

## Corporate Governance Code Compliance Statement

**The Management Board and the Supervisory Board of the Company hereby declare that Gorenje, d.d. observes, in its work and operations, the Corporate Governance Code for Public Limited Companies as adopted on 8 December 2009 by the Ljubljana Stock Exchange, the Association of Supervisory Board Members of Slovenia, and the Managers' Association of Slovenia, and is accessible on the website of the Ljubljana Stock Exchange (<http://www.ljse.si>) in the Slovenian and English languages, with individual deviations that are disclosed and explained below:**

The contents of the statement refer to the period from the adoption of the previous Statement of Compliance with the Corporate Governance Code for Public Limited Companies, i.e. from 20 April 2011 to 19 April 2012, when its contents were jointly formulated and adopted by the Management Board and the Supervisory Board of Gorenje, d.d.

### **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 of the Company: »To create innovative, design-driven products and services that bring simplicity to users.«

### **Chapter: Relationship between the Company and Shareholders**

#### **Recommendation under 5.7:**

With respect to 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 current conditions in the market. In doing so the Supervisory Board assesses the performance of the Management Board as a whole on the basis of the Criteria for the Determination of Corporate Performance of the Gorenje Group, which were adopted for this purpose by the Supervisory Board of the Company. This has proved in practice to be appropriate.

#### **Recommendation under 5.8:**

According to the current practice, the General Meeting of Shareholders decides on the granting of discharge to the members of the Management and Supervisory Boards simultaneously. This has proved to be appropriate and in compliance with the method of work employed so far, the high standards of cooperation of both bodies in their joint devising of answers to issues of relevance for the Company and its development, the meaningfully equal treatment of the duties and responsibilities of their members as prescribed by law, and the attained level of trust.

### **Chapter: Supervisory Board**

#### **Recommendation under 8.4:**

The Company devotes special care to the protection of business secrets. The documents intended for the members of the Supervisory Board are discussed with absolute confidentiality. Materials and notices of meetings are primarily sent to the members of the Supervisory Board in paper form.

**Recommendation under 9:**

The Supervisory Board assesses its work and the work of supervisory board committees as a whole, and assesses the work of individual members. The Supervisory Board and its committees generally meet in full composition; all members regularly participate in discussions and with their responsibility, commitment, professional and other experience contribute to the quality of their work. For this reason, the Supervisory Board has assessed that individual assessment is not necessary.

**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, which was adopted by the Supervisory Board at its meeting held on 23 November 2010. In line with the mentioned Rules, the Supervisory Board has an audit committee, a corporate governance committee, a benchmark committee, and a remuneration committee. Given the fact that the members of the Supervisory Board took office on 19 July 2010 for a term of four years, the Supervisory Board has not yet appointed a nomination committee.

**Chapter: Management Board**

**Recommendation under 16.1:**

The earnings of members of the Management Board are comprised of a fixed and a variable part. Until 31 December 2011 all members of the Management Board signed annexes to their employment contracts, in which their salaries were reduced on average by 25 percent. The salary of the President of the Management Board was reduced by 35 percent with respect to the provisions of his employment contract. As of 1 January 2012, the President and members of the Management Board receive a salary that conforms to their initial employment contracts, and meets the criteria laid down by the Code.

Velenje, Slovenia, 19 April 2012

Management Board  
Franc Bobinac  
President of the Management Board

Supervisory Board  
Uroš Slavinec  
Chairman of the Supervisory Board