



Pursuant to the Article 335 and 365 of the Company Law (Official Gazette of RS, no. 36/2011 и 99/2011), Article 65 of the Law on the Capital Market (Official Gazette of RS, no. 31/2011, Article 12 of Incorporation Act of Company for exploration, production, refining, distribution and sale of crude oil and oil products and exploration and production of natural gas „Naftna industrija Srbije“ a.d. Novi Sad (hereinafter: the Company or NIS a.d. Novi Sad) – revised text, no. 70/II-13a as of 21 June 2010 (hereinafter: "**Incorporation Act**") and Decision no. 80/45-8 of NIS a.d. Novi Sad Board of Directors on convening 4th Regular Meeting of Shareholders Assembly of NIS a.d. Novi Sad adopted on 18 May 2012, the following is announced

**INVITATION TO THE
4th REGULAR SHAREHOLDERS ASSEMBLY OF
NIS A.D. NOVI SAD
(hereinafter: "**Invitation**")**

Dear Shareholders,

We hereby announce that the 4th Regular Meeting of Shareholders Assembly of NIS a.d. Novi Sad shall be held on Monday, 25 June 2012 at 12 p.m. at the business premises of the Business Centre of NIS, Milentija Popovica street no.1, Belgrade, in hall 332 on the 3rd floor.

For the 4th Regular Meeting of Shareholders Assembly of NIS a.d. Novi Sad, Board of Directors of NIS a.d. Novi Sad establishes the following

Agenda:

1. Appointment of Chairman of Shareholders Assembly of NIS a.d. Novi Sad.
2. Adoption of Minutes from 3rd Annual Meeting of Shareholders Assembly of NIS a.d. Novi Sad as of 21 June 2011.
3. Adoption of the following:
 - Financial Statements of NIS a.d. Novi Sad for 2011;
 - Consolidated Financial Statements of NIS a.d. Novi Sad for 2011;
 - Audit Report of undertaken audit review of Financial Statements of NIS a.d. Novi Sad for 2011;
 - Audit Report of undertaken audit review of Consolidated Financial Statements of NIS a.d. Novi Sad for 2011;
 - 2011 Annual Business Report of NIS a.d. Novi Sad.
4. Adoption of NIS a.d. Novi Sad Board of Directors Report on analysis of performance of NIS a.d. Novi Sad Board of Directors for the period of May 2011 – April 2012.
5. Review of NIS a.d. Novi Sad Supervisory Board Reports:
 - Report on activities for the period from April 2011 to April 2012
 - Report on Spending Plan (Budget) Execution for 2011 and 2012.
6. Adoption of Decision on appointment and remuneration of the auditors of 2012 Financial Statements and 2012 Consolidated Financial Statements of NIS a.d. Novi Sad.
7. Adoption of Decision on allocation of profit and covering the losses of NIS a.d. Novi Sad in 2011.
8. Adoption of Decision on NIS a.d. Novi Sad Dividend Policy.
9. Adoption of Regulation on Long-term Incentive Plan for Non-Executive Directors of NIS a.d. Novi Sad.
10. Adoption of Shareholders Assembly Decision on endorsing information on concluding affiliated transactions.
11. Adoption of NIS a.d. Novi Sad Article of Association.
12. Adoption of the NIS a.d. Novi Sad Charter.
13. Adoption of NIS a.d. Novi Sad Shareholders Assembly Rules of Procedure.
14. Adoption of Remuneration Policy for the Members of NIS a.d. Novi Sad Board of Directors.
15. Dismissal of the NIS a.d. Board of Directors Members.
16. Appointment of the NIS a.d. Novi Sad Board of Directors Members.

17. Approval of Agreement concluded with a member of NIS a.d. Novi Sad Board of Directors and Agreement concluded with an independent member of NIS a.d. Novi Sad Board of Directors.

18. Appointment of the Members of NIS a.d. Novi Sad Shareholders Assembly Board for the supervision of the Company business conduct and the procedure for reporting to shareholders

- Approval of Spending Plan (Budget) of NIS a.d. Novi Sad Shareholders Assembly Board for the supervision of the Company business conduct and the procedure for reporting to shareholders for 2012 and 2013.

