

**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:	Gorazd Podbevšek
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, June 1, 2015

President and CEO
Franc Bobinac

Supervisory Board report on the Audit on the 2014 annual report

Dear shareholders,

The war in Ukraine and strong rouble depreciation relative to the euro had a profound impact on the region in last year, and thereby also affected the Gorenje Group operations and performance. Gorenje Group wrapped up the first three quarters with the net profit still at EUR 4 million; by the end of the year, the figure was down to EUR 1.2 million. Historically, last quarter performance improved the overall profit for the year, in addition to the third quarter. Last year, however, last quarter results were negative due to the dramatic depreciation of the Russian currency. On the other hand, the Group improved its operations notably in last year. Despite the dramatic aggravation of conditions in Ukraine and Russia, the Group ended the year 2014 with a positive result that is a considerable improvement over 2013. Revenue was up by 0.4% to EUR 1.24 billion, and EBIT was increased by 19.8% to EUR 43.5 million. The Group also deleveraged by EUR 27.1 million to cut its net debt and improve its financial stability. Investment into development was beefed up by 0.4 percentage points to 2.9% of core activity revenue, and new products were launched, including the latest ovens and other cooking appliances that boost the Group's reputation and market positioning. The Supervisory Board supports the Management Board in the measures geared towards further improvement of competitiveness and focusing on Gorenje Group's core activity, which we expect to result in improved profitability in the future.

SUPERVISING THE MANAGEMENT OF COMPANY AFFAIRS AND MANAGEMENT BOARD REPORTS TO THE SUPERVISORY BOARD

In 2014, 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, Supervisory Board resolutions, and Code of Conduct, as well as performed other tasks.

Since the approval of the 2013 Annual Report, the Supervisory Board has held eleven sessions, of which seven were regular sessions and four were correspondence meetings.

Up to and including July 19, 2014, the Supervisory Board consisted 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 Kobal, Drago Krenker, and Jurij Slemenik as employee representatives. As of July 20, 2014, the Supervisory Board consists of: Marko Voljč, chairman; Uroš Slavinec, deputy chairman; Bernard Pasquier, deputy chairman; Bachtiar Djalil, Corinna Graf, Keith Charles Miles, Toshibumi

Tanimoto (shareholder representatives); and Krešimir Martinjak, deputy chairman, Peter Kobal, Drago Krenker, and Jurij Slemenik (employee representatives).

All Supervisory Board members representing capital signed a written statement that they are entirely independent in their work and free from any conflict of interest, which the company has publicly announced on its website.

The new Supervisory Board has continued the practice of keeping up to date with major business events, benchmark studies comparing the Group to its competition, sales conditions in the markets, changes in the prices of raw and processed materials, and risk management. The Management Board informed the Supervisory Board about its activities on a monthly basis, either in the form of a report on Management Board meetings or in a letter by the President and CEO, describing to the Supervisory Board the current events in major areas of business. In my view, communication between the Supervisory Board and the Management Board is suitable. The Management Board has provided information in a timely fashion and we have always received replies to our questions, which allowed the Supervisory Board to fully perform its function consistently with the relevant legislation and best practices.

On July 20, the Supervisory Board started its new term of office in a slightly different and extended line-up. At our first session held in August, we appointed the Supervisory Board chairman and deputy chairmen, as well as the Supervisory Board committees and their respective chairpeople. Thus, we took very little time before fully committing to our duties entrusted to us by the shareholders. At the first session, we started the induction process for new Supervisory Board members and reviewed the key documents and processes at the company. In the future, we will carry on this process to learn about the company from even more aspects.

We received regular reports on performance and company activities

Based on Management Board proposal and Shareholders Assembly resolution we approved the increase of share capital by just under EUR 10 million by debt-to-equity swap that involved Gorenje's creditor banks. This allowed immediate decrease of the Group's debt by the above amount.

