

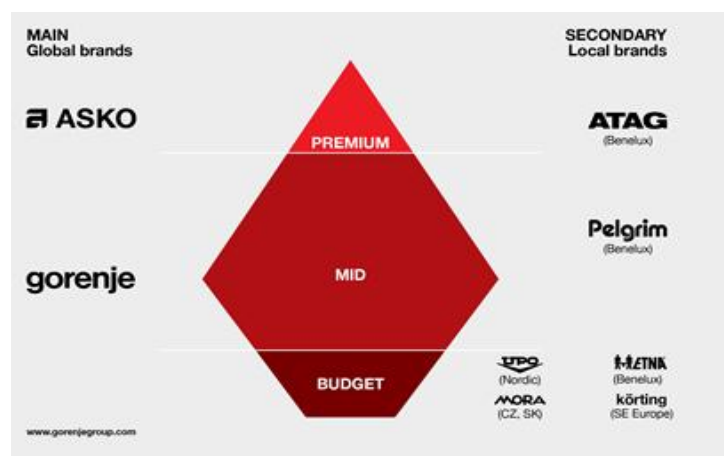
At the 24th regular Management Board meeting held on April 22, 2014, and 50th regular Supervisory Board meeting held on April 24, 2014, the said bodies of governance of the company Gorenje, d.d., adopted the following

Corporate governance policy of the company Gorenje, d.d., and the Gorenje Group

The document pertains to the parent company Gorenje, d.d., and its subsidiaries which, along with the parent company, comprise the Gorenje Group (hereinafter Gorenje or the Group). The document represents a commitment for future operations.

1. Principle governance policies with respect to Gorenje Group's objectives and values

Gorenje Group is one of the leading European home appliance manufacturers with a history spanning more than 60 years. Its technologically perfected, superiorly designed and energy-efficient home appliances marketed under the brands Gorenje, Asko, Atag, Mora, Pelgrim, Etna, Körting, and Sidex, improve the quality of living for our customers in ninety countries across the globe.



Our offer of home appliances is rounded off with kitchen furniture and bathroom equipment, offering our customers a comprehensive range of home products. Our portfolio investment activities include ecology, toolmaking, engineering, hospitality services (HoReCa), and trade.

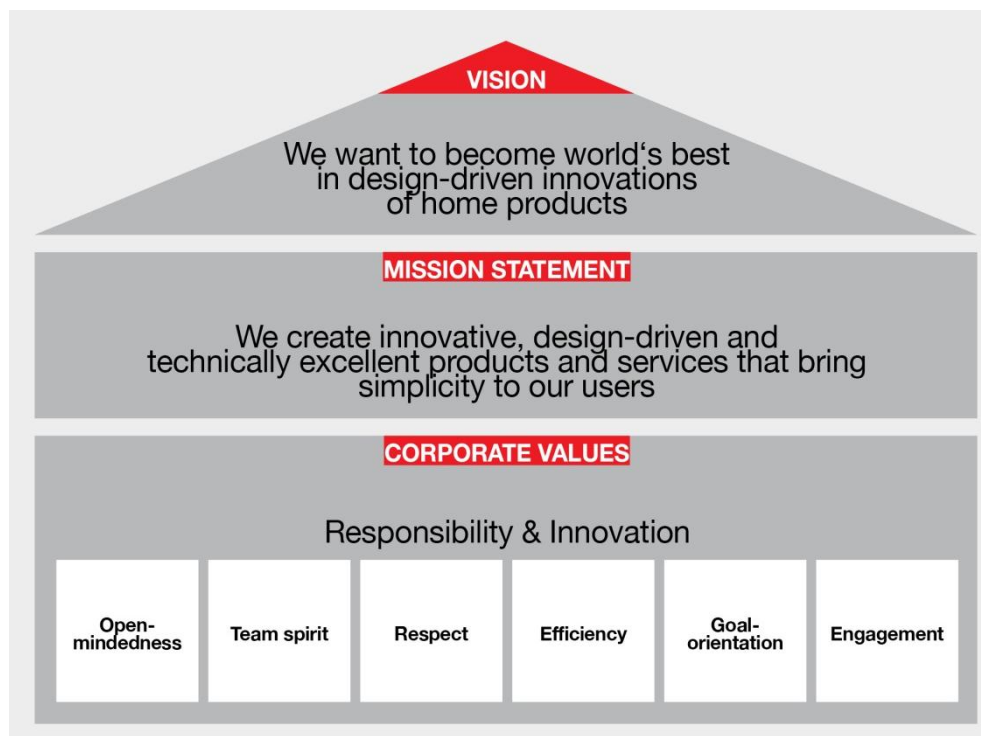


Company values

In all internal and external relationships, the Company demonstrates its commitment to

- the legislation,
- the Slovene Code of Corporate governance,
- the company Articles of Association,
- the Company rules and regulations and rules of procedure,
- International Accounting Standards.

