Corporate Governance Rules for Companies listed on the Warsaw Stock Exchange

Best Practices for WSE Listed Companies are a set of corporate governance rules that apply to companies listed on the Warsaw Stock Exchange. The purpose of the Best Practices for WSE Listed Companies is to improve transparency of WSE-listed companies, to improve communication between companies and investors, and to protect the rights of shareholders, including the rights not regulated by law, without imposing unnecessary burden on the WSE-listed companies to an extent when such burden would exceed the benefits resulting from market requirements.

The Management Board and the Supervisory Board hereby declare that Gorenje, d.d., complies with the Best Practices for WSE Listed Companies in its work and operations, with particular discrepancies or deviations disclosed and explained hereinafter:

The contents of the statement pertain to the period from the adoption of the previous Statement on the compliance with the Best Practices for WSE Listed Companies, i.e. from April 24, 2014, to April 22, 2015, when its contents were jointly drawn up and adopted by the Gorenje, d.d., Management Board and Supervisory Board.

- **Recommendation 5: in part which refers to the Company adopting rules defining the remuneration policy for the Supervisory Board members:**
- The Company has not adopted rules for defining the remuneration of the members of the Supervisory Board. According to the Articles of Association and the Shareholders Assembly Rules or Procedure, the Shareholders Assembly shall be entitled to set forth the remuneration of the members of the Supervisory Board upon their sole discretion. The Management Board does not have any influence on the decisions of the Shareholders Assembly regarding the remuneration of the Supervisory Board members.
- **Recommendation 9: in part which refers to the Company ensuring that there is a balanced proportion of women and men holding managerial and supervisory positions.**
- The Company has not adopted any document that would formally ensure a balanced proportion of men and women in the Management Board and Supervisory Board. The Management Board consists of six members, all of whom are men. In the eleven-member Supervisory Board, Corinna Claudia Graf is the only female. The Management Board does not have any influence on the decisions on the bodies of the company adopting the decision on the composition of the Management Board and the Supervisory Board.
- **Best practice II.1, item 9a) stating that a public company should publish, on its website, a recording of the Shareholders Assembly in audio or video format.**
- Record of the Shareholders Assembly is available in writing and it is published on the Company website in accordance with the requirements of the Slovenian Companies Act. Neither of the above mentioned acts nor the Corporate Governance Code (the LJSE Code) or the Rules of Procedure of the Shareholders Assembly require the

Company to record the Shareholders Meeting in any other form than in writing; therefore, the company does not publish such recordings in audio and/or video format.

- **Best practice IV.1: allowing the presence of the members of the press (media representatives) at Shareholders Assemblies.**
- According to the Shareholders Assembly Rules of Procedure, only shareholders (and their representatives or proxies) and members of the Management Board and Supervisory Board may be present at the Shareholders Assemblies. This is due to the fact that during the Shareholders Assembly sessions, discussions on matters that are classified as company's business or professional secret may take place, which the company is not willing to share with the general public.
- **Best practice IV. 7 regarding the conditional dividend payment** does not apply to the company due to the fact that under the Slovenian Companies Act, the Shareholders Assembly may not vote on or adopt decisions on conditional dividend payment.
- **Best practice IV. 8 regarding the minimum possible nominal value of the shares following the share split** does not apply to the company due to the fact that company shares are no par value shares.