The Management Board presented in detail the entire process of investment approval at the Group. In our view, the procedure is appropriate and transparent. Monitoring returns on the projects carried out is of particular importance in this respect as it allows the company to clearly see whether and to what extent the business plan, of which the investment plan is a part, is being implemented and accomplished and whether the assumptions upon the approval of the business plan were realistic. Such practice is surely suitable and it allows the responsible persons at the Group to improve further business plans.

It is a fact that the future is always difficult to predict and therefore, it is important for the companies to be prepared to manage respective risks as well as possible. We were presented the Gorenje Group risk management model and we found it appropriate. We also believe a major step ahead has been done in this respect in the last year. Risks are being monitored in a systematic manner and in all fields. Moreover, the risk management team was strengthened, which we also welcomed.

We approved the rules on the membership of Management Board members and other Gorenje Group executives, directors, or senior officials in supervisory bodies beyond the Group. We certainly find it appropriate for Gorenje Group's broad management to be focused on their work at Gorenje as much as possible. Challenges abound at all times. The company is operating in a highly competitive environment and saturated industry, in nearly every global market. Therefore, it is essential that all employees are fully devoted to their work at the Group.

The Supervisory Board was also presented the Management Board policy on the Group's portfolio investments. The Supervisory Board agrees with the Management Board's view of this segment, subject to the caveat that is of utmost importance for the company to be focused as closely as possible on its core activity, i.e. home appliances production. A good business opportunity can certainly arise outside the company's core activity and pursuit of such opportunities should not be excluded from the Group's activities; however, such pursuits should in no way stand in the way of the company's core activity.

Strategic partnership with the Panasonic Corporation is surely of immense importance for the future of the Group. We have been regularly informed about the progress of cooperation which probably has not reached the desired level yet. The Supervisory Board is fully aware that it is essential to consolidate the cooperation gradually, as well as of the stringent legislation preventing any restriction of competition.

As we reviewed the results, we were pleased to see the improvement in working capital management and reduction of operations complexity. Progress has been noted, although we are aware we still have a long way to go to be on a par with the best in the industry. We were somewhat less pleased about the sales growth in new markets. The Management Board has to make efforts for faster penetration and growth in new markets. This will be the easiest way to offset the loss of revenue in Russia and Ukraine and potentially on other traditional markets.

Early in the year, the Supervisory Board adopted the 2015 Annual Plan which involves slightly lower sales than in the year before, due to uncertain future in Russia and Ukraine. On the other hand, profitability is planned to improve on account of better structure of sales in terms of products and geographical

segments, adjustment of pricing policy, and improved cost efficiency. Moreover, we are planning further deleveraging and to maintain a stable maturity profile of our financial liabilities. We regularly monitored the implementation and fulfilment of the resolutions adopted at our sessions, and we found that the Management Board observed and implemented them successfully.

As the new Supervisory Board commenced its term in July last year, self-evaluation procedures have not yet been carried out; this will be done in the next period.

Gorenje Group must improve its competitiveness

The Supervisory Board was informed in detail about the project to optimize the business processes at the Gorenje Group and it fully supports it. The process is managed and steered by the company Management Board, with consulting service provided by the globally renowned Boston Consulting Group. Benchmark with competitors and the best players in respective fields was of particular interest. There is certainly a lot of untapped potential for improvement of performance and processes at the Gorenje Group. Individual projects are already in place at the company, the results of which will be palpable to some extent in this year, and especially in the years ahead. This includes the entire procedure of new product development, more accurate sales planning, optimization of logistics routes and sales network, and other business process optimization, which is a part of the most recent project.

Supervisory Board committees contribute notably to the efficiency of the Supervisory Board's work

Supervisory Board hereby commends the Supervisory Board committees for their work. There are many issues that are being addressed by the committees and we can see that their continuous and diligent work has contributed to improvement of Group operations. The Supervisory Board is regularly presented the reports reviewed by respective committees. The committees are meticulous in their work and they are examining their respective fields in an in-depth manner and with a high standard of expertise. We are again proud to 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 chairman Bachtiar Djalil, Keith Miles, 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 a Supervisory Board session.