Gorenje Group vision, mission, and values



The revised Strategic Plan 2014–2018 lays down a new system of values that will serve as the foundation for the upgrade of the Group's corporate culture. There are two key values:

RESPONSIBILITY and INNOVATION

Innovative and responsible conduct is defined at the level of an individual and at the company level. At the level of an **individual**, it involves the conduct of all employees of the Gorenje Group and conduct of the leaders who set an example to their co-workers as to what conduct is acceptable and desirable at the company.

With regard to the **company**, the Code defines the way in which the values are manifest and reflected at the Group level and the level of mission and vision, in relation to the society and the environment, consumers, customers, clients, and the brand.

Responsibility and innovation at the Gorenje Group

INDIVIDUAL	RESPONSIBILITY	INNOVATION
EMPLOYEE	I carry out my tasks responsibly; I have a responsible attitude to others and to Gorenje.	I am open to fresh ideas. I am constantly searching for and implementing improvements, and I am willing to take risks within reasonable limits.
LEADER	I carry out my tasks responsibly; I have a responsible attitude to co-workers and to Gorenje, and I set an example for others.	I am open to fresh ideas. I am constantly searching for and implementing improvements; I am willing to take risks and I encourage my co-workers to do the same.
COMPANY		
GORENJE	We have a set of clearly defined rules and delineated responsibilities which we observe and transfer to all our companies.	We provide the conditions and advance the systems that encourage the employees to creativity and development of innovative products and services.
SUPPLIERS, BUSINESS PARTNERS	We are developing long-term partner relationships based on sustainable development of everyone involved.	We encourage innovativeness of our suppliers and our business partners, and we work together to find new solutions.
STAKEHOLDERS (OWNERS)	We generate sustainable value for all stakeholders.	We work with the owners and all other stakeholders to find new approaches, ideas, and methods of operations.
SOCIETY AND ENVIRONMENT	We support broad and local socially beneficial activities and decisions that bear a sustainably positive effect and which contribute to the progress of the society.	Our innovative products, technologies, and services contribute to a higher quality of life in the immediate and broad environment.
MISSION, VISION	In defining our medium-term and long-term mission and vision, we consider the employees, shareholders, customers, business partners, and the environment.	By generating new ideas and operating methods, we ensure long-term existence of the company.
BRANDS	We systematically manage the long-term development of our brands and keep our brand promise.	We are developing advanced and innovative home appliances full of fresh idea, consistently with the identity and strategy of our brands.
CONSUMERS (BUYERS, CUSTOMERS)	Our technologically perfected superiorly designed and energy-efficient home appliances improve the quality of living for the users of our products.	We create innovative products and services that are user-friendly and which offer ever new, functional solutions, features, characteristics, and benefits.

The system of values includes six more values that support and follow the fundamental two. These include:

- openness of thinking,
- team spirit,
- respect,
- efficiency,
- goal-orientation,
- commitment.

Bodies of corporate governance at the company: Shareholders Assembly, Supervisory Board, and Management Board

Gorenje has a two-tier system of corporate governance where the company is run by a Management Board while Supervisory Board supervises its operations.

2. Reference corporate governance codes

Gorenje's reference governance codes are the Corporate Governance Code for the Publicly Traded Companies (hereinafter referred to as the Code), adopted on December 8, 2009 by the Ljubljana Stock Exchange, Slovenian Directors' Association (association of Slovenian supervisory board members), and the Manager Association; and the Best Practices for WSE Listed Companies.

3. Gorenje Group stakeholders and strategy of communication and cooperation with them

The corporate brand includes everything that is related in any way to the essence of the company: corporate identity, corporate values, management and executive staff, all employees, products, corporate logo and visual identity elements, reputation, media image, customer perception, and the aggregate image established through the whole of company communication. Therefore, each voice, each image, each announcement, each employee, each customer and each user is an important link in the chain of our corporate communication.

Gorenje's communication strategy is proactive and two-way. We have already established efficient communication channels linking us to the internal and external environment; we are efficiently disseminating information on our operations and obtaining quality feedback on our reputation in the public. Reputation, as well as a number of other key aspects of competitiveness, depends to a considerable extent on the success and effectiveness of communication.

