
Corporate Governance Code Compliance Statement

The contents of the statement refer to the period from the adoption of the previous statement on the following of the Code of public limited companies, i.e. from 23 April 2009 until 16 April 2010 when its contents were jointly formulated and adopted by the Management and Supervisory Boards of Gorenje, d.d.

The Management and Supervisory Boards state that the Gorenje Group follows the Code of public limited companies in its work and operation that was adopted by the Ljubljana Stock Exchange, Organisation of Commission and the Manager Association on 8 December 2009 and is accessible on the web sites of the Ljubljana Stock Exchange, including individual deviations that are disclosed and explained in further sections.

Chapter: Company management framework

Recommendation under 1:

The key goals of the company are not specifically defined in the Articles of Association, but are included and clearly defined in the mission: "»To create original, technically perfected, superiorly designed, as well as user- and environment-friendly products for the home. We are focused on improving the satisfaction of customers while creating value for our owners, employees and other stakeholders of the Gorenje Group in a socially responsible manner.«.

Chapter: Relationship between the Company and the shareholders

Recommendation under 5.7:

In connection with the policy of determining the remunerations, compensations and other benefits of the members of the Management Board, the Supervisory Board fully observes the principles and criteria of the Code as well as the present conditions in the market. The Supervisory Board assesses the performance of the Management Board as a whole on the basis of the Criteria for Determination of Corporate Performance of the Gorenje Group, which were adopted for this purpose by the Supervisory Board of the Company and have so far proved to be appropriate in practice.

Recommendation under 5.8:

In accordance with the present practice the general meeting of shareholders decided on simultaneous granting of a discharge to the management and supervisory boards. This has proved to be appropriate and in compliance with the method of work and high standards of co-operation of both bodies.

Chapter: Supervisory board

Recommendation under 8.4:

In the Gorenje Group we take special care of protecting business secrets. Documents intended for the members of the supervisory board, are discussed with absolute confidentiality and thus the material and conventions are sent in paper form.

Recommendation under 9:

The Supervisory Board evaluates the performance of the Supervisory Board and its committees as a whole and not of its individual members. The Supervisory Board generally meets in its full composition and all of its members regularly participate in discussions and in this way contribute to the integral performance of the Supervisory Board in accordance with their responsibilities, commitment, professional and other experience. The Company has therefore assessed that individual evaluations are not necessary.

Recommendation under 12:

For their work, the members of the Supervisory Board are entitled to meeting attendance fees and the reimbursement of expenses for meeting attendance. Until now, the members of the Supervisory Board have been also entitled to remuneration for their performance in the form of profit sharing, if so decided by the General Meeting of Shareholders. Amendments to the Companies' Act make this impossible and each General Meeting shall now take a special decision on the remuneration for the performance of the members of the Supervisory Board, which shall debit the costs of current company's operation.

Recommendation under 13 (13.1–13.6):

The issue of establishing supervisory board committees is laid down in the Rules of Procedure of the Supervisory Board. In line with amended legislation, a five-member audit committee was formed in 2008, of which four members are appointed from among members of the Supervisory Board, and one member is appointed from among external experts in the fields of accounting and auditing. Due to the fact that the term of office of the members of the Supervisory Board expires on 18 July 2010, it has established an appointment committee consisting of five members. It has established no human resources committee since the term of office of the members of the Management Board expires on 26 July 2013.

The Supervisory Board deals with all issues within its competences without forming any special committees, as this has not proved to be necessary in current practice. In the past, the Supervisory Board formed individual working groups without specific competences for the purpose of dealing with certain less relevant issues.

Chapter: Management Board

Recommendation under 16.1:

Remuneration of the members of the Management board usually consists of a fixed and variable part. In November 2009 all members of the Management Board signed annexes to the employment contract on the basis of which their salaries are 25% and the salary of the president of the Management Board is 35 % lower on average. Due to their significant reduction the salaries are laid down in fixed forms in annexes.

Velenje, Slovenia, 16 April 2010

Management Board

Franc Bobinac
President of the Management Board

Supervisory Board

Dr. Jože Zagožen
Chairman of the Supervisory Board