prior to the day when the Shareholders' Assembly meeting is to be held i.e. until 13 June 2013 at latest. The original of certified copy of the Power of Attorney and the supporting documentation is to be delivered to the Company prior to the beginning of the Shareholders' Assembly meeting at the latest.

A shareholder may amend or revoke the power of attorney in writing at any time by the scheduled date of the 5th Regular Meeting of NIS j.s.c. Novi Sad Shareholders' Assembly, provided he/she/it has notified the proxy and the Company thereof by the scheduled date. Amendments to the power of attorney shall not be taken into account if they are submitted on the scheduled date of the Shareholders' Assembly Meeting. It is considered that the Power of Attorney is implicitly revoked if the shareholder submits his written vote in accordance with Article 7 of the Rules of Procedure of the Shareholders Assembly of NIS j.s.c. and Item 10) of this Invitation or in the case of shareholder holding at least 0.1% of the total number of shares if the shareholders personally participates in the Shareholders Assembly Meeting. In case of revocation in writing, the signature of the

shareholder must also be certified by the competent authority, and/or person in accordance with paragraph 7, item 9) of the Invitation.

A special rule for banks keeping aggregate or custody accounts – a bank keeping aggregate or custody accounts registered within the single shareholders records as a shareholder on its behalf and for the account of its clients shall be deemed a proxy of its clients in voting provided it has presented at the attendance to the meeting a written power of attorney for voting or the representation order issued by such clients. The bank may vote on behalf of each of its clients separately. If the company shareholder fails to issue certain instructions for voting, the power of attorney for voting or the representation order may grant to the bank the right only to vote:

- (i) in accordance with the motion put forward by the bank to the company shareholder with respect to exercise of the voting right; or
- (ii) in accordance with motions of the Board of Directors.

The representatives may hold some other evidence on authorization of representation of the shareholders (e.g. valid excerpt from the Registry of Business Entities held with the Business Registers Agency of the Republic of Serbia). Such evidence has to be submitted in the manner and within the deadline defined in paragraph 8, item 9) of the Invitation Letter. In case the document has been prepared abroad, and/or in foreign language, it shall be subject to appropriate certification and translation in Serbian, in which case the rules prescribed in paragraph 7, item 9) of the Invitation shall be applied.

10) The shareholder entitled to participate in the activities of the 5<sup>th</sup> Regular Meeting of NIS j.s.c. Novi Sad Shareholders' Assembly is entitled to vote on each issue subject to voting on the 5th Regular Meeting, by direct submission, delivery by courier service or by registered mail of the ballot form for voting in case of absence onto the following address: NIS j.s.c. Novi Sad, Narodnog fronta street no. 12, Novi Sad (with mandatory remark: Corporate Secretary Department), that has to be received by NIS j.s.c. Novi Sad 3 (three) working days prior to the date when the Shareholders Assembly Meeting is to be held, at latest, i.e. until 13 June 2013. In case a proxy of a shareholder votes on behalf of the shareholder, the ballot form shall be accompanied by the adequate proof for representation (e.g., excerpt from the competent registry). In case a proxy of a shareholder votes on behalf of the shareholder, such possibility exists only if it has been explicitly prescribed for in the power of attorney submitted along with the ballot form.

The ballot form for voting in the case of absence is published along with this Invitation and can be downloaded from the official website of the Company ([www.nis.eu](http://www.nis.eu)).

Shareholder's signature or other person's signature on the ballot form who signs on behalf of shareholder of the Company, has to be duly certified or notarized with the competent body or person. The provisions of paragraph 6 through 8 of item 9 of the Invitation shall apply to all types/methods of certification of signatures, and provision of translations of the same, submission of forms and all supporting documents to the Company.

Any shareholder that has voted on ballot form for voting in case of absence as described above is considered to be present at the meeting and when deciding upon items of agenda for which he/she/it has voted. His/her/its votes shall be included in the the quorum and the majority of votes for deliberation and added to votes of other shareholders of NIS j.s.c. Novi Sad that have voted on relevant items of the Agenda of the Shareholders' Assembly meeting. The mentioned voting in the case of absence of

NIS j.s.c. Novi Sad shareholders shall not be included in the quorum and majority necessary for deliberation in relation to those proposals of decisions on which a shareholder is not allowed to vote in accordance with the Company Law (exclusion of the voting right).

11) One or more shareholders owning at least 5% of shares with voting rights is entitled to put forward additional items of the Agenda to the Board of Directors of NIS j.s.c. Novi Sad which should be subject to consideration at the Meeting, as well as additional items for review and adoption of a decision by Shareholders' Assembly, provided such motions have been explained and in case of putting forward motions for review and adoption of the decision, provided that the draft of the decision has been submitted.