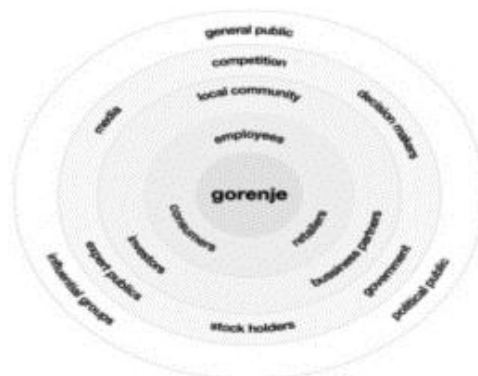
Efficiently planned and performed corporate communication is the way to build Gorenje Group's corporate story for the investors, employees, business partners, and all other stakeholders. We communicate proactively and openly in order to gain support and understanding for the company as a whole and for each of its constituent parts, which consolidated company relations with all key stakeholders and both creates and maintains an environment conducive to successful operation of the company.

The goal of corporate communication is to establish a positive public image of Gorenje and to consolidate the distinctiveness, recognition, and reputation of the brands, while considering the multicultural distinguishing characteristics. Thus, we shall indirectly promote sales of products and services in all markets of our operations. At the same time, this will attract promising and highly motivated prospective employees.

3. 1. Gorenje Group visual identity

Use of Gorenje Group logo and visual identity elements is regulated by the Gorenje Group Corporate Visual Identity Manual which is binding for all companies of the Group. Any external communication of any Group employee shall be restricted to the field such employee is in charge of or responsible for.

3. 2. Key groups of stakeholders at the company Gorenje, d.d., and the Gorenje Group



3. 2. 1. Employees

We are aware that highly motivated employees are the key to Gorenje's success. We work together in building a culture of mutual trust, respect, continuous learning, and responsible and efficient work. We are aware of what maintaining the current number of jobs means to social security and quality of life of our employees and their families. Employees with adequate knowledge and experience who are motivated and see an opportunity for their personal and professional development at the Gorenje Group are our competitive advantage.

The purpose of communication and nurturing relationships with the employees is the following:

- communicating to our employees the mission, vision, values, and strategy of the company;
- care for meticulously planned employee development consistently with their capabilities with annual interview a key tool in this respect;
- providing favourable working conditions;
- motivating employee creativity and innovativeness;
- developing a dynamic management team responsive to changes in the environment;
- motivating teamwork and entrepreneurship among the employees;
- informing the employees about our products and services.

This is maintained by the following means or mechanisms:

- Internal media: internal web portal called Gorenje Portal, "Pika na G" newsletter and the weekly newsletter Info.g, intended for the internal public of our extensive and dispersed system that is highly heterogeneous in terms of employee composition and activities. The purpose and task of the internal media is to connect the employees through informing them of the nature of work and responsibility of individual departments, companies, and individuals, and through presentations of the major currently ongoing projects. In addition to providing information on policies, strategic decisions, company goals and performance, key roles of the internal media also include motivating the employees for quality attainment of the goals laid out. We are also publishing a monthly magazine called GIB which communicates professional achievements of our employees and offers in-depth studies and articles authored by them.
- Gorenje Portal, in addition to providing current information on events and activities at Gorenje, is an information hub for various contents and accessories to improve the quality and efficiency of performance of work assignments and tasks;
- bulletin boards;
- inboxes for comments, propositions, and inquiries;
- Open bulletin board ("Odprta tabla") is an internal internet forum which allows all Gorenje employees to raise questions and voice opinions related to operation and daily events and activities at Gorenje;
- manual called "A guide for a Gorenje worker";
- electronic notification includes informing all employees by email mostly about their daily work;
- Works Council monitors the plans and their attainment on monthly basis, and receives reports on company operations;
- extended councils;
- regular periodical Workers Assemblies by individual programs or organizational units with the purpose of regular direct informing of the employees about relevant corporate issues such as operations and performance, plans, company development strategy, and other current information. The employees are free to raise questions and voice their proposals and opinions;

- personal discussions;
- open door days at the President and CEO when every employee has the opportunity to talk directly to the President and CEO;

We are aware of the importance of personal contact. Therefore, we are organizing business, marketing, and product conferences, specialized round tables, as well as informal meetings of employees, their families, and retired workers, and excursions and trips.

