

**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:**

It is determined that quorum is present at the Assembly. 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, May 11, 2018

President and CEO  
Franc Bobinac

## **Supervisory Board chairman's report on the audit of the Annual Report of the company Gorenje d.d. and the Gorenje Group for the year 2017**

### **Introduction**

Within the powers and responsibilities set forth in the relevant legislation, company Articles of Association, Rules of Procedure, and Code of Conduct, the Supervisory Board supervised in 2017 the operations of the company Gorenje d.d. and the Gorenje Group, as well as performed other tasks and duties. The Board received regular reports on the company's operations, performance, and key activities, and adopted relevant resolutions, monitored their implementation, and found that the Management Board implemented all resolutions adopted by the Supervisory Board.

### **General information**

Since the approval of the 2016 Annual Report, the Supervisory Board has held ten sessions, of which six were regular meetings and four were correspondence sessions. The company Supervisory Board consists of eleven members of which seven represent shareholder interests and four are employee representatives.

#### **Shareholder representatives:**

- Marko Voljč, chairman,
- Bernard C. Pasquier, deputy chairman,
- Uroš Slavinec, deputy chairman,
- Bachtiar Djalil,
- Corinna Claudia Graf,
- Toshibumi Tanimoto (Supervisory Board member until April 21, 2017),
- Miha Košak,
- Karlo Kardov (Supervisory Board member since July 14, 2017).

#### **Employee representatives:**

- Krešimir Martinjak, deputy chairman,
- Peter Kobal,
- Drago Krenker,
- Jurij Slemenik.

The Supervisory Board members are elected for a term of four years. Replacement Supervisory Board members were appointed for a shorter term of office, and the terms of office of all Supervisory Board members expire on July 20, 2018.

### **Supervisory Board Activities**

#### **Monitoring various aspects of operations and performance**

The Supervisory Board received regular reports on a number of aspects of operations and performance. In addition to the periodic quarterly business reports, the Management Board informed the Supervisory Board on a monthly basis about the key activities and business events, sales conditions in the markets, changes in raw and processed material prices, and management of all types of risk. The Management Board responded to all Supervisory Board questions or inquiries in reasonable time. Thus, the Supervisory Board was kept up to date with the most important activities at the Group, which in turn allowed it to perform the function assigned by the shareholders and the employees in the best way possible. The Supervisory Board monitored in detail the company operations and performance, and execution of the Gorenje Group 2016–2020 Strategic Plan; sadly, the trend from 2016 of being on track with the strategic plan did not continue in 2017.

## **Changes in the Gorenje Group organization**

The Supervisory Board was presented the new Gorenje Group business organization introduced as of February 1, 2017, and approved the change in Management Board areas of responsibility, consistently with the new organization. Moreover, the Supervisory Board was regularly informed about the status of implementation of the new Gorenje Group organization in the year 2017.

## **Approving our business plans**

In January 2018, we approved the Business Plan of the company Gorenje d.d. and the Gorenje Group for the year 2018. In 2018, Gorenje Group is planning further growth of sales revenue and net profit. The Group's sales revenue is budgeted at EUR 1.328 billion, which is 1.4 percent more than in 2017, despite the planned divestment in the Other Business (non-core) segment. Sales revenue in the core activity of Domestic Appliances shall amount to EUR 1,188.7 million in 2018, which is 9.9 percent more than in 2017. Budgeted gross profit in this segment exceeds the figure estimated for 2017 by 6.6 percent. Net profit for the 2018 fiscal year is planned at EUR 8.1 million. We are planning a considerable decrease of net financial liabilities, largely on account of planned divestments of non-core businesses and assets (Other Business), alignment of investment with depreciation and amortization, working capital optimization, and positive cash flow from operating activities. To support the improvement of profitability, the Group shall ensure adequate investment into marketing and development, and improve cost efficiency regarding raw and processed materials, logistics, and labour.

Based on the activities presented in detail in all fields of operation, both in terms of revenue and expenses, we found that the Business Plan as presented by the Management Board was realistic and we approved it.

**Supervisory Board self-assessment is an important indicator of the Supervisory Board's work**

With assistance from the Supervisory Board secretary, the Supervisory Board conducted its self-assessment using the questionnaire from the Slovenian Director's Association. Based on the analysis, the Supervisory Board is devoted to the measures in the fields with the lowest scores. As early as at the next session, we launched the activities to improve the work of the Supervisory Board, making it even more effective.