Since the approval of the most recent Annual Report, the Audit Committee has held six sessions. In addition to reviewing the periodic or interim reports, the Committee regularly reviewed the compliance with the covenants laid down in the loan agreements signed with respective banks, periodic reports on the work of the Internal Audit, and other financial and accounting issues related to the Group's operations. It was constantly monitoring the risk management process as well. It also reviewed the implementation of the auditors' recommendations provided in the Management Letter, and received a presentation of Gorenje Group's policy on currency and loan management. Pursuant to the Code of Conduct, the Audit Committee is – in addition to the Management Board secretary – the body that may be addressed by every employee if she or he has reasonable doubts about the compliance of operations with the legislation and ethical standards. In 2014, the Audit Committee discussed several cases in this respect. The Supervisory Board believes such method of identifying any non-compliance is suitable. The Audit Committee is a body inseparable from the Supervisory Board. Constant care for improvement of performance and detailed analyses of reports received by the Audit Committee and the Supervisory Board are of great assistance in the Supervisory Board's work.

Benchmark Committee consists of chairman Keith Miles, Corinna Graf, Bernard Pasquier, Toshibumi Tanimoto, Peter Kobal, and Maja Makovec Brenčič as an independent member. In recent period, the Benchmark Committee has expanded the fields that they monitor and held seven sessions. In addition to regular monitoring of events and developments in the markets, efforts to reduce complexity, improvement of operational excellence, faster launch of new appliances, and entering new markets, which was the scope of work of the previous Benchmark Committee, the new Committee also requires regular financial benchmarks and comparative information on cost cutting, IT, logistics, efficiency of production etc. As a result, the Supervisory Board is more easily presented the benchmarks in a number of fields, and it makes it easier to identify the strengths and opportunities of the Group for closing the gap to the biggest and best players in the industry.

Corporate Governance Committee did not hold any sessions last year. 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 the period ahead, the Committee will hold sessions in case of any major changes in corporate governance, either within the parent company or the entire Group.

Human Resource and Remuneration Committee, consisting of chairman Bernard Pasquier, Keith Miles, Uroš Slavinec, Marko Voljč, Drago Krenker, and Jurij Slemenik held one session in the last year, to evaluate the work of the Management Board in the year 2014 and to propose to the Supervisory Board the payment of rewards to the Management Board for the fiscal year 2014, consistently with the adopted Management Board Performance Criteria.

The Supervisory Board **Nomination Committee** is currently not active as the current Supervisory Board members commenced their terms of office on July 20, 2014. Last year, the Committee consisting of chairman Bernard Pasquier, Uroš Slavinec, Tadeja Čelar, Hiroyuki Furumura, Eric Stupp, and Mitja Svoltjšak nominated, evaluated, and interviewed the Supervisory Board candidates. At the end of the process, the Committee proposed to the Supervisory Board the list of candidates for Supervisory Board members, and the Supervisory Board approved the proposal and proposed the candidates for appointment to the Shareholders Assembly.

ANNUAL REPORT REVIEW AND APPROVAL

On April 16, 2015, 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 2014. The Supervisory Board reviewed and discussed the Annual Report at the meeting held on April 22, 2015.

The Annual Report of the company Gorenje, d.d., and the Gorenje Group for the year 2014 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 13, 2015, 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 2014.

Pursuant to the sound practice to date, the Audit Committee examined with due diligence before the Supervisory Board session the 2014 Annual Report, complete with Audit Report and Management Letter, to propose amendments and put forth their positions and opinions, which were observed.

Had it not been for the crisis in Ukraine and the dramatic depreciation of the Russian rouble relative to the euro, Gorenje Group's annual plan would have been met. The Management Board adopted in due time the measures to alleviate the unexpected impact occurring in particular in the last quarter of last year. In light of this, the Supervisory Board finds the Group performance successful, especially considering the very harsh conditions at the end of last year. The Group again managed to deleverage significantly. Moreover, the manufacturing operations relocations completed in recent years also contributed to the Group's results. Recently, the focus has been on cutting the inventories and complexity, and the results of these efforts are already visible as well. In addition, maturity profile of Gorenje Group's debt has been improved notably, too. Next year, Gorenje has to be more profitable. It should be noted, however, that it is impossible to predict the end of crisis in the countries of the former Soviet Union and any crises elsewhere.

