

The Gorenje, d.d., Management Board Statement, regarding the compatibility with the Slovenian Corporate Governance Code

The company Gorenje, d.d., honors the principles of the Slovenian Corporate Governance Code or applies them suitably, as declared in the 2004 Annual Report which brings detailed description of management and governance particularities of the Company. Governance of subsidiaries is also subject to the rules of fair practice in accordance with the Slovenian Corporate Governance Code.

The first announcement regarding the adherence to the Code recommendations was published on Aug. 27, 2004 at the Stock Exchange electronic information system. In accordance with the commitments from the said statement, the Management Board of the Company published the Company statutes and the schedule of major announcements for the business year 2005. This Annual Report discloses income of Management Board members in accordance with legal requirements, and the statement by the auditing company in regard to the division of consulting activities and auditing services.

The Company adheres the Code recommendations with the following exceptions:

- Chapter 2., *The Management Board*, Section 2.3.: *Compensation and share ownership of company*:
 - Recommendations from Section 2.3.10., in regard that the Management Board shall set out rules on limited trading with company shares and with group subsidiary shares for the members of the Company bodies and 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 and other related persons having access to the insider information.

- 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 has so far not been observed by the company. Compensations of the Supervisory 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.

Gorenje d.d.,
Management Board