

Gorenje, d.d., Management Board

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:

The bodies of the General Assembly shall be elected.

Mrs. Katja Fink, Notary Public of Celje, shall be appointed to keep official Records of Proceedings.

E x p l a n a t i o n :

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, December 28th 2011

President and CEO
Franc Bobinac

The Management Board and the Supervisory Board of Gorenje, d.d.,
hereby propose to the Shareholders Assembly for discussion and adoption the following

Resolution Proposal to Item 2 of the agenda:

**AUTHORIZATION TO THE MANAGEMENT BOARD TO ACQUIRE AND DISPOSE OF
TREASURY SHARES:**

The Shareholders Assembly hereby grants the company Management Board the following authorization to acquire treasury shares, as follows:

1. The Shareholders Assembly hereby grants the authorization for acquisition of treasury shares, as follows:
 - a. The authorization for acquisition of treasury shares shall be valid for 36 months starting from the day this resolution is adopted.
 - b. The authorization shall apply for acquisition of up to a total of 1,590,687 treasury shares of the company, which is equivalent to 10 percent of the company share capital and includes the treasury shares held by the company as at the day this authorization is issued. Upon acquisition of each 2% (or 318,138 shares) treasury shares, the Supervisory Board shall decide on further progress of the repurchase program (option).
 - c. The company shall, as a rule, acquire the shares through transactions in the regulated market / stock exchange at the going market price per share. In acquisition of shares, the purchase price for the shares shall not be lower than 10% of the share book value and shall not exceed 50% of the share book value as calculated based on the most recent publicly announced audited financial statements of the Gorenje Group.
 - d. The company may use the treasury shares acquired based on this and any previous authorizations for the following purposes, subject to the following conditions:
 - trading for minority shareholdings in Gorenje Group subsidiaries;
 - trading for shareholdings in other companies the activities of which coincide with the core activities of the Gorenje Group, subject to prior approval by the company Supervisory Board; or
 - sale to a strategic partner whose activities coincide with the core activities of the Gorenje Group, subject to prior approval by the company Supervisory Board; or
 - for listing the stock on markets beyond the Republic of Slovenia, where they may be offered to new portfolio investors.
 - e. In case of disposal of treasury shares, which may be disposed only for the purposes under 1.d of this authorization, the pre-emptive right shall be omitted.

**EXPLANATION OF THE RESOLUTION AND REPORT ON JUSTIFIABLE REASONS
FOR FULL OMISSION OF THE PRE-EMPTIVE RIGHT
IN THE DISPOSAL OF TREASURY SHARES
(pursuant to Article 247, Paragraph 1, Section 8
in relation to Article 337, Paragraph 4 of the Companies Act ZGD-1)**

In view of the fact that the validity of the authorization to acquire treasury shares, granted to the Management Board of the company Gorenje, d.d., at the 12th Shareholders Assembly of the company Gorenje, d.d., held on June 11th 2008, expired on December 11th 2009 the Management Board and Supervisory Board propose in the agenda of the 17th Shareholders Assembly of the company Gorenje, d.d., which is to take place on February 3rd, that the Shareholders Assembly grant a new authorization to the company Management Board to acquire and dispose of treasury shares in the total amount of up to 10 percent of the company share capital.

As at December 28th 2011 the company holds 121,311 treasury shares, which represents 0.7626 percent of the company share capital. By granting the authorization to acquire treasury shares in the amount of up to 1,590,687 shares, the company could acquire a block of 10 percent of treasury shares, in a time when prices of nearly all shares in global markets are at historical lows, which represents a serious threat of a hostile takeover, and at the same time a good opportunity for a favourable acquisition of shares; thus, the company could protect itself from a takeover to the extent permitted by the relevant legislation. At the same time, the acquisition of 10 percent of treasury shares would allow the company to seek new favourable acquisition opportunities, as it has done in the past. The company Management Board and Supervisory Board also propose to the Shareholders Assembly that the pre-emptive right of the existing shareholders be entirely omitted in case of disposal of treasury shares. Therefore, the company Management Board prepared (pursuant to Article 247, Paragraph 1, Section 8, in relation to Article 337, Paragraph 4 of the Companies Act ZGD-1) a written report on the reasons for the omission of the pre-emptive right, which is a constituent part of the invitation or the material for the Shareholders Assembly, and which shall be available as of the day of the announcement of the Assembly at the company headquarters, and the copy of which will be submitted to each shareholder upon request.

The company management proposes that the resolution on the authorization to acquire and dispose of treasury shares also include an authorization to – subject to existence of justifiable formal and material assumptions in this regard – omit the pre-emptive right of the existing shareholders to purchase the treasury shares being disposed of, if circumstances are present at the time of the issue that would materially justify such omission.

The Management Board and the Supervisory Board believe that full omission of the pre-emptive right in case of disposal of treasury shares is in the best interest of the company and its shareholders, within the conditions for and restrictions on the acquisition and disposal of treasury shares and the purpose of use of treasury shares as specified in the proposed Shareholders Assembly resolution.

In view of the purposes of use of treasury shares, which are related to the attainment of the strategic goals laid out for the company and the Gorenje Group, it would not be possible to allow the existing shareholders to exercise their pre-emptive rights. When the company disposes of treasury shares subject to conditions specified in the authorization, the treasury shares shall be disposed of, depending on the purpose of such disposal, by trading / exchanging them or selling them to a restricted group of buyers, as follows: holders of minority shareholdings in Gorenje Group subsidiaries; holders of shareholdings in other companies dealing with the same activity as the Gorenje Group's core activity, with which the

company would like to trade/exchange shares; to any strategic partner dealing with the same activity as Gorenje Group's core activity; alternatively, the treasury shares may be use for listing in one of the securities markets outside the Republic of Slovenia. All purposes of use of treasury shares specified in the authorization shall be intended for increasing the long-term capacity to successfully pursue the strategic policies and development goals while generating value for the shareholders and meeting the obligations and liabilities to other stakeholders.

For these reasons, we believe that full omission of the pre-emptive right in disposal of treasury shares subject to conditions and in the manners specified in the proposed authorization, is justified and supported by both formal and material aspects as it is in the best interest of the company and the shareholders.

Velenje, December 28th 2011

President and CEO
Franc Bobinac

Supervisory Board Chairman
Uroš Slavinec

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

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

Resolution Proposal to Item 3 of the agenda:

The resolution on of the Shareholders Assembly, adopted under item 5.3 at the 16th Shareholders assembly shall be rescinded and replaced with a new resolution as follows:

Supervisory Board members shall be paid for education necessary to perform their work as members of the Supervisory Board and which is in the best interest of the company.

E x p l a n a t i o n :

At the 16th Shareholders Assembly, a resolution was adopted under item 5.3, stipulating that expenses would be covered for Supervisory Board member education that was found to be necessary for performing their work as members of the Supervisory Board and in the best interest of the company; in addition, Supervisory Board member would also be reimbursed for the membership fee for the Slovenian Directors' Association (SDA).

The Management Board and the Supervisory Board believe that education of the Supervisory Board members is in accordance with the basic principles of corporate governance, and the best international practice in the field. However, favouring any single one of the organizations of professions in Slovenia is deemed inappropriate. Therefore, the Management Board and the Supervisory Board propose to amend the resolution to agenda item 5.3 in such way that the Supervisory Board members are not entitled to the reimbursement of membership fee for the Slovenian Directors' Association.

Velenje, December 28th 2011

President and CEO
Franc Bobinac

Supervisory Board Chairman
Uroš Slavinec