

**Management Board
Gorenje, d.d.**

Pursuant to Article 11 of the Rules of Procedure for the Gorenje, d.d., Shareholders Assembly, the Management Board of Gorenje, d.d., hereby proposes the following

Resolution Proposal to Item 1 of the agenda:

The bodies of the General Assembly shall be elected, as follows:

Shareholders Assembly Chairman:	Uroš Ilić
Verification Committee:	Robert Ernestl, chairman Gregor Mavsar, member Milena Obu, member

Mrs. Katja Fink, Notary Public of Celje, shall be appointed to keep official Records of Proceedings.

Explanation:

The Management Board has the authority and responsibility to propose to the Shareholders Assembly election of the bodies of the Assembly, i.e. the Assembly Chairman and members of the verification committee for the voting and election procedure, and to arrange the presence of a notary public. Mrs. Katja Fink, notary public, was invited by a written invitation to attend the Assembly; she accepted the invitation and confirmed her attendance.

Velenje, on this May 28, 2014

President and CEO
Franc Bobinac

Supervisory Board Report on the Audit of the 2013 Annual Report

Dear shareholders,

Although the year 2013 was one of the most challenging years for Gorenje to date, and despite the persistently hostile economic conditions, the Management Board and indeed all employees completed important work that will be positively reflected as early as this year, and even more so in the future. Extensive restructuring of manufacturing operations was completed, including the challenging shifts from Slovenia to Serbia and from Sweden to Slovenia; strategic partnership with the Panasonic Corporation was forged; two equity offerings were successfully carried out; and Gorenje stock was admitted to trading on the Warsaw Stock Exchange at the end of last year.

Supervising the management of company affairs and Management Board reports to the Supervisory Board

In 2013, the Supervisory Board supervised the operations of the company Gorenje, d.d., and the Gorenje Group within the powers and authorizations specified by the relevant legislation, company Articles of Association, and the Code of Conduct, as well as performed other tasks.

Since the approval of the 2012 annual report, the Supervisory Board has held fifteen sessions, of which seven were correspondence sessions and eight were regular meetings. The Supervisory Board consists of the following members: chairman Uroš Slavinec, deputy chairwoman Maja Makovec Brenčič, Marcel van Assen, Bachtiar Djalil, Keith Miles, and Bernard Pasquier as shareholder representatives, and deputy chairman Krešimir Martinjak, Peter Kopal, Drago Krenker, and Jurij Slemenik as employee representatives.

Bachtiar Djalil was appointed Supervisory Board member as of July 5, 2013, replacing Peter Kraljič who had been a Supervisory Board member until August 23, 2012.

Five of six Supervisory Board members representing capital signed a written statement that they are entirely independent in their work and free from any conflict of interest.

As in the previous years, the Management Board regularly informed the Supervisory Board of important events, benchmark analyses, conditions in downstream markets, changes of prices of raw and processed materials, and risk management. The Management Board informed us about their activities in regular sessions, as well as with monthly reports – either as Management Board session reports or President and CEO's reports on current events and developments in the key areas of the business. Information received based on the Supervisory Board resolution or directly from the Management Board as a

part of proactive communication with the Supervisory Board was submitted in a timely manner and allowed full transparency of notification.

In 2013, the Supervisory Board monitored in detail the activities of the extensive relocations of manufacturing operations from Slovenia to Serbia and from Sweden to Slovenia. These shifts of production plants required a lot of effort and financial input. The resulting savings were partly seen in 2013, while 2014 will be the first fiscal year when the planned annual savings of approximately EUR 20 million will be fully reaped, mostly on the account of lower labour costs.

The Supervisory Board also believes the strategic partnership with the Panasonic Corporation will have a very positive impact on Gorenje's future. The companies are identifying synergies in joint production, new product development, and home appliance distribution. In addition to business cooperation, Panasonic invested EUR 10 million in Gorenje's equity and became its minority shareholder, thus further strengthening its confidence in Gorenje.

This was followed by the second capital increase in November and December when Gorenje raised EUR 17 million of additional capital. At the end of the year, both the existing and the newly issued stock were admitted to secondary listing on the Warsaw Stock Exchange. This, Gorenje reaffirmed its international orientation and the desire to improve the liquidity of its stock and welcome new investors.

A special Supervisory Board session held in October was intended in particular to a discussion of the revised strategic plan for the period 2014–2018. The Management Board adopted a revised strategic plan as a result of new facts that were not present during the adoption of the 2012–2015 strategic plan (completed shifts of manufacturing operations, divestment of the furniture business, reorganization and optimization of the sales structure, strategic alliance with Panasonic). Following an extensive presentation of the strategic plan and the methods of its pursuit and monitoring, it was approved by the Supervisory Board. We were also presented detailed strategy of small domestic appliance sales, which is one of the company's strategic policies.

The Supervisory Board noted that the Management Board should be focused even more on working capital management. Moreover, much attention was paid to complexity management and reduction. Expansion to new markets and increase of production output in Velenje with a new product category (dishwashers etc.) and new appliances will require a lot of activity and control in reduction of complexity in a broader sense. In this respect, the Supervisory Board was presented at a session held in November the complexity management report, supply chain, cost cutting, and monitoring of strategic projects.

Early this year, the Supervisory Board adopted the 2014 annual plan which includes 3.5-percent growth of sales in the core business segment Home, and a profit at the Gorenje Group level of EUR 12.1 million. The plan also includes an improvement in profitability (through growth and improvement of the structure of sales, new product development, and cost reduction) and further decrease of debt through divestment and working capital optimization.

The Supervisory Board is pleased about the working capital management results to date. Finished product and merchandise inventory is below the level from before the start of the manufacturing operations relocations, and EUR 30 million lower than at the end of the first half of last year. Raw and processed material inventory is also below the pre-production-shift level, and EUR 5 million lower than at the end of the first half of last year.

