

## **The Gorenje, d.d. Management Board Statement, regarding the compatibility of Gorenje, d.d., corporate governance system with the recommendations of the Slovenian Corporate Governance Code**

The company Gorenje, d.d., has implemented a two-tier corporate governance system, according to the Commercial Code and follows the provisions of the Securities Market Act and the Rules of the Ljubljana Stock Exchange, d.d., as well as other general regulations governing the issues, addressed by the Slovenian Corporate Governance Code.

The company Gorenje, d.d., adheres to the recommendations of the Slovenian Corporate Governance Code with the following exceptions or particularities:

- Chapter 2., *The Management Board*, Section 2.3.: Compensation and share ownership of the company:
  - Recommendations from Section 2.3.7., regarding the disclosure of compensations for each individual member of the Management Board has so far not been observed by the company. Compensations of the Management Board members are disclosed by the type of income and in total amount, which is in compliance with the provisions of the Commercial Code and the Slovenian Accounting Standards.
  - Recommendations from Section 2.3.10., in regard that the Management Board shall set out rules on prohibition of trading with company's shares and with group company's shares for the members of the company's and group company's bodies and the employees who have access to insider information, have not yet been observed by the company, due to the belief that the required reporting on purchase and sale of shares, as well as other provisions of the Securities Market Act, set these regulations firmly enough to ensure the transparency of trading with company shares by the members of company bodies.
- Chapter 3., *Supervisory Board*, Section 3.1: *Tasks and responsibilities*:
  - Recommendations from Section 3.1.4., that the Supervisory Board shall publish its terms of reference and make it available to all shareholders and to the workers' council, will be implemented on a wider scale, by publishing the Company's Articles of Association and other general acts of the company that are of importance for the company corporate governance, by the end of 2004.
- Chapter 3., *Supervisory Board*, Section 3.4.: *Compensation and other share ownership of the company*:
  - Recommendations from section 3.4.3. regarding the disclosure of compensations for each individual member of the Supervisory

Board, have this far not been observed by the company. The compensation of the Supervisory Board members are disclosed by the type of income and in total amount, in compliance with the provisions of the Commercial Code and the Slovenian Accounting Standards.

- Chapter 3., *Supervisory Board, Sections 3.6.: Formation of special committees of the Supervisory Boars; 3.7. Audit Committee; 3.8. Personnel:*
  - Recommendations under Sections 3.6.1.-3.8.3., the company will implement in such way as to leave to the discretion of the Supervisory Board to appoint committees for various areas of their work in accordance with the requirements of decision and resolution process of the Supervisory Board. Currently the Supervisory Board of the company has not appointed permanent committee.
- Chapter 6., *Auditing and the system of internal control, Section 6.1.: External Auditors:*
  - Recommendation under Section 6.1.2. regarding the issue of avoiding to appoint as auditor the auditing company which has already been performing other advisory services for the company, will be implemented in such way as to request from such company that is or has been performing other advisory services, to sign an appropriate statement assuring complete division and independence of auditing performance from other consulting services, either by their appropriate internal organization or in any other way.
- Chapter 7., *Public disclosure of information, Section Financial calendar*
  - Recommendation under Section 7.1.7., regarding the publishing the calendar of expected essential announcements, the company will implement in relation to the announcements for the year 2005.

The Statement, regarding the compatibility with the Slovenian Corporate Governance Code is related to the adherence to the Code in the year 2004. Regarding the general implementation of the said Slovenian Corporate Governance Code the Management Board will include the appropriate reports in the Annual Report.

The Management Board,  
Gorenje d.d.