For a number of years, Gorenje has also been providing sports and recreation activities that are vital for employee awareness about a healthy lifestyle and which improve their health.

We are aware of the importance of the disposition of individuals and the general atmosphere for a daily pulse of the company. Therefore, motivating creativity, improvement of personal relationships, and keeping up to date with recent development in soft leadership and management methods have become a constituent part of our corporate culture.

3. 2. 2. Customers

Customers are of key importance for company operations as stagnation in sales will threaten the pursuit of all other objectives of our operations. The Group's customers are divided into the following two categories:

- direct customers, particularly distributors and wholesalers (B2B);
- end users and users of our products and services (B2C).

Our highly trained professional staff is maintaining constant contact with direct and indirect customers in person, via telephone, electronic mail, and video conferences. We are publishing various promotional materials presenting information about our products, their innovative user functions, energy efficiency, ergonomics, ease of use etc., adjusted for various target groups of customers. Customers are also regularly informed about our environment protection efforts throughout the life cycle of a product: from conception and design, through production and use, to disposal after the expiry of its useful life.

The values we nurture and subscribe to in our relations with the customers are the following:

- We are developing long-term partner relationships based on sustainable development of everyone involved.
- Our technologically perfected superiorly designed and energy-efficient home appliances improve the quality of living for the users of our products.
- We treat each partner with respect and we fulfil our orders responsibly and with flexibility.
- We exchange experience at regular meetings with our buyers, and we train and educate them.
- We encourage innovativeness of our business partners, and we work together to find new solutions.
- We are constantly monitoring the needs of our customers.
- We create innovative products and services that are user-friendly and which offer ever new, functional solutions, features, characteristics, and benefits.

3. 2. 3. Suppliers

We are looking to establish long-term partnership relationships with our suppliers, based on the principle of constant monitoring of their competitive advantages. In a dynamic procurement environment, this enables us to secure safe and reliable sources, appropriate

price for the products and services supplied, influence on the supplier's quality, improved planning of supplies, and access to the supplier's technology. We are constantly looking for and making use of alternative sources and suppliers; in the process, adequate quality and flexibility of supply/deliveries are of key importance.

The values we seek to develop with our suppliers also include the following:

- We treat each partner with respect and we fulfil our agreements responsibly and with flexibility.
- We exchange experience at regular meetings with our suppliers and business partners, and we train and educate them.
- We encourage their innovativeness, and we work together to find new solutions.

3. 2. 4. Shareholders

Generating value for the shareholders is the fundamental mission of each joint stock company and it represents the most important management objective. Successful performance and strategic growth provide long-term value of the shareholders' investments. Gorenje Group always communicates with its shareholders directly – particularly in times of uncertainty, Regular communication providing information on events and progress in the company and anything related to it is an important vehicle for consolidating shareholder confidence. We break down our shareholders to the following categories:

- institutional investors,
- minor shareholders.

As these two groups have rather different interests, different channels are used for each of them. The channels are selected consistently with the contents. Regular forms of communication include the following:

- regular meetings at the company head offices;
- taking part in investor conferences at home and abroad;
- regular presentation meetings in financial centres across the globe;
- newsletter for (minor) shareholders called "Shareholder.g" (Slovenian: "Delničar.g");
- Shareholders Assemblies;
- meetings with investors and analysts following an announcement of quarterly business reports; investor day;
- press conferences at major business events and announcements of quarterly results;
- proactive communication with financial media and providing response to reporter's inquiries;
- public announcements in the electronic information dissemination systems of the Ljubljana Stock Exchange and the Warsaw Stock Exchange;
- website at www.gorenje.com with a special page for investors;
- public announcements or press releases.

Communication with investors is the responsibility of the Investor Relations Department which works closely with the Corporate Identity and Communication Department, the CFO, and the President and CEO.

Announcement of business reports and financial statements

Gorenje as a joint stock company whose shares are listed on both Ljubljana Stock Exchange and the Warsaw Stock Exchange maintains the highest standards of announcing business reports and financial statements as defined in the Financial Instruments Market Act (ZTFI) and the Recommendations of the Ljubljana Stock Exchange and the Warsaw Stock

Exchange. Each year, a financial timetable is published on the company website, stating the dates of major announcements.