We were informed about the founding of the Risk Management Department. Although various risks had been managed prior to this move, the Supervisory Board welcomes the new formally established department which will now monitor all risks faced by the Gorenje Group, in a single place. As observed last year again, external factors can affect the operations to a great extent and therefore, the company has to be prepared as well as possible for the events that could have a negative impact on the operations and performance.

However, we were displeased about the profit margins attained in appliance sales. In addition, we believe the pace of the expansion of sales to new markets should be higher. According to benchmark analyses that compare Gorenje to the best players in the industry, a lot of effort will be required, especially regarding the net debt to equity ratio to catch up with the competition and relieve its own operations.

We regularly monitored the implementation and fulfilment of the resolutions adopted at our sessions, and we have found that the Management Board observed and implemented all resolutions.

Last year, the Supervisory Board conducted the self-assessment for the third consecutive year. We find that the self-assessment procedure was a good approach to improvement of the Supervisory Board's work. Improvement activities were carried out with regard to the aspects in which the Supervisory Board's performance was found sub-par. Most recent self-assessment results point to higher Supervisory Board satisfaction about their own work.

Continuous improvement of corporate governance standards

Always seeking to improve the corporate governance, the Supervisory Board confirmed the changes to the Code of Conduct and the Corporate Governance Policy. The new wording is consistent with the novel aspects of the Strategic Plan for the period 2014–2018, changes in the company's

organization, and other changes that contribute to further improvement of transparency of company affairs.

The Audit Committee was expanded with another member as Bachtiar Djalil joined it in November 2013.

Following the successful implementation of reorganization, developed by the Management Board in cooperation with the consulting company Roland Berger and which mostly concerned the sales function, the Management Board commenced in 2013 the activities for further reorganization in order to find improvement potential in various departments within operations. To keep the Supervisory Board up to date with the progress of the reorganization, the Supervisory Board appointed Krešimir Martinjak and Uroš Slavinec to the Corporate Governance Committee.

Extremely important work of the Supervisory Board committees

All Supervisory Board committees are of great assistance to the Supervisory Board. The committees examine to great detail the received materials. They are meticulous, diligent, and professional; their findings are regularly reported to the Supervisory Board. We find that no circumstances are present with regard to any of the Supervisory Board members or committee, which would lead to a conflict of interest or dependence, and that the composition of the Supervisory Board is appropriate.

The Audit Committee, consisting of the chairman Keith Miles, and Bachtiar Djalil, Drago Krenker, and Aleksander Igličar, acted pursuant to the powers granted to it by the relevant legislation. The Audit Committee reviewed the compliance with the principle of prudence and consistency of reporting in quarterly reports, and resolved most ambiguities in these reports by raising relevant questions before they were discussed at Supervisory Board sessions.

Since the approval of the most recent Annual Report, the Audit Committee held seven sessions. In addition to the quarterly reports, the Committee regularly discussed the periodical reports on the work of Internal Audit, as well as many financial, accounting, and other issues related to Gorenje's operations. Thus, the Audit Committee also discussed the reports on productivity, short-term borrowings, inventory valuation system, investment planning policy etc.

Pursuant to the Code of Conduct, the Audit Committee represents – in addition to the Management Board secretary – a body that may be addressed by any employee if she or he has reasonable doubts about the compliance of operations with the legislation and ethical standards. Last year, the Audit Committee discussed several issues raised through such whistle blowing

system. We believe such system is suitable for identification of any irregularities.

The Audit Committee is a highly important body of the Supervisory Board. Before their sessions, the Audit Committee members raise questions in order to resolve any ambiguities before the Supervisory Board session, and to obtain additional information. In this respect, we have to praise the responsiveness of the employees who have always prepared written replies to all questions raised in time for the Audit Committee sessions.

Benchmark Committee consists of chairwoman Maja Makovec Brenčič, and members Marcel van Assen, Bernard Pasquier, and Peter Kopal. The Committee regularly monitors the developments in the markets, with particular focus on the results in reduction of complexity, improvement of operational excellence, faster introduction of new appliances, and expansion to new markets. This Committee, too, has received excellent support from Gorenje employees. We believe the Committee and its work contribute notably to the improvement of business decisions, as well as to a faster pace of catching up with the best in the industry.

Corporate Governance Committee did not hold any sessions in 2013. The Committee played its key role in 2011 when it selected the Roland Berger consulting company to work with Gorenje Group on the required changes to its organization. In 2014, the Committee is likely to convene again in order to further pursue the reorganization activities.

Since the approval of the most recent annual report, the **Remuneration Committee**, consisting of chairman Bernard Pasquier, and members Marcel van Assen, Maja Makovec Brenčič, Keith Miles, Uroš Slavinec, Krešimir Martinjak, and Jurij Slemenik, did not hold any sessions. The Human Resource Committee played an important role in late October of 2012 and January 2013 when it proposed, following the required procedures and due consideration, the appointment of Franjo Bobinac for President and CEO and the Management Board members for the new term lasting from July 19, 2013 to July 19, 2018. The proposal to appoint Franjo Bobinac as President and CEO was confirmed by the Supervisory Board at their session in late October 2012; other Management Board members were appointed at the session held on January 2013.