**Appointment of the President and CEO for the next term of office**

The Supervisory Board invited the current President and CEO Franjo Bobinac to head the Management Board in the next five-year term of office. Bobinac consented to being in charge of the Management Board in the next term of office, and was thus appointed the Gorenje d.d. President and CEO for the term of office from July 20, 2018, to July 20, 2023. At the same time, the Supervisory Board extended to him the mandate to propose future Management Board members and their respective areas of responsibility, and submit such proposal to the Supervisory Board for discussion and approval.

**Changes in the Management Board personnel**

In late February 2017, we approved the consensual termination of the term of office of the CFO (Management Board member in charge of corporate finance and the business area of ecology, trade, and industrial services) Peter Groznik. Until the appointment of a new Management Board member, this area was managed by Jožica Turk, executive vice president of corporate finance. At the Supervisory Board session held on April 20, 2017, Žiga Debeljak was appointed Management Board member in charge of the business area of ecology, trade, and industrial services, and corporate finance (the CFO), for the period from May 1, 2017, to July 19, 2018. As of May 23, 2017, Management Board member Žiga Debeljak has also been in charge of IT and telecommunications, and organization and processes.

**Other issues addressed by the Supervisory Board**

The Supervisory Board approved the 2017 Internal Audit annual plan, and examined the new Slovenian Corporate Governance Code for Listed Companies, regulations on competition protection, report by the Gorenje d.d. Works Council for 2016, information about the fire at the company Kemis d.o.o., and other major topics concerning further development of the Gorenje Group operations.

The Supervisory Board was also informed about the current strategic challenges faced by the Gorenje Group, and about the Group's intent to start systematically examining the opportunities for strategic partnerships, consistently with the currently relevant strategic policies and activities for finding

a suitable strategic partner who would support the Group in its long-term and sustainable growth and development. These activities could result in such potential strategic partners acquiring an interest in the company equity.

Pursuant to the provisions of the Companies Act (ZGD-1), we approved the contents and the signing of an agreement with an independent auditor, for the audit of the parent company and our subsidiaries.

### **Supervisory Board committees**

Supervisory Board committees are an inseparable part of the Supervisory Board, performing important functions. Specific issues were first discussed by committees. Based on their findings and judgement, the Supervisory Board adopted relevant measures. Observing the relevant legislation, and to maintain the sound practice of Supervisory Board committees, the Supervisory Board approved the topics or issues to be addressed by its respective committees.

### **Audit Committee**

Until the August session, the Audit Committee included the following four members: Bachtiar Djalil as chairman, and members Drago Krenker, Miha Košak, and Aleksander Igličar. As of August 24, 2017, when Karlo Kardov was appointed a Committee member, the Audit Committee consists of five members.

The Audit Committee operated consistently with the relevant powers and authorizations specified by the effective 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. The Management Board and Audit Committee members have established the good practice of raising questions, in writing, by respective Audit Committee members before the Audit Committee session, with Management Board members and other Gorenje managers preparing written responses by the time of the session.

Since the approval of the most recent Annual Report, the Audit Committee has held seven sessions. In addition to reviewing the periodic or interim reports, the Committee regularly reviewed the periodic reports on the work of the Internal Audit, and other financial and accounting issues related to Gorenje Group's operations. The Committee proposed to the Supervisory Board a candidate for the company auditor for the 2017 fiscal year.

In addition to regular issues and topics, the Audit Committee also discussed the following:

- raw material purchasing procedure,
- sponsorship and donation agreements,

- competition protection,
- report on the IT audit with a third-party consultant,
- investment (capex),
- transfer pricing,
- succession plan for key employees in finance, accounting, and internal audit,
- report on the audit at the company Gorenje Commerce,
- ethics and compliance of operations, and the whistleblowing system,
- effects of the newly adopted International Financial Reporting Standards,
- repayment of the loan extended to the company Intersolar,
- selection of an external auditor to assess the performance of the company's Internal Audit,
- risk management system and the policies for managing the currency, interest rate, and credit risks,
- information security risks,
- review of implementation of recommendations from the auditor's management letters received to date.

Audit Committee members conducted self-assessment and, based on the results, adopted measures to improve their work where necessary.