3. 2. 5. Financial analysts

Financial analysts often appear in the media and their opinions affect the opinions and dispositions of various segments of the public. Their opinions effectively influence the interest in the GRVG shares as an investment, as the analysis and short-term recommendations they provide are taken as guidelines by the shareholders and potential investors when deciding on the purchase or disposal of shares. Our Investor Relations Department regularly communicates with the investors; occasionally, Management Board member in charge of finance and investor relations (CFO), or the President and CEO, take part in such communication as well as required.

3. 2. 6. The media

Mass media is one of the key links between Gorenje and the general public. Gorenje Group continuously and proactively manages its relations with Slovenian and foreign media in order to provide quality information in a timely manner, to respond to the requirements of the environment for communication, and to establish and maintain successful relations with reporters/journalists and the media companies, which consequently means maintaining good relations with other target segments of the public.

3. 2. 6. 1. Corporate Identity and Communication Department is in charge of planning, execution, and control over the media relations. This Department shall also select the contents and form of the information, or topics, to be shared with the media, develop media stories, provide response to journalists' inquiries, and organize press conferences. In doing so, this department employs a number of tools:

- public announcements;
- press releases;
- press conferences;
- in-depth materials for reporters / journalists;
- events;
- journalists mailing lists;
- daily communication by telephone and electronic media;
- personal relations with the journalists;
- monitoring media announcements;
- clipping analyses;
- constant generation of new innovative approaches and tools.

3. 2. 6. 2. Any communication with the media, which pertains to the Group, shall be approved by the responsible person of the Corporate Identity and Communication Department.

Any form of corporate advertising related to the Group shall be discussed with and approved by the responsible person of the Corporate Identity and Communication Department.

3. 2. 7. Local and broad community

Gorenje Group has several decades of tradition in socially responsible conduct. At first, the activities were focused on the employees and the local environment; through the years, however, they were extended to other stakeholders and today, the philosophy of socially responsible and sustainable operation and development is an integral part of Gorenje's successful performance.

With planned selection of donations and sponsorships we support broad and local socially beneficial activities and decisions that bear a sustainably positive effect and which contribute to the progress of the society. We support or make possible a number of activities and events of relevance for the employees and the broad environment, from the field of design, culture, sports, science, training and education, healthcare, and humanitarian activities.

Our innovative products, technologies, and services contribute to a higher quality of life in the immediate and broad environment.

3. 3. Communication principles regarding the protection of business secrecy

3. 3. 1. In compliance with the Code, Gorenje Group hereby commits to the following:

- The company consistently observes the rules defining the protection of business secrecy and insider information for the members of the governance (management and supervisory) bodies and other persons with access to insider information during the course of their term and after the expiry thereof. Furthermore, the company also complies with the rules defining the classification and protection of such information, and the sanctions in case of violation. To this end, the Management Board has adopted the Rules and Regulations on Defining and Protecting Business Secrets and Rules and Regulations on Trading with Financial Instruments of the Company; these two documents regulated the issues referred to above.
- The company has a clearly defined flow, and recorded and supervised access to insider information from their occurrence to their public announcement. To this end, Gorenje has adopted the Rules and Regulations on Reporting which, along with the Rules and Regulations on Defining and Protecting Business Secrets and Rules and Regulations on Trading with Financial Instruments of the Company regulate internally the proceedings related to insider information and the obligation of their disclosure.
- The company has established mechanisms that prevent leakage of information in states of emergency when particular persons could gain access to insider information. Measures and procedures of protecting the business secrets provide the following:
 - establishing after the fact, when particular confidential information was discussed or handled, and who it was discussed or handled by;
 - protection of documents, buildings, technical means, procedures;
 - safe treatment and keeping of business secrets;
 - safe communication and transfer of business secrets.

3. 3. 2. Persons who receive any strictly confidential information and are not bounded by legislation or a contract to protect the business secrecy (e.g. inspectors, auditors, etc.) are required to sign a special document on protection of business secrecy.

3. 3. 3. The following fields shall be deemed particularly sensitive:

- certain materials for the Management Board and Supervisory Board meetings;
- financial reports at the company level prior to their public announcement;
- strategic development projects;
- sales (downstream) and purchase (upstream) terms of payment;
- product calculations;
- documents containing personal information.

4. Policy on relations between Gorenje and its subsidiaries

Gorenje subsidiaries are entirely independent. However, their operations must be compliant in all business areas with the following:

- local legislation;
- contracts and agreements on business cooperation with Gorenje;
- other binding internal Rules and Regulations, and instructions adopted by the Management Board.