The Supervisory Board **Nomination Committee** includes six members. After Peter Kraljič's resignation from the Supervisory Board in August 2012, the Nomination Committee carried out in 2013 the new candidate selection procedure in 2013. The Nomination Committee proposed the appointment of Bachtiar Djalil, which was in turn proposed to the Shareholders Assembly. After the completion of equity offerings in 2013 and the resulting changes in the ownership structure, the Supervisory Board decided to adjust the composition of the Nomination Committee accordingly. Two Supervisory

Board members remain in the Nomination Committee: Bernard Pasquier as chairman, and Uroš Slavinec. Other members of the Nomination Committee are the representatives of the largest shareholders and a representative of minority shareholders: Tadeja Čelar, Hiroyuki Furumura, Eric Stupp, and Mitja Svobljšek. The term of office of the current Supervisory Board ends on July 19, 2014. Thus, the new Nomination Committee has already begun its work to shortlist the candidates for the Supervisory Board's next term.

ANNUAL REPORT REVIEW AND APPROVAL

On April 16, 2014, the company Management Board presented to the Supervisory Board for adoption the audited Annual Report of Gorenje, d.d., and the Gorenje Group, for the year 2013. The Supervisory Board discussed the Annual Report at the session held on April 24, 2014.

The Annual Report of the company Gorenje, d.d., and the Gorenje Group for the year 2013 was audited by the auditing company Deloitte Revizija, d.o.o. The audit was also conducted at all subsidiaries of the Gorenje Group. On April 11, 2014, the auditing company issued an unqualified opinion on the Annual Report of Gorenje, d.d., and the consolidated Annual Report of the Gorenje Group for 2013.

Pursuant to the sound practice to date, the Audit Committee examined with due diligence before the Supervisory Board session the 2013 Annual Report, complete with Audit Report and Management Letter, to propose amendments and put forth their positions and opinions, which were observed.

In 2013, company operations were challenging due to arduous restructuring activities and market conditions. Non-recurring events had a pronouncedly negative effect on the profit (or loss) for the period; as a result, the company reported a net loss. Adjusting for the non-recurring events, the company would have wrapped up the year with profit. The company did succeed in deleveraging by a considerable amount, as well as successfully completed its restructuring, forged a strategic partnership with the Panasonic Corporation, raise fresh capital, and cross-listed its stock on the Warsaw Stock Exchange. Moreover, the increase of market share in Europe should not be ignored either. The Management Board has to invest further efforts into improvement of profitability, improvement of sales structure, and faster penetration to new markets, which will pave the way for long-term improvement of company performance.

As in the last four years, the Management Board again waived their right to performance bonus, although some highly important activities were completed in last year that will bear a positive effect on performance in the future.

The Supervisory Board confirmed that the 2013 Annual Report prepared by the Management Board and audited by a certified auditor was compiled in a clear and intelligible manner and in compliance with the provisions of the

Companies Act and effective International Accounting Standards. The Supervisory Board reviewed and confirmed the Auditor's Report to which no objections were made. Therefore, the Board finds that the Annual Report presents a true and fair account of the property, liabilities, financial position, and income, as well as a fair account of the development of operations and the business position of the parent company and the Gorenje Group.

Based on these findings the Supervisory Board approved on April 24 the Annual Report for the company Gorenje, d.d., and the consolidated Gorenje Group Annual Report for the fiscal year 2013, as presented by the Management Board.

DISTRIBUTABLE PROFIT AND PROPOSAL FOR ITS ALLOCATION

In defining the proposal on the allocation of distributable profit for 2013, the Management Board and Supervisory Board complied with the effective provisions of the Companies Act and the company Articles of Association of Gorenje. Pursuant to the Companies Act and the company Articles of Association, the Management Board found and proposes as follows:

- the parent company net profit for the year 2013, amounting to EUR 2,704,885.80, shall be allocated as follows:

- EUR 270,488.58 for statutory reserves;
- EUR 1,217,198.61 for other revenue reserves;
- + EUR 152,123.64 as retained earnings;

so that the company distributable profit as at December 31, 2013 amounts to EUR 1,369,322.25.

The company Management Board and Supervisory Board propose to the Shareholders Assembly that the distributable profit for the 2013 fiscal year, amounting to EUR 1,369,322.25, remain unallocated.

In defining the proposal on the allocation of distributable profit for 2013, the Management Board and Supervisory Board complied with the effective provisions of the Companies Act and the company Articles of Association of Gorenje. Considering the fact that Gorenje Group ran a net loss in 2013, the Management Board and the Supervisory Board hereby propose that no dividend be paid out in 2014.

Furthermore, the Supervisory Board proposes to the Shareholders Assembly to grant discharge from liability to the Management Board and Supervisory Board for their work in 2013.

The Supervisory Board compiled this report in compliance with the provisions of Article 282 of the Companies Act (ZGD-1); it is intended for the Shareholders Assembly.

Velenje, April 24, 2014

Supervisory Board Chairman
Uroš Slavinec

The Management Board and the Supervisory Board of Gorenje, d.d.,

hereby propose to the Shareholders Assembly for discussion and adoption the following

Proposal for resolutions to item 2 of the agenda:

2.1 Distributable profit for the 2013 fiscal year, in the amount of EUR 1,369,322.25, shall remain unallocated.

2.2. Discharge shall be granted to the company Management Board and Supervisory Board for the fiscal year 2013.

Explanation:

The Supervisory Board discussed and adopted the audited 2013 Annual Report on April 24, 2014. Pursuant to provisions of Articles 193 and 294 of the Companies Act ZGD-1, the Shareholders Assembly shall vote on the allocation of distributable profit and on granting discharge to the company Management Board and Supervisory Board. Pursuant to Article 294 of the Companies Act (ZGD-1), the Shareholders Assembly shall be informed about the payments to the Management Board and Supervisory Board members.

Pursuant to the Companies Act and Gorenje Articles of Association of Gorenje, d.d., the company Management Board decided to leave the distributable profit for the 2013 fiscal year, amounting to EUR 1,369,322.25, unallocated; the Supervisory Board agreed with such proposal.