The Supervisory Board's Human Resource and Remuneration Committee reviewed in detail the goals laid down by the Management Board and compared them against the adopted criteria for determining the variable

reward to the Management Board members. The Human Resource and Remuneration Committee proposed to the Supervisory Board to approve the payment of a bonus in the amount of three and a half salaries to Management Board members for their performance in 2014; the Supervisory Board approved the proposal.

The Supervisory Board confirmed that the 2014 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 at the session held on April 22, 2015 the Annual Report for the company Gorenje, d.d., and the consolidated Gorenje Group Annual Report for the fiscal year 2014, as presented by the Management Board.

DETERMINATION OF DISTRIBUTABLE PROFIT

In the determining the distributable profit for the year 2014, the Management Board and Supervisory Board observed the effective provisions of the Companies Act and Gorenje's Articles of Association.

Net profit of the company Gorenje, d.d., for 2014 amounts to EUR 6,333,707.34, and distributable profit amounts to EUR 4,219,490.55. The proposal on the allocation of distributable profit for the year 2014 will be announced in the convocation of the Shareholders Assembly where the decision on this proposal will be made.

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 22, 2015

Supervisory Board Chairman
Marko Voljč

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

Proposal for resolutions to item 2 of the agenda:

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

2.1. The accumulated profit for the financial year 2014 in the amount of EUR 4,219,490.55 shall be appropriated for the following purposes:

- part of the accumulated profit for the year 2014 in the amount of EUR 1,458,198.12 EUR shall be used for the payment of dividends (EUR 0.06 gross per share),
- the remainder of the accumulated profit in the amount of EUR 2,761,292.43 shall remain unappropriated.

All shareholders registered in the Share Register as at July 8th 2015 shall be entitled to a dividend. Dividend is scheduled for payment within 45 business days following the adoption of the present resolution.

2.2. Discharge shall be granted to the company Management Board and Supervisory Board for the fiscal year 2014.

Explanation:

The Supervisory Board discussed and adopted the audited 2014 Annual Report on April 22, 2015. Pursuant to provisions of Articles 293 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 allocate the distributable profit for the 2014 fiscal year, amounting to **EUR 4,219,490.55**, as follows:

- a part of the distributable profit for 2014 in the amount of EUR 1,458,198.12 shall be used for dividend payment (gross amount of EUR 0.06 per share);
- the remaining part of the distributable profit for the 2014 fiscal year, in the amount of EUR 2,761,292.43, shall remain unallocated.

Shareholders who are registered in the share register as at July 8, 2015, shall be entitled to dividend payment. Dividend shall be paid out in 45 business days after the adoption of this resolution.

The Supervisory Board confirmed the Management Board's proposal on the allocation of distributable profit for the 2014 fiscal year, amounting to **EUR 4,219,490.55**.

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 2014.

Velenje, June 1, 2015

President and CEO
Franc Bobinac

Supervisory Board Chairman
Marko Voljč

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 2015.

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 12, 2015, 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 second 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 find that the auditors conducted their work in accordance with high quality standards and in a professional manner, 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 2015.

Velenje, June 1, 2015

Supervisory Board Chairman
Marko Voljč

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:

4.1 The Supervisory Board members receive the attendance fee for their participation at a session which amounts to EUR 275 gross per an individual member. The members of a Supervisory Board's commission receive the attendance fee for their participation at a session of the commission which, per an individual member, amounts to 80% of the attendance fee for the participation at a session of the Supervisory Board. The attendance fee for a meeting by correspondence amounts to 80% of the regular attendance fee. Regardless of the above mentioned, that is, regardless of the number of sessions in which he/she participates, in an individual business year, an individual Supervisory Board member is entitled to receive the payment of attendance fees up to a total amount of attendance fees that reaches 50% of the basic payment for the performance of the services of a Supervisory Board member at the annual level. Regardless of the above mentioned, that is, regardless of the number of sessions of the Supervisory Board and commissions in which he/she participates, in an individual business year, an individual Supervisory Board member, who is a member of a Supervisory Board commission or commissions, is entitled to receive the payment of attendance fees related to his/her participation at the sessions of the Supervisory Board and commissions up to the total amount of attendance fees that reaches 50% of the basic payment for the performance of the services of a Supervisory Board member at the annual level, increased by 25%.