Shareholders Assembly decides on all the points of Agenda that are subject to voting of Company shareholders, holders of ordinary shares of NIS a.d. Novi Sad. The total number of shares which hold the shareholders with voting right is 163.060.400.

Pursuant to Article 358. of the Company Law, decisions of Shareholders Assembly are adopted by regular majority of votes of the present shareholders that have voting right in relation to the respective issue, with the following exceptions:

- Decisions from the point 3. Of the Agenda pertaining to adoption of financial statements for 2011, adoption of Consolidated Financial Statements for 2011, adoption of Audit Report of undertaken audit review of Financial Statements for 2011 and Audit Report of undertaken audit review of Consolidated Financial Statements for 2011, as well as the Decision from point 11 of the Agenda – the Shareholders Assembly adopts by regular majority of votes of the present shareholders with voting right, with necessary positive vote of the Republic of Serbia.
- Decision from the point 12 of the Agenda, the Shareholders Assembly adopts by regular majority of votes of all the shareholders with voting right, with necessary positive vote of the Republic of Serbia.

At the Shareholders Assembly meeting only points included in the Agenda can be subject to discussion and voting.

According to the provision of Article 335. of Company Law, the materials for Shareholders Assembly are available for shareholders through official website of NIS a.d. Novi Sad (www.nis.rs) from the date of publishing the Invitation until the date when the Shareholders Assembly Meeting is held. In accordance with Article 6. Point 6.2 and Article 12 of the Rules of Procedure of Shareholders Assembly of NIS a.d. Novi Sad, each shareholder or proxy can have insight into the materials for regular meeting of Shareholders Assembly at the Office for Minority Shareholders Affairs, Business Centre NIS a.d. 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 publishing the Invitation until the date when the Shareholders Assembly Meeting is held. Taking into account that the materials for regular Shareholders Meeting are available to shareholders at official website of the Company and all the materials can be taken over by shareholders, NIS a.d. 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 borne by the shareholders themselves.

According to the provision of Article 331. of Company Law, the day of determination of the shareholders' list holding the right to participate at the 4th Regular Shareholders Assembly of NIS a.d. Novi Sad (the Shareholders' date) meeting falls on the 10th day prior to the day when the Shareholders Assembly meeting is to be held, i.e. 15 June 2012. Shareholders' list is available at the Office for Minority Shareholders Affairs, Business Centre NIS a.d. Novi Sad, Narodnog fronta no. 12, Novi Sad (entrance from Podgoricka street), ground floor, as from the first working day following the Shareholders' date until the working day prior to the day when the 4th Regular Shareholders Assembly of NIS a.d. Novi Sad is to be held, every working day from 8 a.m. - 4 p.m, for the purpose of exercising the shareholders' right of insight. Only shareholders determined to be shareholders of NIS a.d. Novi Sad on the Shareholders' date have the right to participate at the Shareholders Assembly meeting.

In accordance with Article 328. of Company Law, the shareholders have the right to participate in the work of Shareholders Assembly, which particularly comprises the following: (1) voting right (2) right to participate in discussion at the Shareholders Assembly Meeting, in relation to the issues on the Agenda, including the right to submit proposals, right to raise questions and to receive answers in relation to the issues from the Agenda.

Shareholders can exercise the right to participate in the work of Shareholders Assembly either personally or through the proxy or by written voting in the case of absence, in accordance with the Company Law.

The right to participate personally in the work of Shareholders Assembly of NIS a.d. Novi Sad **holds the shareholder who on the Shareholders' date holds 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 a.d. Novi Sad.**

Shareholders holding each less than 0,1% of the total number of NIS a.d. Novi Sad shares, i.e. less than 163.060 shares, are entitled to participate in the work of Shareholders Assembly of NIS a.d. Novi Sad by virtue of common proxy i.e. by giving power of attorney to the same person, or alternatively they can vote in written in the case of absence, in accordance with the Company Law.