Close relations between the companies within the Gorenje Group and control over the operations of subsidiaries are managed by the Assembly of Subsidiaries represented by the Management Board of the parent company. A system of corporate governance of subsidiaries and representative offices is in place at Gorenje Group, which was revised in autumn 2012. Holding company Gorenje Beteiligungs GmbH, Vienna, is authorized for the implementation and operation of the internal corporate governance system in the business segment HOME. This holding company has a two-member management board and its operations are supervised by a Supervisory Board consisting of all Management Board members of the parent company with the exception of the Management Board member - Labour Director.

Management Board members at Gorenje are members of some internal supervisory boards, supervisory committees, panels, business boards, or management boards of some subsidiaries. Management Board members do not receive additional compensation or attendance fees for their involvement in the said bodies of corporate governance, except for supervision of the holding company Gorenje Beteiligungs GmbH which is in charge of the entire internal corporate governance of the business segment HOME. Pursuant to approval by the parent company Supervisory Board, the Management Board members who are also supervisory board members at Gorenje Beteiligungs GmbH receive (and have been receiving since July 19, 2013) monthly compensation for their work in this holding company's supervisory board. These receipts are disclosed entirely in the Annual Report, pursuant to relevant reporting regulations.

Management or business steering of subsidiaries within the Group is also approached jointly at the functional level, particularly in marketing, development, supply chain, financing, controlling, accounting and reporting, communication, legal consulting, human resource management, IT support, and quality control.

Gorenje informs its subsidiaries about the strategy, operations, and management standards at the Group through internal notification. In addition, subsidiaries are informed in more detail during the periodical sales conferences and conferences of the broad management.

5. Commitment of establishing conflict of interest and independence of the supervisory board and management board members

Supervisory Board

Supervisory Board members are liable to inform the Supervisory Board about any conflict of interest present or potentially present in performance or related to the performance of their assignments, or function. Every Supervisory Board member shall inform the Supervisory Board of any membership or corporate governance bodies of other companies.

The independence criterion or any conflict of interest shall be considered by the Supervisory Board members when selecting candidates for the Supervisory Board members: a candidate whose independence is found questionable or with whom conflicting interests of such nature that they could importantly affect their decision-making and acting exist even before appointment, shall not be proposed as a Supervisory Board member.

In their work, Supervisory Board members shall not be bound by opinion or instructions of anyone else. Their decisions must be made by their own conscience and with full responsibility. All Supervisory Board members have equal rights and obligations; only in case of a tie in the Supervisory Board vote, the decision voted for by the Supervisory Board Chairman shall be deemed adopted.

Management Board

Management Board members are liable to disclose immediately any conflict of interest to other Management Board members and to the Supervisory Board. Furthermore, Management Board members are not allowed to be members of Supervisory Boards of competing companies outside Gorenje Group; such provision also reduces the possibility of conflicting interests.

6. Supervisory board's commitment to self-assessment

The Supervisory Board hereby agrees to regularly self-assess its performance, or efficiency, and to announce at the end of each business year, to what extent its members believe that the self-assessment contributed to any changes in the work of the Supervisory Board.

In assessment of its work, the Supervisory Board shall perform the following activities:

- assessing the work of the Supervisory Board, a Committee, and Secretary to the Supervisory Board, and form an opinion on required improvements;
- inspecting whether there are any circumstances that might lead to a conflict of interest or dependence of any Supervisory Board member;
- evaluating the Management Board reward systems and appointment procedures for Management Board and Supervisory Board members;
- assessing whether communication and cooperation between the Management Board and Supervisory Board is satisfactory;
- assessing the current composition of the Supervisory Board given the requirements derived from the goals laid out by Gorenje.

7. Supervisory board committees and definition of their roles

Pursuant to effective legislation, Corporate Governance Code for Publicly Traded Companies, and sound business practice, the Supervisory Board may, subject to consideration of the respective terms of appointment of the Supervisory Board and Management Board members, appoint committees that will discuss predefined topics to provide expert support to the work of the Supervisory Board. At Gorenje, the following Supervisory Board committees are currently active:

7. 1. Audit Committee

whose tasks include in particular the following:

- controlling the risk management system, internal audit, and the internal control system;
- assessment of compilation of the Annual Report, including producing a proposal for the Supervisory Board;
- taking part in defining the major areas of audit, and investigating and monitoring independence, impartiality, and efficiency of auditors in performing their services;
- discussing the findings and recommendations related to any findings of financial or taxation inspections;
- monitoring the process of financial reporting;
- proposing candidates for the company Annual Report auditor to the Supervisory Board;
- supervising the accuracy and fairness of financial information provided or announced by the company;
- taking part in drafting and finalizing the agreement between the auditor and the company;
- performing other tasks defined by the Articles of Association, By-laws, or Supervisory Board resolution.

