

NIS a.d. Novi Sad
Narodnog fronta 12
21000 Novi Sad
Srbija

Belgrade, 13 March 2020

Dear Sir/Madam,

Independence Statement of the Audit Company

- Audit Company KPMG CEE HOLDINGS A.S., Prague, Czech Republic, as majority member with 48,7% of share, Uroš Ačanski with 30% of share, and Ivana Manigodić with 21,1% of share in KPMG d.o.o. Beograd, hold majority governing rights.
- KPMG d.o.o. Beograd holds the license for the performance of audits issued by the Ministry of Finance of the Republic of Serbia.
- Certified Auditors, members of KPMG d.o.o. Beograd and certified auditors employed by KPMG d.o.o. Beograd are not under control of any person or interest groups, in accordance with the Code of Ethics for Professional Accountants.
- KPMG d.o.o. Beograd has the required number of licensed certified auditors.
- KPMG d.o.o. Beograd is a member of the Serbian Chamber of Certified Auditors.
- KPMG d.o.o. Beograd is not a shareholder, investor in or founder of NIS a.d. Novi Sad.
- NIS a.d. Novi Sad is not a shareholder, investor in or founder of KPMG d.o.o. Beograd.
- Certified auditors employed by KPMG d.o.o. Beograd hold the appropriate licenses for performing audits of financial statements and possess the required work experience.

- Neither licensed certified auditors employed by KPMG d.o.o. Beograd, who will be engaged on performing the audit of financial statements of the NIS a.d. Novi Sad, nor KPMG d.o.o. Beograd are shareholders, investors in or founders of NIS a.d. Novi Sad.
- Licensed certified auditors employed by KPMG d.o.o. Beograd, who will be engaged on performing the audit of financial statements of NIS a.d. Novi Sad, are not blood relatives to any degree, spouses or relatives to the second degree, regardless of whether a marriage has ceased, adopters or adoptees of the founder or director of NIS a.d. Novi Sad, and guardians or foster parents of the founder of NIS a.d. Novi Sad.
- KPMG d.o.o. Beograd and licensed certified auditors employed by KPMG d.o.o. Beograd, who will be engaged on performing the audit of financial statements of NIS a.d. Novi Sad, do not have indirect ownership in NIS a.d. Novi Sad.
- KPMG d.o.o. Beograd hereby confirms the independence of KPMG d.o.o. Beograd and all relevant employees of KPMG d.o.o. Beograd in accordance with the Law on Audit, Companies Law, Law on the Capital Market, and other applicable regulations, standards and internal independence policies.
- KPMG d.o.o. Beograd holds professional insurance against potential claims arising out of a wrongly expressed auditor's opinion by a licensed certified auditor, including failure to apply International Standards on Auditing and Code of Ethics for Professional Accountants.
- KPMG d.o.o. Beograd during 2019 and 2020 provided consulting tax services to NIS a.d., Novi Sad. The abovementioned services related to the providing information in connection with the rules of VAT refunds applicable in the countries where NIS a.d. Novi Sad has its own operations, advisory in respect of application of custom rules valid for import of crude oil and to the information related to the tax treatment of decommissioning expenses. In accordance with our professional judgement and KPMG global independence policies which complies with IESBA Ethical Code for professional accountants, provisions of the Law on Audit and Rulebook on conditions for conducting the audit of financial statements of listed entities, advisory services we have provided (or still providing) to NIS a.d., Novi Sad do not impair the independence of KPMG d.o.o. Beograd in a relation to NIS a.d., Novi Sad, i.e. independence of KPMG d.o.o. Beograd as an external auditor of NIS a.d., Novi Sad for 2020.

This statement was given under full criminal, material and moral responsibility, in accordance with your request.

Yours faithfully,

Uroš Ačanski
Director
KPMG d.o.o. Beograd