Shareholder is entitled to authorize a person to participate in the work of Shareholders Assembly on his behalf via Power of Attorney, including the right to vote on his behalf. The proxy has the same right as the Shareholder who granted him Power of Attorney, with regard to the participation at the Shareholders Assembly meeting.

Shareholders' proxy can be any person with legal capacity except persons for whom it is explicitly prescribed by the Article 345. of Company Law that they cannot be Shareholders' proxies.

Power of attorney for voting must be in written and particularly contains the following:

1. 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 title, corporate identification number and registered seat of the of the shareholder who is a domestic legal entity or official business title, corporate identification number and registered seat of the of the shareholder who is a foreign legal entity);
2. 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 title, corporate identification number and registered seat of the of the proxy who is a domestic legal entity or official business title, corporate identification number and registered seat of the of the proxy who is a foreign legal entity).
 3. number, type and class of the owned shares that are covered by power of attorney as well as their ISIN number and CFI code; and
 4. shareholder's signature, proxy's signature or legal representative's signature.

The signature of a Shareholder who is a natural person on the Power of Attorney has to be duly certified or notarized with the competent body or person.

When the shareholder is a legal person, signature of legal representative does not have to be certified, but the power of attorney has to be issued on official letterhead, stamped with company's official stamp and signed by a legal representative.

If the Power of Attorney is notarized with the foreign competent body, the Company must be provided with the original power of attorney, as well as the original translation of the power of attorney issued by certified court translator from the Republic of Serbia.

The Power of Attorney for voting cannot be transferred to another person.

Power of attorney granted to proxy by shareholder of NIS a.d. Novi Sad can be:

- (i) issued for certain period, valid for participation and voting (in predictable scope) for all respective issues for a definite period or until its revocation;
- (ii) issued for indefinite period, if such possibility is strictly prescribed by the Power of Attorney or the Power of Attorney does not contain any term, in which case it shall be deemed as valid until its revocation;
- (iii) issued for a particular meeting of the Shareholder Assembly of NIS a.d. Novi Sad, in which case it shall be deemed as valid for the eventual repeated meeting.

Power of Attorney can be issued on Power of Attorney template that NIS a.d. Novi Sad publishes on its official web page (www.nis.rs).

Taking into account the above mentioned, and in accordance with the Article 13 point 13.2. of the NIS a.d. Novi Sad Shareholders Assembly Rules of Procedure, we urge shareholders to submit the written notice about their personal attendance, or in case the shareholder is represented by his proxy at NIS a.d. Novi Sad Shareholders Assembly meeting, to submit a copy the respective Power of Attorney. The mentioned notice, as well as the copies of Power of Attorney, should be delivered to the following address: NIS a.d. Novi Sad, Narodnog fronta street no. 12, Novi Sad (with mandatory remark: for Corporate Secretary Department) 3 (three) working day prior to the day when the

Shareholders Assembly meeting is to be held i.e. until 20 June 2012 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 latest.

The representatives might possess some other evidence on authorization of representation of the shareholders (e.g. updated excerpt from the Registry of Business Entities held with Business Registration Agency of the Republic of Serbia). In that case, such evidence has to be submitted along with the respective notice within the above stated deadline.

The shareholder that has the right to participate in the work of the 4th Regular Meeting of NIS a.d. Novi Sad Shareholders Assembly has a right to vote on each issue that is subject to voting on 4th Regular Meeting, by filling and addressing the ballot form for voting in the case of absence onto the following address: NIS a.d. Novi Sad, Narodnog fronta street no. 12, Novi Sad (with mandatory remark: Corporate Secretary Department), that has to be received by NIS a.d. Novi Sad 2 (two) working days prior to the date when the Shareholders Assembly Meeting is to be held, at latest, i.e. until 21 June 2012. In case the authorized representative of the shareholder or proxy votes by the ballot form for voting in the case of absence, a Power of Attorney should be submitted along with the ballot form, i.e. excerpt from the competent Registry.

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.rs).