The Supervisory Board confirmed the Management Board's proposal on the allocation of distributable profit for the 2013 fiscal year, amounting to EUR 1,369,322.25.

The Management Board and Supervisory Board propose to the Shareholders Assembly to leave the distributable profit for the 2013 fiscal year, amounting to EUR 1,369,322.25, unallocated.

Furthermore, the Supervisory Board proposes to the Shareholders Assembly to grant discharge from liability to the Management Board and Supervisory Board for their work in 2013.

Velenje, on this May 28, 2014

President and CEO:
Franc Bobinac

Supervisory Board Chairman:
Uroš Slavinec

The Supervisory Board of Gorenje, d.d.

hereby proposes to the Shareholders Assembly for discussion and adoption the following

Resolution Proposal to item 3 of the agenda:

The company Deloitte revizija, d.o.o., Dunajska cesta 165, 1000 Ljubljana, shall be appointed company auditor for the fiscal year 2014.

Explanation:

DELOITTE is a renowned international auditing company of which DELOITTE REVIZIJA, d.o.o., Ljubljana, is an integral part.

The proposal is based on the proposal by the Supervisory Board Audit Committee dated May 21, 2014, submitted to the Supervisory Board which is, pursuant to Article 280 of the Companies Act ZGD-1, the proposing party for the appointment of a candidate for the auditor of the company Annual Report. The Audit Committee proposes the appointment of the auditing company that was approved at last year's Shareholders Assembly, i.e. the auditing company DELOITTE REVIZIJA, d.o.o. Considering the fact that last year was the first year when the company Gorenje, d.d., was audited by the said auditing company, and considering the fact that the Audit Committee and the Supervisory Board are pleased with the work carried out by the auditors, the Supervisory Board proposes to the Shareholders Assembly to appoint the company DELOITTE REVIZIJA, d.o.o., as the auditor of the company Gorenje, d.d., for the year 2014.

In Velenje, on this May 28, 2014

Supervisory Board Chairman:
Uroš Slavinec

The Management Board and the Supervisory Board of Gorenje, d.d.,
hereby proposes to the Shareholders Assembly for discussion and adoption
the following

Proposal for resolutions to item 4 of the agenda:

**Changes and amendments to the company Articles of Association
regarding the address and the number of Supervisory Board members**

**Proposed resolution by the Management Board and by the Supervisory
Board:**

The wording of the company Articles of Association shall be changed as
follows:

4.1.

The wording of Article 4 shall be changed to the following wording:

"The head office of the Company is at the address: Velenje"

A new, fifth paragraph shall be added to Article 5, as follows:

**"The address of the company's registered office shall be specified by a
resolution adopted by the company Management Board."**

The changed and amended Article 1 of the Articles of Association shall have
the following wording:

**"The name of the Company is: Gorenje gospodinjski aparati, d.d.
(Gorenje Household Appliances)**

Abbreviated name is: Gorenje, d.d.

**The brand name Gorenje forms an integral part of the company name.
The above brand name is registered with the Industrial Property
Protection Bureau of the Republic of Slovenia under the registry number
9370452.**

The head office of the Company is at the address: Velenje

**The address of the company's registered office shall be specified by a
resolution adopted by the company Management Board."**

Explanation of the change:

Pursuant to Article 29 of the Companies Act (ZGD-1), the registered office of the company is the place entered into the court register as the head office of the company. The Management Board and the Supervisory Board propose to bring the Articles of Association into line with the Companies Act (ZGD-1) in such way that the address of the head office only includes the place, i.e. Velenje, while the business address of the company may be specified by a Management Board resolution.

4.2.

In the first paragraph of Article 15 of the Articles of Association, the words "ten members" shall be replaced with the words "**eleven members**"; in the second paragraph of Article 15, the words "six members" shall be replaced by the words "**seven members**".

Changed and amended in this way, Article 15 shall have the following wording:

"The company has a Supervisory Board consisting of eleven members.

Seven Supervisory Board members representing the interests of shareholders shall be appointed by the Shareholders Assembly. Only experts on economy and related fields qualify for appointment to the Supervisory Board.

Four Supervisory Board members representing the interests of the workers shall be appointed/elected by the Works Council pursuant to the Worker Participation in Management Act and the Works Council's general acts, rules, and by-laws. The Works Council shall inform the Shareholders Assembly about the appointment of Supervisory Board members.

No impediments as specified in the Companies Act may apply to any Supervisory Board member."

Explanation of the change:

The most recent change to the company Articles of Association, which pertained to the change in the ratio between representatives of capital and representatives of workers/employees, was made four years ago. At the time, the company share capital amounted to EUR 58,546,152.56, and it was divided into 14,030,000 shares. Today, the company share capital amounts to EUR 92,240,139.36, and it is divided into 22,104,427 shares, which is 57.55% more than four years ago. In this period, the Group has grown more international and multi-cultural, conducting manufacturing, sales, and strategic activities across the globe. Moreover, Gorenje Group Strategic Plan for the

period until 2018 involves bold goals and targets. The proposing parties of this resolution firmly believe that the company requires a Supervisory Board consisting of experts on various fields. Considering the fact that the company share capital has risen by the said 57.55% in the last four years, the Management Board and the Supervisory Board propose to increase the number of Supervisory Board members by 10%. New ratio between representatives of capital and representatives of labour would be 7 to 4, which is in compliance with Article 79 of the Worker Participation in Management Act, pursuant to which the number of worker representatives in the Supervisory Board shall be specified in the company Articles of Association, but it should not be lesser than one third of the total number of Supervisory Board members, and not greater than one half of the total number of Supervisory Board members.

4.3. The changes to the Articles of Association shall be effective as of the day they are entered in the Court Register.

Explanation:

Pursuant to Article 332 of the Companies Act (ZGD-1), changes and amendments to the Articles of Association shall be effective as of the day such changes and amendments are duly entered into the court register; the Management Board shall file the changes and amendments for entry into the register.