## **Benchmark Committee**

The Benchmark Committee consists of chairwoman Corinna Graf and members Bernard Pasquier, Peter Kobal, Miha Košak, and Karlo Kardov (member since August 24, 2017). Toshibumi Tanimoto was a committee member until April 21, 2017. Since the approval of the most recent Annual Report, the Benchmark Committee has held four sessions. It is the goal of the Committee to be informed about benchmarks against the competition in as many fields as possible. Results of analyses are the basis for improvement of operations and performance in virtually all aspects of business. The Committee examined the benchmarks in the following fields:

- brands,
- business and operational excellence in production programs,
- small domestic appliances,
- market shares of the Gorenje Group and its competitors,
- price positioning,
- salaries and labour costs,
- development, purchasing, quality, and logistics,
- complexity, supply chain management, and cost efficiency,
- attainment of our strategic goals,
- trends in the industry,
- business organization,
- financial results, and
- benchmark of other fields against the best in the industry.

**Remuneration Committee**

The Remuneration Committee consists of chairman Bernard Pasquier and members Uroš Slavinec, Marko Voljč, Drago Krenker, Jurij Slemenik, Miha Košak, Karlo Kardov (member since August 24, 2017), and Corinna Graf (member since August 24, 2017).

Following the announcement of the resignation by the Supervisory Board member Toshibumi Tanimoto, the Supervisory Board authorized the Remuneration Committee to evaluate the candidates for the substitute Supervisory Board member. Based on the previously specified criteria, the Remuneration Committee evaluated the candidates and proposed Karlo Kardov as a candidate for the substitute Supervisory Board member. The Supervisory Board agreed with the proposal and proposed to the Shareholders Assembly to appoint Karlo Kardov as a Supervisory Board member; the Shareholders Assembly approved such proposal.

The Remuneration Committee evaluated the work of the Management Board in 2016, and proposed, consistently with the adopted Management Board Performance Criteria, to the Supervisory Board to pay out to the Management Board a performance bonus for the 2016 fiscal year in the amount of five salaries.

After a consensual termination of the term of office of Peter Groznik, CFO/Management Board member in charge of corporate finance and the business area of ecology, trade, and industrial services, the Remuneration Committee short-listed and evaluated the candidates for a new Management Board member and proposed to the Supervisory Board to appoint, upon proposal by the President and CEO, Žiga Debeljak as the CFO/Management Board member in charge of the business area of ecology, trade and industrial services, and corporate finance.

**Nomination Committee**

The Supervisory Board's term of office expires on July 20, 2018. Therefore, a the Supervisory Board appointed in December 2017 the Nomination Committee consisting of chairman Bernard Pasquier and members Marko Voljč, Miha Košak, Irena Prijović, Veit Walkner, Toshikazu Kudo, and Saša Žiković. The Nomination Committee short-listed and evaluate the candidates for the Supervisory Board members for the next term of office and proposed them to the Supervisory Board for approval.

**Corporate Governance Committee**

The Corporate Governance Committee consists of chairman Bernard Pasquier and members Marko Voljč, Peter Kobal, Krešimir Martinjak, and Bachtiar Djalil (member since August 24, 2017). The Corporate Governance Committee did not hold any sessions in 2017.

## **Annual Report review and approval**

On February 28, 2018, 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 2017. The Supervisory Board discussed the Annual Report at the session held on March 8, 2018.

The Annual Report of the company Gorenje d.d. and the Gorenje Group for the year 2017 was audited by the auditing company Deloitte Revizija d.o.o. Members of the Deloitte network also audited the majority of Gorenje Group's material subsidiaries, as previously agreed upon with this auditing company.

On February 26, 2018, 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 2017.

Pursuant to the sound practice to date, the Audit Committee examined with due diligence before the Supervisory Board session the 2017 Annual Report, complete with Audit Report and the additional report for the Audit Committee, to put forth their positions and opinions that we observed.

The Supervisory Board confirmed that the 2017 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. It complies with the Global Reporting Initiative (GRI G4), as well as the concept, guiding principles, and elements of contents of integrated reporting pursuant to the International Integrated Reporting Council (IIRC). The Supervisory Board reviewed and confirmed the Auditor's Report to which no objections were made.

As a result, 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 March 8, 2018, the Annual Report for the company Gorenje d.d. and the consolidated Gorenje Group Annual Report for the fiscal year 2017, as presented by the Management Board.