Shareholder's signature or other person's signature on the ballot form who signs on behalf of shareholder, has to be duly certified or notarized with the competent body or person.

When the shareholder is a legal person, signature of legal representative/proxy does not have to be certified, but the template form for written voting in the case of absence has to be certified by the official stamp of the legal entity.

Each shareholder that has voted on ballot form for voting in the case of absence is considered to be present at the meeting and is taken into account when calculating the quorum for meeting of Shareholders Assembly and when deciding upon the points of agenda for which he voted. His vote shall be added to votes of other shareholders of NIS a.d. Novi Sad that voted about the respective points of Agenda of Shareholders Assembly meeting. The mentioned voting in the case of absence of NIS a.d. Novi Sad shareholders shall not be calculated in quorum and majority necessary for voting 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).

One or more shareholders owning at least 5% of shares with voting rights is entitled to propose additional points of Agenda to the Board of Directors which should be subject to consideration at the Meeting, as well as additional points on which it is proposed that the Shareholders Assembly should adopt a decision, upon the condition that such a proposal contains an explanation and that the draft of the proposed decision is submitted.

The proposal can be submitted to the Company in written, quoting data on the initiators of the proposal, at latest 20 (twenty) days before the date when the 4th Regular Meeting of Shareholders Assembly is held, i.e. until 5 June 2012.

The Company shall publish the received proposal on its official internet website at latest on the working day following the day of receiving the proposal. If Board of Directors accepts the proposal of shareholders relating to additional points of Agenda that are proposed to be subject to consideration, i.e. for the Shareholders Assembly to adopt the decision, the Company shall publish the new agenda without delay, following the same procedure according to which the Invitation for the 4th Regular Meeting of the Shareholders Assembly has been published.

If Board of Directors does not approve duly submitted proposal for supplement of the Agenda within the 3 (three) days from the day of receiving the proposal, the initiator of proposal is entitled to request the competent court to put the proposed points on the Agenda of Shareholders Assembly, in the adhesional proceedings (extra-judicial proceedings) within the 3 (three) days.

A shareholder who is entitled to participate in work of the Shareholders Assembly has right to raise questions to Board of Directors pertaining to the points of Agenda, other questions in relation to the Company to the extent to which the response to such questions are necessary for the accurate estimation of the issues related to the points of Agenda, as well as questions pertaining to business conduct 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 raised question during the meeting. In following exceptional cases, there is no obligation to provide the response:

- it can be reasonably concluded that by providing the response the damage could be incurred to the Company or to its affiliated person;
- providing a response would cause a criminal offence;
- 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 date when the Shareholders Assembly Meeting is to be held.

In case that the Decision of Shareholders Assembly is adopted with regard to the point of Agenda in relation to which the question has been raised but the response not been provided, the shareholder who has not been given the response is entitled to request the competent court within 8 (eight) days from the day of the meeting, in the adhesional proceedings (extra-judicial proceedings), to order the Company to deliver him a response to the respective question within 8 (eight) days. The mentioned right holds each shareholder whose statement that the response has not been provided without reasonable ground, was recorded in the Minutes of the Meeting. The court is obliged to render a decision according to such request within 8 (eight) days from the date of receiving the request.

We urge the shareholders, i.e. their proxies to report personally to the abovementioned place at which the meeting will be held, on the day when the 4th Regular Meeting of Shareholders Assembly of NIS a.d. Novi Sad is held, at latest until 11 a.m. 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 as Announcement for Shareholders on convening the Shareholders Assembly Meeting of NIS a.d. 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 a.d. Novi Sad (www.nis.rs), as from the day of 25 May 2012 until the closing of 4th Regular Meeting of Shareholders Assembly of NIS a.d. Novi Sad, as well as on the official website of the Registry of Business Entities (www.apr.gov.rs) and on the official website of Belgrade Stock Exchange j.s.c. Belgrade (www.belex.rs).

Sincerely,

BOARD OF DIRECTORS of NIS a.d. Novi Sad
Vadim Yakovlev, Chairman of Board of Directors, personally.



In Belgrade, on 18 May 2012