Velenje, on this May 28, 2014

President and CEO:
Franc Bobinac

Supervisory Board Chairman:
Uroš Slavinec

The Supervisory Board of Gorenje, d.d.,

hereby proposes to the Shareholders Assembly for discussion and adoption the following

Proposal for resolutions to item 5 of the agenda:

5.1. Bachtiar Djalil shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 20, 2014 to July 20, 2018.

5.2. Corinna Claudia Graf shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 20, 2014 to July 20, 2018.

5.3. Keith Charles Miles shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 20, 2014 to July 20, 2018.

5.4. Bernard Charles Pasquier shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 20, 2014 to July 20, 2018.

5.5. Uroš Slavinec shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 20, 2014 to July 20, 2018.

5.6. Toshibumi Tanimoto shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 20, 2014 to July 20, 2018.

If the proposal on the changes and amendments to the Articles of Association as detailed in item 4 of the agenda regarding the increase of the number of Supervisory Board members representing capital is adopted, the Supervisory Board proposes that the following resolution also be adopted:

5.7. Marko Voljč shall be appointed Supervisory Board member representing the interests of the shareholders, for the four-year term of office starting on July 20, 2014 or on the day the changes and amendments to the Articles of Association are duly entered into the court register if this date is later than July 20, 2014.

Explanation:

The term of office of the current Supervisory Board members representing the interests of shareholders expires on July 19, 2014. Therefore, the

Shareholders Assembly has to appoint six new Supervisory Board members representing shareholder interests. New members shall commence their term of office on July 20, 2014.

If the resolution to item 4.2 is adopted and the changes and amendments to the Articles of Association are entered into the court register, the Supervisory Board proposes to the Shareholders Assembly to appoint a seventh Supervisory Board member.

Consistently with the best practices of corporate governance, the Supervisory Board proposes, following the procedures of candidate evaluation by the Supervisory Board Nomination Committee, the appointment of the said Supervisory Board candidates presented below. The Supervisory Board firmly believes that the goals the work laid down by the current Supervisory Board should be pursued further and that at least partial continuity of Supervisory Board membership should be maintained. Therefore, the Supervisory Board proposes the re-appointment of four of the six current Supervisory Board members representing the interests of capital.

Bachtiar Djalil, born January 14, 1975 completed his undergraduate studies at the Faculty of Law in Ljubljana in 1998 and continued to pursue his academic path by enrolling the postgraduate program on European law at the University of Groningen, the Netherlands, where he was awarded the title Master of Laws in European Laws in 2000. He is currently the president of the management board at Kapitalska družba, d.d.

In 1999, he was hired by NLB, d.d., as an analyst at the bank's equity investment management department. After completing his post-graduate studies, he worked from October 2000 to June 2002 at the Competition Protection Office of the Republic of Slovenia where he also presided over the Merger Task Force for several months. In June 2002, he returned to NLB, d.d., taking the position in the Equity Investment and Control Sector where he was a member of project teams for the founding of the company NLB Skladi, d.o.o. (asset management company), and the life insurance company NLB Vita, d.d. In January 2004, he was assigned the head of the legal affairs office at NLB Skladi, d.o.o.; in June 2007, he was appointed management board member at this company. Since January 2010, he has been employed at Kapitalska družba, d.d., where he was initially a management board member; since October 2011, he has been the president of the management board. He has been a Supervisory Board member at Gorenje, d.d., since July 2013.

He is also a supervisory board member at Loterija Slovenije, d.d., and member of the arbitration tribunal with the Fund and Asset Management Association – Commercial Association (Združenje družb za upravljanje investicijskih skladov – GIZ). Previously, he was also a supervisory board member at Modra zavarovalnica (an insurance company), member of the executive board with the Fund and Asset Management Association –

Commercial Association (Združenje družb za upravljanje investicijskih skladov – GIZ), and a council member with the National University Library.

For a number of years, he has contributed to expert teams of the Fund and Asset Management Association in development of regulations on investment funds and asset management companies, taxation, and prevention of money laundering. He also took part in development of legislation on mergers and acquisitions and competition protection, and he was a member of parliamentary group task forces in charge of changes to asset management of the Republic of Slovenia, and bank restructuring.

Corinna Claudia Graf, born December 13, 1979, graduated in business administration at FHS, Hochschule für Wirtschaft, Technik und Soziale Arbeit, St. Gallen, Switzerland. She has been a board member at Universal Consulting, S.L., Mallorca, Spain, a consulting firm focused on the service industry, since May 2012. Since January 2012, she has been a board member at the company Rano AG, Appenzell, Switzerland, a holding company with investments in different business activities and ventures. She was a board member at the company Punta Portals, S.A., Mallorca, Spain, from November 2011 to November 2012; since November 2012, she has been the Chief Executive Officer of this company. The company is active in the service industry, operating a marina. The candidate's responsibilities at this company involve negotiations with local and central government regarding administrative concession, total responsibility for the marina's operations (sale/ purchase/hire of moorings, premises, investment decisions etc.) and responsibility for the marina's subsidiary Servirest S.A.U. (a restaurant with 5 outlets on the island of Mallorca). She has been a board member at the company Dextra Investments Ltd, Zug, Switzerland, since July 2009. This is a holding company with investments in different business activities and ventures. From October 2005 to October 2012, she was the Vice President, Board Member, and Director for Corporate Strategy at the company Teka Industrial, S.A., Santander, Spain. The company was active in the appliance industry. Her responsibilities included planning the Group's overall expansion strategy outside the Iberian Peninsula, developing the corporate business plan and industrial activities, investment decisions, establishment of transfer pricing policies, responsibility for company purchasing processes (due diligence analysis, negotiations etc.), set up of factories from green field, tutoring of small factories in expansion processes, supervision of all factories and implementation of internal international standards, negotiations with key suppliers, customers and competitors. From September 2001 to September 2002 she was the assistant director of small and medium enterprises at the company Secuoya Capital Privado, Banco Santander, S.A., Madrid, Spain, where her responsibilities involved identifying possible company purchases/takeover targets, company comparisons, company valuations, monitoring of existing participations etc. From January to August 2001, she was employed at the accounting department of the company Casa Buades, S.A., Mallorca, Spain.