4.2 In addition to attendance fees, the Supervisory Board members receive a basic payment for their services in the amount of EUR 15.000 gross per year per an individual member. The President of the Supervisory Board is also entitled to receive an additional payment in the amount of 50% of the basic payment for the performance of the services of the Supervisory Board member, while the Vice President/Deputy of the Supervisory Board President, is entitled to receive the additional payment in the amount of 10% of the basic payment for the performance of the services of the Supervisory Board member. The members of the Supervisory Board's commission receive the additional payment for the performance of services which amounts to 25% of the basic payment for the performance of services of the Supervisory Board member. The President of a commission is also entitled to receive the additional payment for the performance of the services in the amount of 50% of the payment for the performance of services of the Supervisory Board's commission member.

Regardless of the above mentioned, that is, regardless of the number of sessions in which he/she is a member or a President, in an individual business year, an individual member of a Supervisory Board's commission is entitled to receive additional payments up to a total amount of such additional payments that reaches 50% of the basic payment for the performance of the services of a Supervisory Board member at the annual level. If the mandate of an individual Supervisory Board member is shorter than the business year, the individual member of a Supervisory Board's commission, irrespective of the above mentioned, that is, regardless of the number of commissions in which he/she is a member or a President, is entitled to receive additional payments in an individual business year up to a total amount of such payments that reaches the value of 50% of the basic payment for the performance of the services of the individual Supervisory Board member for the duration of the time for which his/her mandated lasted in the relevant business year.

4.3 The Supervisory Board members and members of the Supervisory Board's commission receive the basic payment and the additional payment for the performance of the services in the proportional monthly payments to which they are entitled until they carry out the function. The monthly payment amounts to one twelfth of the above mentioned annual sums.

4.4 The limitation of the amount of the total payments for attendance fees or additional payments for a Supervisory Board member must not in any way influence his/her obligation regarding active participation at all Supervisory Board sessions and commissions' sessions in which he/she is a member, and his/her statutorily stipulated responsibility.

4.5 The Supervisory Board members are entitled to receive the reimbursement of travel and accommodation costs incurred in relation to their services in the Supervisory Board, specifically up to the amount stipulated in regulations regulating the reimbursement of work-related costs and other income which is not included in the tax base (provisions which apply for the transportation during business trips and accommodation during business trips). The accommodation costs may only be refunded if the distance of the permanent or temporary residence of a Supervisory Board member or a member of a Supervisory Board commission from the location of the work of the body amounts to a minimum of 100 kilometres, if the member of the Supervisory Board could not return to their place of residence because of the lack of any scheduled public transport, or for other objective reasons.

4.6 This Resolution shall enter into force and apply from the day of its adoption at the General Meeting. By way of this Resolution, the Resolution No. 5 adopted by the General Meeting on 5 July 2011 is revoked.

Explanation:

The proposal for payments to the Supervisory Board members brings the payments into line with the provisions of the Corporate Governance Code for Companies with State Capital Investments, as adopted by Slovenski državni holding, d.d. (Slovenian Government Holding Company) on December 19, 2014.

Gorenje Group is present in nearly all global markets where it competes with globally renowned players. Supervision of such scope of subsidiaries and operations by the Supervisory Board requires a high level of responsibility and knowledge, attention, effort, and time. Therefore, it is appropriate that the Supervisory Board members be adequately rewarded.

Gorenje, d.d., is a public limited company (joint stock company). Compared to the payments to Supervisory Board members at other public limited companies headquartered in Slovenia, the rewards paid out to Supervisory Board members at Gorenje, d.d., are below average.

Velenje, June 1, 2015

President and CEO
Franc Bobinac

Supervisory Board Chairman
Marko Voljč