7. 2. Nomination Committee

whose tasks include in particular the following:

- preparing proposals regarding the criteria and candidates for Supervisory Board membership;
- offering support in other fields related to the Supervisory Board and in which a conflict of interest of Supervisory Board members is possible.

7. 3. Benchmark Committee

whose tasks include in particular the following:

- identifying the competitors which company performance is to be compared to (or benchmarked against);
- addressing methodological issues and setting the basic criteria for comparison to the competition, i.e. for benchmarking;
- defining the methods, indicators, and timeline of company activities for the pursuit and improvement of the Strategic Plan.

7. 4. Remuneration Committee

whose tasks include in particular the following:

- assistance to the Supervisory Board and development of criteria and candidates for the Management Board;
- assessment of the size, composition, and activity of the Management Board;
- support in the assessment of the Management Board's work and, in case of dismissal of a Management Board member, provision of explanations of the reasons for such dismissal;
- support in devising and executing the Management Board reward/compensation system.

7. 5. Corporate Governance Committee

whose tasks include in particular the following:

- proposing the best possible way of organizing the Gorenje Group given its increasing international recognition to which all areas of business operations have to be adjusted accordingly.

8. System of allocation of responsibilities and powers between members of management and supervisory bodies

The Management Board manages the company, and the Supervisory Board supervises its work and its operations. Both Management Board and Supervisory Board perform their tasks to the benefit of the company. Company Articles of Association, By-laws, Rules of Procedure for the Management Board, and Rules of Procedure for the Supervisory Board define the powers and responsibilities of the Management Board and the Supervisory Board, and define the ways of their cooperation.

Management Board is independent in managing the company and decision-making. When making major decisions that may have considerable effect on the operative, financial, or legal position of Gorenje, the Management Board shall inform the Supervisory Board of any such decision in order to reach consent on the issue at hand.

The Management Board shall regularly inform the Supervisory Board on any major aspects or events that affect or could affect company operations. The Management Board shall consult the Supervisory Board on operations, strategy, public relations, and risk management.

Management Board President shall inform either the Supervisory Board Chairman or the Supervisory Board on any major events of relevance to the assessment of position and consequences for the company, and to company management and governance. If only the Supervisory Board Chairman is informed of such events, Supervisory Board Chairman shall forward the information to other members of the Supervisory Board and, if necessary, convene a Supervisory Board meeting.

Management Board

The Management Board manages company affairs independently and takes full responsibility for its decisions. Management Board operates in compliance with Gorenje's goals, seeking to maximize benefit for the company and the shareholders while observing the principles of continuous improvement, transparency, sustainable development, and interests of other stakeholders. Management Board shall not transfer the management of company affairs to any other body of governance of the company.

Management Board's tasks, responsibilities, and powers include above all the following:

- management and organization of business affairs;
- representing Gorenje in relations to third parties;
- taking responsibility for the regularity and legality of operations;
- adopting Gorenje's development strategy;
- adopting annual business plans;
- monitoring attainment of development plans and adopting measures for their accomplishment;
- deciding on founding, co-founding, and winding up of companies and acquisition and disposal of shareholdings;
- adopting Gorenje's normative acts;
- adopting the security policy (protection of property, employees, and business secrecy) and security plan;
- in compliance with the relevant legislation, Articles of Association, and other Acts, deciding on all other affairs regarding company management, except for those that are expressly stated as being within the powers of the Shareholders Assembly and the Supervisory Board;

- reporting to the Supervisory Board on Gorenje, d.d., and Gorenje Group operations and performance, and developing a proposal for the annual report complete with a business report, and submitting it to the Supervisory Board along with the auditor's report and a proposal for allocation of distributable profit;
- submitting to the Supervisory Board reports on issues related to operations of Gorenje and associated companies;
- adopting the macro-organization of the company and defines its micro-organization;
- convening regular shareholder assemblies;
- implementing Shareholders Assembly resolutions.

At their meetings, Management Board members coordinate their opinions and adopt resolutions, commonly by a unanimous decision.

Operation of the Management Board and allocation of fields of responsibility and tasks between individual Management Board members are defined in more detailed in the Rules of Procedure of the Management Board.

All rules regulating the relations between Gorenje Group companies and their supervisory and managerial bodies are entirely consistent with the Slovenian legislation and good practice, including that regarding the conflict of interests.