Keith Charles Miles, born November 28, 1941, is a Fellow of the Institute of Chartered Accountants in England and Wales. He is in retirement. He holds Slovenian and British citizenship. He has been a director at a number of both public and non-public joint stock companies in England. He is a trustee of the British-Slovene Society and gives lectures on the topics of retail, finance, economics and business, and contributes articles regularly to Slovenian newspaper Žurnal24, and occasionally to the Slovenian newspaper Finance. He is also active in other fields, both in Slovenia and Great Britain. He gained his working experience in various companies and enterprises, primarily in the areas of accounting, treasury, finance, and retail. He was employed as a partner at G. H. Fletcher & Co (Chartered Accountants) from 1958 to 1970, in the Group Strategic Accounting Division of the P & O Group (transport activities) from 1970 to 1972, as an Assistant Company Secretary (group accounts) in the Grindlays Bank Group (banking) from 1972 to mid-1973, as Director of the Datnow Group (investments and retail) from mid-1973 to mid-1983, as Director of Finance and Administration at the Greater London Enterprise Board (investments/local administration) from mid-1983 to mid-1985, as Director of Finance and Administration at the Cable Authority (regulatory body) from mid-1985 to 1988, as Director of Finance and Administration at the Institute of Economic Affairs (academic institution) from 1988 to mid-1990, and as Company Secretary and Director of Finance of the Etam Group at ETAM PLC (a retail company) from mid-1990 to October 1998. He has also been a member of numerous Supervisory Boards, mostly in Great Britain. He is currently a Supervisory Board at Nova KBM, d.d. He has been a Supervisory Board member of Gorenje, d.d., since July 2010. He is also the chairman of the Audit Committee of Gorenje, d.d.

Bernard C. Pasquier, born February 4, 1954, obtained a university degree in business administration, majoring in finance and investment analysis at the École Supérieure de Commerce et d'Administration des Entreprises de Montpellier (France) in 1976. He received his Master's degree in public administration, majoring in business and economic development, from the John F. Kennedy School of Government, Harvard University (USA) in 1984. He has worked as a consultant since 2008. His portfolio of assignments includes advising the parliament of the Principality of Monaco on economic and financial issues, and the World Bank in connection with various projects linked to private sector development. He also represents the International Finance Corporation (IFC) in the Board of Directors at Grupo Mundial, Panama. From 2004 to 2007, he was the secretary general at the Compagnie Monégasque de Banque in Monaco, where he was in charge of overall corporate strategy, legal issues, internal and external communication, and he took part in the meetings of the Board of Directors and executive committees. From 2001 to 2004, he was the director of the Latin America and Caribbean Isles Department at IFC in Washington, where he was in charge of the overall IFC strategy, including new investment (USD 1.5 billion per year) and portfolio (USD 5 billion). He also held many other positions at IFC in the period from 1984 to 2001: Investment Officer via the Young Professional Programme

(1984-1985), Principal Economist and Country Officer for the Africa region (1985 to 1990), Manager of the Africa Department (1990 to 1995), Senior Advisor in the Office of the President of the World Bank (1998 to 2001), and Director of the South Asia Department (2001 to 2004). He was a founder and Managing Director of the Dream Food International Company in San Francisco from 1980 to 1983, an Investment Analyst at the Chase Manhattan Bank in Rio de Janeiro from 1977 to 1980, and an Economic Consultant at the Finance Ministry in Rio de Janeiro in 1976 and 1977. He is fluent in French, English, and Portuguese; he has a working knowledge of Spanish, and passive (receptive) knowledge of Italian. In the period from 1998 to 2004 he was a member of the Management Board of SMBP, a private bank based in Monaco, whose shareholders were the banks Dexia and La Caixa de Barcelona. He is also Secretary General of the Monaco Méditerranée Foundation, Secretary General of the Club of Monaco, Secretary General of l'Association des Monégasques de l'Etranger, and a member of the Rotary Club in Monaco. He has been a Supervisory Board member at Gorenje, d.d., since July 2010. He is the chairman of the Supervisory Board Remuneration Committee and Nomination Committee. In February 2013 he was elected Member of the National Council of the Principality of Monaco.

Uroš Slavinec, born January 29, 1951, holds a university degree in economics. He was the President and CEO of the company Helios Domžale, d.d., from June 1, 1990 to April 30, 2013 when he retired. Since the start of his career in 1975 to 1986, he held various upper-tier management positions, such as the head of planning and analyses department, management council member, and management council president. From 1986 to 1990 he was member of the Executive Council of the Assembly of the Republic of Slovenia for Industry and Civil Engineering. He is the Chairman of the assembly of the CCIS (Slovenian Chamber of Commerce and Industry). In 1997, he received the Slovenian Chamber of Commerce and Industry Award for outstanding business achievements, and he was named Manager of the Year in 2006. He has been the Supervisory Board chairman at Gorenje, d.d., since July 2010.