## **Distributable profit and proposal for its allocation**

In the calculation of the distributable profit for the year 2017, the Management Board and Supervisory Board observed the effective provisions of the Companies Act and Gorenje's Articles of Association. Pursuant to the Companies Act and the Company Articles of Association, the Management Board decided to allocate a part of the Company net profit for the fiscal year 2017, amounting to a total of 473,260.16 euros, for statutory reserves in the

amount of 47,326.02 euros. The Management Board proposed that the remainder of the net result for 2017, amounting to EUR 425,934.14, retained net profits from previous years in the amount of EUR 54,484,284.73, decreased by EUR 56,786.43 due to drawing of actuarial deficit for retirement benefits, and release of other reserves from profit in the amount of EUR 12,931,561.56, for the formation of distributable profit, since the long-term deferred development costs as at balance sheet date have to be recorded, pursuant to the Companies Act, as a debit item. Distributable profit as at December 31, 2017, amounts to 0 euros.

The Supervisory Board proposes to the Shareholders Assembly to grant discharge from liability to the Management Board and Supervisory Board for their work in 2017.

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, March 8, 2018

Supervisory Board Chairman  
Marko Voljč

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

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

**Proposal for resolutions to item 2 of the agenda:**

2.1. The Shareholders Assembly shall be informed that the company distributable profit as at December 31, 2017, amounts to EUR 0.

2.2. Discharge shall be granted to the company Management Board and Supervisory Board for the fiscal year 2017.

**Explanation:**

The Supervisory Board discussed and adopted the audited 2017 Annual Report on March 8, 2018. Pursuant to provisions of Articles 193 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.

In the calculation of the distributable profit for the year 2017, the Management Board and Supervisory Board observed the effective provisions of the Companies Act and Gorenje's Articles of Association. Pursuant to the Companies Act and the Company Articles of Association, the Management Board, with approval by the Supervisory Board, decided to allocate a part of the Company net profit for the fiscal year 2017, amounting to a total of 473,260.16 euros, for statutory reserves in the amount of 47,326.02 euros. The Management Board proposed that the remainder of the net result for 2017, amounting to 425,934.14 euros, retained net profits from previous years in the amount of 54,484,284.73 euros, decreased by 56,786.43 euros due to drawing of actuarial deficit for retirement benefits, and release of other reserves from profit in the amount of 12,931,561.56 euros, for the formation of distributable profit, since, pursuant to the Companies Act, the long-term deferred development costs, amounting to 67,784,994.00 euros as at balance sheet date, have to be recorded as a debit item. Distributable profit as at December 31, 2017, amounts to 0 euros.

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 2017.

Velenje, May 11, 2018

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 years 2018, 2019, and 2020.

**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 March 8, 2018, submitted to the Supervisory Board which is, pursuant to Article 281 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.

The Audit Committee and the Supervisory Board find that the auditor rendered its services in a quality and professional manner and that the auditor is independent; therefore, the Supervisory Board proposes to the company Shareholders Assembly to appoint the company DELOITTE REVIZIJA d.o.o. as the auditor for the company Gorenje d.d. for the fiscal years 2018, 2019, and 2020.

Velenje, May 11, 2018

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 4 of the agenda:**

4.1. Bachtiar Djalil shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 21, 2018 to July 21, 2022.

4.2. Corinna Claudia Graf shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 21, 2018, to July 21, 2022.

4.3. Miha Košak shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 21, 2018 to July 21, 2022.

4.4. Bernard Charles Pasquier shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 21, 2018, to July 21, 2022.

**Explanation:**

The term of office of the current Supervisory Board members representing the interests of shareholders expires on July 20, 2018. Therefore, the Shareholders Assembly has to appoint new Supervisory Board members representing shareholder interests. New members shall commence their term of office on July 21, 2018. Pursuant to the company Articles of Association, proposal for appointment of new Supervisory Board members representing the interests of shareholders shall be made by the preceding Supervisory Board.

In December 2017, the Supervisory Board appointed a Supervisory Board Nomination Committee tasked to develop the criteria for Supervisory Board member candidates, specify the method of recruiting candidates and inviting them to submit their applications, conduct interviews with the candidates, and evaluate the Supervisory Board member candidates, and propose them for confirmation to the Supervisory Board. The Nomination Committee invited five largest shareholders to propose their candidates, and made the relevant announcement on the Ljubljana Stock Exchange and Warsaw Stock Exchange, in the Financial Times newspaper, and on the company website.

Based on the criteria approved by the Supervisory Board, and the received candidate applications, the Nomination Committee compiled a short list of 14

candidates with whom interviews were held. Based on the interviews and the verification of compliance with the conditions and competencies, a unanimous proposal was made for seven Supervisory Board candidates for the next term of office, including four existing Supervisory Board members and three new members. The Supervisory Board firmly believes that the goals the work laid down by the current Supervisory Board should be pursued further and that at least partial continuity of Supervisory Board membership should be maintained. Therefore, the Supervisory Board proposes the re-appointment of four current Supervisory Board members representing the interests of capital.