Supervisory Board

Supervisory Board supervises the management of the Gorenje Group affairs. Its supervisory role is effected by discussing Management Board reports on the following:

- planned business policy and other issues related to company operations;
- return/yield of company operations, particularly return on equity;
- company financial position;
- transactions that could vitally affect the profitability, solvency, and liquidity; as well as
- other issues related to the operations of the company and its affiliated companies.

Supervisory Board furthermore performs other tasks, in particular the following:

- appoints Management Board members and the President of the Management Board/CEO, and decides on dismissal of the Management Board; in doing so, the Supervisory Board is looking to provide continuity of the Management Board's work by careful and timely appointment of the Management Board President/CEO and, upon proposal by the latter, other Management Board members;
- defines the criteria for signing Management Board member employment contracts and the amount of compensation received by the Management Board President and members;
- confirms the annual business plan;
- proposes company auditor to the Shareholders Assembly;
- proposes resolutions to the Shareholders Assembly, when required by the relevant legislation;
- approves intermediate (semi-annual) dividend;
- coordinates the wording in the company Articles of Association with the effective Shareholders Assembly resolutions; and
- performs other tasks.

Supervisory Board lays out an annual activity plan for each business year and defines the contents, particularly in terms of required frequency, forms of communication with the

Management Board, procedure of defining the Shareholders Assembly resolutions, particularly proposals for appointment of the Supervisory Board members, changes to the Articles of Association, etc. Time schedule of meetings of the Supervisory Board and its committees shall define the dates of meetings and outline of the agenda for respective meetings, particularly for those that are necessary with regard to a mandatory announcement of business reports, or those that are customary or traditional.

9. Protecting employee interests within the company

At Gorenje Group, we are aware that without highly motivated and satisfied employees the company is unable to perform. Conviction about the importance of the employees to the success and development of the company was further consolidated in the last year when we upgraded the social dialogue in order to provide in an optimal way the social security and the quality of life of our employees and their families.

Every individual is important to our company. However, employees with entrepreneurial orientation, whose responsibility, innovativeness, zeal and loyalty contribute to better products and organization of operations, are particularly appreciated. Rapid development in all fields of operation requires constant expert training of our employees. This is provided to a considerable extent by internal education, as well as by training at educational and scientific/research institutions in Slovenia and abroad. All employees are given the possibility of additional training, subject to consideration of the requirements of the working process; in recent years, particular attention is paid to personal and professional development of younger employees, to meet the requirements of Gorenje Group's corporate expansion. Annual interview is becoming a standard tool for successful management of employee performance and motivation.

In a pronouncedly multicultural environment, Gorenje Group corporate culture is manifest in encouragement of openness of thinking and relations to different views and opinions of the employees and customs in different business environments, and it contributes to the integration of values into the business processes and to the advancement of responsible conduct of employees to themselves, their work, and the environment.

Our operations are in compliance with the occupational safety and health system according to the OHSAS 18001 standard (Occupation Health and Safety Management Systems). By implementing new safety concepts and constant improvements in the ergonomics of workplaces, we are successfully eliminating and alleviating the risks at workplaces and in work environments. We provide preventive healthcare programs and education on safe and healthy work, fire safety, and environmental management. Above standard organization of sports and recreation activities is also very important for raising the awareness of employees and their families about the importance of a healthy lifestyle. As most internationalized company in Slovenia, Gorenje has its "ambassadors" – its employees in seventy countries across the globe. They are all provided with equal opportunities regardless of sex, race, complexion, age, health or disability, religion, political beliefs, trade union membership, national or social background, family status, sexual orientation, or other personal circumstances.

The Management Board and the Supervisory Board are regularly presented a report on the attainment of all indicators and fulfilment of all covenants, both financial and non-financial, which are specified in the loan agreement with the IFC.

10. Final provisions

The Corporate Governance Policy shall become effective as of the day it is adopted by both Management Board and Supervisory Board of the company. Upon adoption the Corporate Governance Policy shall become binding for all companies of the Gorenje Group. Shareholders and interested public shall be informed of the adoption and the contents of the Corporate Governance Policy by a public announcement in the notification system of the Ljubljana Stock Exchange and the Warsaw Stock Exchange, respectively, and on the company website at www.gorenje.com.

Corporate Governance Policy is a publicly available document published on company website in Slovenian and English.

Franc Bobinac
President and CEO

Uroš Slavinec
Supervisory Board Chairman