Toshibumi Tanimoto, born September 5, 1952, graduated in 1975 business administration, majoring in international trade, at the Doshisha University, Kyoto, Japan. A former employee of the Panasonic Corporation, he has been retired since September 2012. He spent his entire career at Panasonic, previously Matsushita, a company also manufacturing home appliances. Through his career, he has amassed vast experience in the home appliance industry, especially sales and marketing in the European market. From December 2009 to October 2012, he was the director of Marketing Management Development Training Center, Human Resources Development Company, at Panasonic Corporation, Japan. From January 1, 2004 to December 2009, he was the managing director at Panasonic Eastern Europe Handelsgesellschaft m.b.H. in Austria. From April 2002 to the end of 2003, he was the managing director at Panasonic Communication & Systems Europe, Panasonic Marketing Europe GmbH in Germany, a

company dealing with sales and marketing of office automation equipment and AV systems for the European market. From April 1, 2002 to April 2002, he worked as managing director at Panasonic Polska Spolka Z.O.O., Poland. From November 1997 to April 2000, he was the managing director at Panasonic Hungary Ltd. in Hungary. From April 1994 to November 1997, he was a manager at the Planning Department, Corporate Management Division for Europe and Africa in Japan. From April 1988 to April 1994, he was the managing director at Panasonic Ireland Ltd. in Ireland. From 1985 to April 1988, he was a coordinator at the Africa Sales Department, Corporate Management Division for Europe and Africa, in Japan. From October 1980 to 1985, he was the chief representative at the Panasonic Nairobi Liaison Office in Kenya, responsible for marketing in the East African market. He started his career in 1975 when he joined the company Matsushita Electric Industrial Co. Ltd. in Japan to work in the sales and marketing department for European and African market.

Marko Voljč, born December 5, 1949, graduated in economics at the Faculty of Economics in Ljubljana, and earned his Master of Science degree at the Faculty of Economics at the University of Belgrade. He was an analyst / senior analyst at the National Bank of Slovenia from 1973 to 1976, and Head of the analytical department at the National Bank of Slovenia from 1976 to 1979. From 1979 to August 1992, he was employed at the World Bank in Washington, D.C. Having completed the advanced professionals' educational program by the International Monetary Fund in 1978, he joined the World Bank's Young Professional Program in Washington in 1979. He was involved in the World Bank's industrial and financial projects in Latin America (1980-85), and served as a senior economist in the Bank's Industrial Strategy & Policy Division (1986). In 1987, he became the World Bank's first head of its Mexico City Resident Mission where he served until 1990 when he was promoted to the post of Country Programs Central America and Panama Division, a position he held until August 1992. From September 1992 to January 2004, he was the President and Chief Executive Officer at Nova Ljubljanska Banka (NLB), Slovenia. From February 2004 to April 2006, he was the General Manager at the Central Europe Directorate at KBC Bank and Insurance Holding Company N.V. (now KBC Group N.V.), Belgium. From May 2006 to April 2010, he was the CEO at K&H Bank, Hungary; from May 2010 to December 2012, he was the CEO for Central and Eastern Europe and Russia at KBC Group. From January 1, 2013 to April 30, 2014, he was the CCO – Corporate Change & Support Officer – at KBC Group. He has been an advisor to the Management Board of this company since May 1, 2014, and he will hold this position until the end of this year. Until the end of this year, he will remain a Supervisory Board member at several companies of the KBC Group, and some other committees. However, he has clearly expressed his full commitment to the work of a Supervisory Board member at Gorenje, d.d.

During his business career, Marko Voljč has acquired a comprehensive knowledge and practical experience in Slovenian, Central and Eastern

European as well international finance and banking. He has written a number of articles and papers concerning financial and industrial issues, about export development and promotion, on restructuring and privatization of public enterprises, as well as about restructuring, turn-around management and privatization of banks in Central and Eastern European transition and post-transition economies. Since 1996 Marko Voljč has served as the Honorary Consul of Mexico to Slovenia. In 1998 he became the Slovenian member of the Trilateral Commission. From September 2000 to September 2003, Marko Voljč was a member of the Board of Directors of the Institute of International Finance in Washington, D.C. Between April 2001 and January 2004, he held the position of the President of the Managers' Association of Slovenia. In his capacity as Director General Central Europe for KBC Group he sat on Supervisory boards of KBC's banking subsidiaries in Poland, Hungary, and Czech Republic. He was also the Chairman of the Supervisory board of Gorenje, Slovenia, until July 2006.

The proposed candidates provided their consents for candidacy and a written statement declaring that there are no circumstances opposing their appointment pursuant to the provisions of the Companies Act (ZGD-1).

Remaining Supervisory Board members representing the interests of the workers shall be appointed/elected by the Works Council of Gorenje, d.d., pursuant to the Worker Participation in Management Act and the Works Council's general acts, rules, and by-laws. The procedures for the election of the Supervisory Board members will be launched soon. The Works Council will inform the Shareholders Assembly about the elected Supervisory Board members at the Assembly on July 4, 2014.

In Velenje, on this May 28, 2014

Supervisory Board Chairman:
Uroš Slavinec

The Management Board and the Supervisory Board of Gorenje, d.d.,

hereby propose to the Shareholders Assembly for discussion and adoption the following

Proposal for resolutions to item 6 of the agenda:

Authorization to the Management Board to acquire and dispose of treasury shares

The Shareholders Assembly hereby grants the company Management Board the following authorization to divest and acquire or withdraw treasury shares, as follows:

- a. The authorization for acquisition of treasury shares shall be valid for 36 months starting from the day this resolution is adopted.
- b. The authorization shall apply for acquisition of up to a total of 2,210,442 treasury shares of the company, which is equivalent to 10 percent of the company share capital and includes the treasury shares held by the company as at the day this authorization is issued. Upon the start of acquisition of treasury shares, and after every 2% (or 442,088 shares) of treasury shares acquired, Supervisory Board confirmation shall be required for the acquisition or further acquisition of treasury stock.
- c. The company shall acquire the shares through transactions in the regulated market/stock exchange at the going market price per share. When acquiring treasury stock, the price per share shall be no lower than 10% of the book value per share and no higher than 50% of the book value per share, as calculated based on the most recent publicly announced audited Gorenje Group financial statements.
- d. The company may use the treasury shares acquired based on this and any previous authorizations for the following purposes, subject to the following conditions:
 - trading for minority shareholdings in Gorenje Group subsidiaries;
 - trading for shareholdings in other companies the activities of which coincide with the core activities of the Gorenje Group, subject to prior approval by the company Supervisory Board; or
 - sale to a strategic partner whose activities coincide with the core activities of the Gorenje Group, subject to prior approval by the company Supervisory Board; or
 - for listing the stock on markets beyond the Republic of Slovenia, where they may be offered to new portfolio investors.

e. The Management Board may withdraw the acquired treasury shares without any further resolution by the Shareholders Assembly on the decrease of share capital.

f. In case of disposal of treasury shares, which may only be disposed for the purposes and subject to conditions specified in section d. of this authorization, the pre-emptive right shall be omitted.

**EXPLANATION OF THE RESOLUTION AND REPORT ON JUSTIFIABLE
REASONS FOR FULL OMISSION OF THE PRE-EMPTIVE RIGHT IN THE
DISPOSAL OF TREASURY SHARES
(pursuant to Article 247, Paragraph 1, Section 8
in relation to Article 337, Paragraph 4 of the Companies Act ZGD-1)**

In view of the fact that the validity of the authorization to acquire treasury shares, granted to the Management Board of the company Gorenje, d.d., at the 12th Shareholders Assembly of the company Gorenje, d.d., held on June 11, 2008, expired on December 11, 2009, the Management Board and Supervisory Board propose in the agenda of the 21st Shareholders Assembly of the company Gorenje, d.d., which is to take place on July 4, 2014, that the Shareholders Assembly grant a new authorization to the company Management Board to acquire and dispose of treasury shares in the total amount of up to 10 percent of the company's total share capital.

As at April 22, 2014 the company holds 121,311 treasury shares, which represents 0.5488% of the company share capital. By granting such authorization for the acquisition of up to 2,210,442 treasury shares, the company could seize the favourable opportunity to acquire up to 10% of treasury shares at a time when the price per GRVG share is still rather low, amounting to less than one third of the share's book value. In the process of acquisition of the shares, equal treatment of all shareholders will be observed, as a rule, by acquiring the shares in the regulated market. Thus, all shareholders shall have the option to sell their shares to the company at the same conditions.

Acquisition of up to 10 percent of treasury shares would allow the company to seek new favourable acquisition opportunities, as it has done in the past. The acquisition of own/treasury shares and their subsequent withdrawal may also be seen as an alternative to dividend payment. It should be noted that such compensation of the investors or shareholders is the preferred option in terms of taxation (as double taxation is avoided and the tax rate is not fixed but rather declines with the duration of the investment). It also offers more flexibility or a broader choice to the shareholders than a dividend (either to keep the share in expectation of capital gains, or to sell the share in exchange for cash).

Withdrawal of own/treasury shares would improve earnings per share, and improve both the value of shares and its general appeal.

The company Management Board and Supervisory Board also propose to the Shareholders Assembly that the pre-emptive right of the existing shareholders be entirely omitted in case of disposal of treasury shares. Therefore, the company Management Board prepared (pursuant to Article 247, Paragraph 1, Section 8, in relation to Article 337, Paragraph 4 of the Companies Act ZGD-1) a written report on the reasons for the omission of the pre-emptive right, which is a constituent part of the invitation or the material for the Shareholders Assembly, and which shall be available as of the day of the announcement of the Assembly at the company headquarters, and the copy of which will be submitted to each shareholder upon request.

The company management proposes that the resolution on the authorization to acquire and dispose of treasury shares also include an authorization to – subject to existence of justifiable formal and material assumptions in this regard – omit the pre-emptive right of the existing shareholders to purchase the treasury shares being disposed of, if circumstances are present at the time of the issue that would materially justify such omission.

The Management Board and the Supervisory Board believe that full omission of the pre-emptive right in case of disposal of treasury shares is in the best interest of the company and its shareholders, within the conditions for and restrictions on the acquisition and disposal of treasury shares and the purpose of use of treasury shares as specified in the proposed Shareholders Assembly resolution.

In view of the purposes of use of treasury shares, which are related to the attainment of the strategic goals laid out for the company and the Gorenje Group, it would not be possible to allow the existing shareholders to exercise their pre-emptive rights. When the company disposes of treasury shares subject to conditions specified in the authorization, the treasury shares shall be disposed of, depending on the purpose of such disposal, by trading/exchanging them or selling them to a restricted group of buyers, as follows: holders of minority shareholdings in Gorenje Group subsidiaries; holders of shareholdings in other companies dealing with the same activity as the Gorenje Group's core activity, with which the company would like to trade/exchange shares; to any strategic partner dealing with the same activity as Gorenje Group's core activity; alternatively, the treasury shares may be used for listing in one of the securities markets outside the Republic of Slovenia. All purposes of use of treasury shares specified in the authorization shall be intended for increasing the long-term capacity to successfully pursue the strategic policies and development goals while generating value for the shareholders and meeting the obligations and liabilities to other stakeholders.

For these reasons, we believe that full omission of the pre-emptive right in disposal of treasury shares subject to conditions and in the manners specified in the proposed authorization, is justified and supported by both formal and

material aspects as it is in the best interest of the company and the shareholders.

Velenje, on this May 28, 2014

President and CEO
Franc Bobinac

Supervisory Board chairman
Uroš Slavinec