The company is currently conducting the process of searching for a new strategic partner (the Process). The company received three binding offers until the submission deadline, and selected the best bidder among them. It is expected that the selected strategic partner will announce a public bid for the acquisition of all company shares, pursuant to the Takeovers Act. In case of a successful takeover of the company and acquisition of company shares – no less than 50 percent of total company share equity – from the existing shareholders, then the strategic partner shall have the interest to establish efficient corporate supervision over the management and operations of the company. Termination of office of a Supervisory Board member requires a three-quarter majority of the votes cast at a Shareholders Assembly session. In the course of the takeover, the strategic partner may not acquire enough votes at the Shareholders Assembly to terminate the offices of Supervisory Board members.

Uncertainty regarding the possibility of establishing effective corporate supervision over the management and operations/performance of the company presents a considerable risk for the potential acquiring party. All three bidders expressed their concern in the course of due diligence due to the planned appointment of new Supervisory Board members with a full term of office, and the uncertainty as to whether they would succeed in acquiring in a potential takeover bid a 75-percent share that would allow them to recall the appointed Supervisory Board members.

As it is possible that the procedure involving the takeover bid and acquisition of voting rights by the new shareholder will not be complete before the expiry of the term of office of the current Supervisory Board, a question arose as to how to eliminate or mitigate the risk regarding the establishment of effective corporate supervision over the company management and operations/performance after a potential company takeover (which would ensure that such risk does not affect the value of the company stock), while also providing suitable and effective corporate supervision in the period after the expiry of the term of office of the current Supervisory Board members.

The Companies Act (ZGD-1) does not require that the Supervisory Board be complete or that the number of appointed Supervisory Board members match at all times the number as provided in the company Articles of Association.

However, enough Supervisory Board members have to be appointed for the Supervisory Board to reach quorum and to be able to adopt decisions within its powers and responsibilities. The Supervisory Board's decision shall be valid if at least one half of the members are present and at least one of them is the representative of employees, if employee representatives are appointed to the Supervisory Board.

Whenever the shareholder structure of a company changes (takeovers and other equity combinations), the new shareholders normally expect to be able to influence the Supervisory Board composition, which allows them corporate control over the company management and operations/performance. The new shareholders expect to be able to participate in the appointment of Supervisory Board members who are competent experts and who enjoy their confidence.

Following the candidate assessment procedures conducted by the Supervisory Board Nomination Committee, and taking into account the said process of search for a new strategic partner, the Supervisory Board proposes the appointment of the following four Supervisory Board members representing capital: Bachtiar Djalil, Corinna Claudia Graf, Miha Košak, and Bernard Charles Pasquier; regarding the remaining three members, the Supervisory Board proposes to leave them vacant, which would allow the appointment of the missing Supervisory Board members after the takeover and change of the shareholder structure, which will considerably decrease the risk for the acquiring party.

If the public takeover process or takeover bid pursuant to the Takeovers Act (ZPre-1) is not successfully completed, the Shareholders Assembly can appoint the remaining three Supervisory Board members at an extraordinary or regular Shareholders Assembly convened after the completion of the process with the takeover bid. In the meantime, the Supervisory Board will be operational and will be able, considering the proposed composition, to execute its tasks without any hindrances in compliance with the law and the company Articles of Association.

Presentations of the candidates for the Supervisory Board member are provided in the appendix to the resolution proposals complete with explanations.

The proposed candidates provided their consents for candidacy and a written statement declaring that there are no circumstances opposing their appointment pursuant to the provisions of the Companies Act (ZGD-1); moreover, they signed a statement of independence in which they declare they are independent. At the same time, the three proposed candidates expressed their willingness to resign as Supervisory Board members in case of successful completion of the company takeover (i.e. acquisition of at least the ordinary majority of the company shares (50% + 1 share) and at least the ordinary majority of the voting rights (50% + 1 vote) pertaining to the company shares).

Remaining Supervisory Board members representing the interests of the workers shall be appointed/elected by the Works Council of Gorenje, d.d., pursuant to the Worker Participation in Management Act and the Works Council's general acts, rules, and by-laws. The procedures for the election of the Supervisory Board members will be launched soon. The Works Council will inform the Shareholders Assembly about the elected Supervisory Board members presumably at the Assembly on June 12, 2018.

Velenje, May 11, 2018

Supervisory Board Chairman  
Marko Voljč