A potential motion may be put forward in writing to the Company, and indicating the data on the initiators of the proposal, 20 (twenty) days before the scheduled date of the 5<sup>th</sup> Regular Meeting of the Shareholders' Assembly at the latest, i.e. until 29 May 2013.

The motion shall include the name and surname, personal identification number and registered address of the shareholder who is a domestic natural person or name and surname, passport number or other identification number and registered address of the shareholder who is a foreign natural person i.e. official business name, corporate identification number and registered seat of the of the shareholder who is a domestic legal entity or official business name, corporate identification number and registered seat of the of the shareholder who is a foreign legal entity. The signature of a shareholder or his representative in the motion shall be certified by the competent authority, and/or person. The provisions of paragraph 6 and 7 of item 9 of the Invitation shall apply to all types/methods of certification of signatures, and provision of translations of the same, submission of forms and all supporting documents to the Company.

The motion submitted in the above described manner shall be published by the Company on its official internet website ([www.nis.eu](http://www.nis.eu)) at latest on the working day following the day of receipt of such motion. If Board of Directors of the Company accepts the motion of shareholders related to supplementation of the Agenda, the Company shall publish the new agenda for the relevant meeting without delay, applying the same procedure according to which the Invitation for the 5<sup>th</sup> Regular Meeting of the Shareholders' Assembly has been published.

If Board of Directors does not approve duly submitted motion to supplement the Agenda within 3 (three) days from the day of receiving the motion, the initiator of the motion is entitled to request the competent court to include the proposed items in the Agenda of the Shareholders' Assembly Meeting, in the out-of-court proceedings within 3 (three) days.

12) A shareholder who is entitled to participate in activities of the Shareholders' Assembly is entitled to ask questions to Board of Directors of the Company related to the Agenda items, other questions in relation to the Company to the extent of which the response to such questions are necessary for the accurate estimation of the issues related to the items of Agenda, as well as questions pertaining to business operations of affiliated companies included into the consolidated financial statements.

A member of Board of Directors is obliged to provide to each shareholder a response to the question during the meeting. In following exceptional cases, there is no obligation to provide the response:

- if it can be reasonably concluded that by providing the response the damage could be incurred to the Company or to its affiliated person;
- if providing a response would cause a criminal offence;
- if the respective information is available through the official website of the Company in the form of Questions & Answers at least seven days prior to the scheduled date of the Shareholders' Assembly Meeting.

The question is put forward in writing with mandatory identification of the shareholder of the Company, at least 5 (five) business days before the scheduled date of the 5<sup>th</sup> regular Shareholders' Assembly Meeting, i.e. no later than by 11 June 2013. The response is provided verbally at the meeting of the Shareholders' Assembly, unless the provision of such response may result in disclosure of confidential data of the Company and in that case the response may be provided in writing. In both above cases, the response shall be provided only if the shareholder that has raised the question personally attends the Shareholders' Assembly meeting or through a proxy.

In case that the Decision of the Shareholders' Assembly is adopted with regard to the item of Agenda in relation to which the question has been raised but the response not been provided, the shareholder who has not been provided the response is entitled to request the competent court within 8 (eight) days from the day of the meeting, in the out-of-court proceedings to order the Company to deliver him/her/it the response to the respective question within 8 (eight) days. The above right is held by each shareholder who has stated that he/she/it holds that the response has not been provided to him/her/it without reasonable grounds, which statement has been recorded in the Minutes of the Meeting. The court is obliged to render a decision based on such request within 8 (eight) days from the date of receiving the request.

13) We kindly invite the shareholders, i.e. their proxies to report personally to the abovementioned place at which the meeting will be held, on the scheduled date of the 5<sup>th</sup> Regular Meeting of Shareholders Assembly of NIS j.s.c. Novi Sad, by 11 a.m. at the latest due to attendance recording and other preparation activities. Also, for identification purposes, shareholders and proxies should bring valid identification cards or passports.



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This Invitation shall be considered to be the Notification of convening the Shareholders' Assembly Meeting of NIS j.s.c. Novi Sad in terms of Article 65 of the Law on the Capital Market.

This Invitation shall be published in accordance with the Company Law and Law on the Capital Market continuously on the official website of NIS j.s.c. Novi Sad ([www.nis.eu](http://www.nis.eu)), as from the day of 17 May 2013 until the closing of 5<sup>th</sup> Regular Meeting of the Shareholders' Assembly of NIS j.s.c. Novi Sad, as well as on the official website of the Registry of Business Entities ([www.apr.gov.rs](http://www.apr.gov.rs)) and on the official website of Belgrade Stock Exchange j.s.c. Belgrade ([www.belex.rs](http://www.belex.rs)).

Sincerely,

BOARD OF DIRECTORS of NIS j.s.c. Novi Sad  
Vadim Yakovlev, Chairman of Board of Directors, personally.



In Belgrade, on 14 May 2013