

Statement of Compliance with the Corporate Governance Code

The company Management Board and the Supervisory Board hereby declare that Gorenje d.d., observes in its work and operations the Slovenian Corporate Governance Code for Public Limited Companies as defined and adopted in 2016 by Ljubljanska borza d.d. (the Ljubljana Stock Exchange) and the Slovenian Director's Association, which is available at the Ljubljana Stock Exchange website at <http://www.ljse.si> in Slovenian and English, with particular discrepancies or deviations disclosed and explained below.

The contents of the statement pertain to the period from January 1, 2017 when the new Code was adopted, to March 8, 2018, when its contents were jointly drawn up and adopted by the Gorenje d.d., Management Board and Supervisory Board.

Recommendation 1:

The fundamental goals of the company are not specified in the Articles of Association; however, they are clearly specified in the company mission: "We create innovative, technologically superior products and services for the home, inspired by design, which bring simplicity to the lives of our users."

Recommendation 4:

The company has not adopted a diversity policy with regard to representation in the managerial or supervisory bodies. When recruiting candidates for members of managerial and supervisory bodies, the company focuses on expert knowledge, work experience, and competences, and does not discriminate based on gender, age, education, or other personality traits.

Recommendation 8.8:

According to the current practice, the General Meeting of Shareholders votes on the discharge to the members of the Management Board and Supervisory Board simultaneously. This has been proven appropriate and consistent with the method of work employed so far, the high standards of cooperation of the two bodies in their joint response to issues of relevance for the Company and its development, the reasonable equal treatment of the duties and responsibilities of their members as stipulated by law, and the attained level of trust.

Recommendation 12.9:

The company has not established processes for ordering of third-party services required for the work of the Supervisory Board, separately for services in which the company is represented by the Management Board, and services in which the company is represented by the Supervisory Board chairman, as this is not reasonable considering the frequency of ordering of such services.

Recommendation 12.9:

The Supervisory Board does not adopt an annual plan for Supervisory Board member training and approximate training costs, since Supervisory Board members take part in training and education programs based on currently available courses and seminars.

Recommendation 15.4:

The Supervisory Board has three deputy chairs; two are representatives of capital, and one is a representative of employees.

Recommendation 15.5:

Pursuant to the effective Supervisory Board Rules of Procedure, expansion of agenda at the session is permissible if it is proposed in writing with relevant explanation or justification, and complete with resolution proposals, and if none of the Supervisory Board members oppose such expansion of the agenda.

Recommendation 18.1:

The issue of Supervisory Board committee founding is regulated by the Supervisory Board Rules of Procedure. The Supervisory Board includes an Audit Committee, Corporate Governance Committee, Benchmark Committee, Remuneration Committee, and Nomination Committee appointed in December 2017.

Recommendation 21.3:

Recommendation on severance payments to the Management Board shall be observed and implemented to the greatest extent possible, except for the case of dismissal pursuant to Article 268, Paragraph 2, Section 4 of the Companies Act.