

# STATUTE of GORENJE, d.d.

## Final Version

### PREAMBLE

The Company was incorporated on 03 April 1950 as ***Kovinsko, industrijsko eksploatacijsko podjetje Gorenje*** (Metal Industry Exploitation Company Gorenje), followed by a series of changes in the name and legal status, as follows:

- ***Gorenje Tovarna gospodinjske opreme Velenje*** (Household Appliances Factory),
- ***Združeno podjetje Gorenje*** (Associated Company),
- ***Sestavljena organizacija združenega dela Gorenje, SOZD, n.sub.o.*** (Composite Organization of Associated Labor)
- ***Koncern Gorenje, d.o.o.*** (Gorenje Corporation Ltd),
- ***Gorenje d.o.o.*** (Gorenje Ltd)

On 31 December 1997 the Company ownership was restructured to become the joint-stock company, and as such registered at the District Court in Celje under entry n. 063/10046100, Corporate Registry n. Srg 199800757.

### 1. NAME AND HEAD OFFICE

#### Article 1

The name of the Company is: *Gorenje gospodinjski aparati, d.d.* (Gorenje Household Appliances)

The abbreviated name is: *Gorenje, d.d.*

The brand name **gorenje** forms an integral part of the Company name.

The above brand name is registered with the Industrial Property Protection Bureau of the Republic of Slovenia under the registry n. 9370452.

The head office of the Company is at the address: Velenje, Partizanska 12.

### 2. AFFAIRS OF BUSINESS

#### Article 2

Basic business of the Company is manufacture, sale, and servicing of powered and non-powered household and thermal appliances, as follows:

- refrigerators, freezers, and air conditioners;
- washing machines, dryers, and dishwashers;
- electrical and gas cookers and ovens, and combined cookers.

### Article 3

Company activities/affairs of business according to the standard classification of activities, are as follows:

- 01.620 Support activities for animal production, excl. veterinary
- 02.400 Support services to forestry
- 08.120 Operation of gravel and sand pits; mining of clays and kaolin
- 09.900 Support activities for other mining and quarrying
- 10.710 Manufacture of bread; manufacture of fresh pastry goods and cakes
- 10.720 Manufacture of risks and biscuits; manufacture of preserved pastry goods and cakes
- 10.850 Manufacture of prepared meals and dishes
- 10.890 Manufacture of other food products n.e.c. (not elsewhere classified)
- 13.300 Finishing of textiles
- 14.120 Manufacture of work-wear
- 14.190 Manufacture of other wearing apparel and accessories
- 15.120 Manufacture of luggage, handbags and the like, saddler and harness
- 16.100 Sawmilling and plane, and impregnation of wood
- 16.210 Manufacture of veneer sheets and wood-based panels
- 16.230 Manufacture of other builders' carpentry and joinery
- 16.240 Manufacture of wooden containers
- 16.290 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials
- 17.210 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
- 17.230 Manufacture of paper stationery
- 18.110 Printing of newspapers
- 18.120 Other printing
- 18.130 Pre-press and pre-media services
- 18.140 Binding and related services
- 18.200 Reproduction of recorded media
- 22.210 Manufacture of plastic plates, sheets, tubes and profiles
- 22.220 Manufacture of plastic packing goods
- 22.230 Manufacture of plastic builders' ware (construction ware)
- 22.290 Manufacture of other plastic products
- 23.310 Manufacture of ceramic tiles and flags
- 23.410 Manufacture of ceramic household and ornamental articles
- 23.420 Manufacture of ceramic sanitary fixtures
- 23.440 Manufacture of other technical ceramic products
- 23.490 Manufacture of other ceramic products
- 23.990 Manufacture of other non-metallic mineral products n.e.c.
- 25.110 Manufacture of metal structures and parts of structures

- 25.210 Manufacture of central heating radiators and boilers
- 25.290 Manufacture of other tanks, reservoirs and containers of metal
- 25.300 Manufacture of steam generators, except central heating hot water boilers
- 25.500 Forging, pressing, stamping and roll-forming of metal; powder metallurgy
- 25.611 Metallic coating of metals
- 25.619 Other coating and (thermal) treatment of metals
- 25.620 Machining – machine treatment of metal
- 25.710 Manufacture of blades and cutlery
- 25.731 Manufacture of hand tools
- 25.732 Manufacture of tools for machinery
- 25.910 Manufacture of steel drums, barrels, and similar containers
- 25.920 Manufacture of light metal packaging
- 25.930 Manufacture of wire products, chain and springs
- 25.990 Manufacture of other fabricated metal products n.e.c.
- 26.110 Manufacture of electronic components
- 26.200 Manufacture of computers and peripheral equipment
- 26.300 Manufacture of communication equipment
- 26.400 Manufacture of consumer electronics
- 26.510 Manufacture of instruments and appliances for measuring, testing and navigation
- 26.700 Manufacture of optical instruments and photographic equipment
- 27.110 Manufacture of electric motors, generators and transformers
- 27.120 Manufacture of electricity distribution and control apparatus
- 27.310 Manufacture of fibre optic cables
- 27.320 Manufacture of other electronic and electric wires and cables
- 27.330 Manufacture of wiring devices (sockets, switches, and other)
- 27.400 Manufacture of electric lighting equipment
- 27.510 Manufacture of electric domestic appliances
- 27.520 Manufacture of non-electric domestic appliances
- 27.900 Manufacture of other electrical equipment
- 28.110 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
- 28.120 Manufacture of fluid power equipment
- 28.130 Manufacture of other pumps and compressors
- 28.140 Manufacture of other taps and valves
- 28.150 Manufacture of bearings, gears, gearing and driving elements
- 28.210 Manufacture of ovens, furnaces and furnace burners
- 28.220 Manufacture of lifting and handling equipment
- 28.230 Manufacture of office machinery and equipment (except computers and peripheral equipment)
- 28.240 Manufacture of power-driven hand tools
- 28.250 Manufacture of non-domestic cooling and ventilation equipment
- 28.290 Manufacture of other general-purpose machinery n.e.c.

28.300 Manufacture of agricultural and forestry machinery  
28.410 Manufacture of metal forming machinery  
28.490 Manufacture of other machine tools  
28.910 Manufacture of machinery for metallurgy  
28.920 Manufacture of machinery for mining, quarrying and construction  
28.930 Manufacture of machinery for food, beverage and tobacco processing  
28.940 Manufacture of machinery for textile, apparel and leather production  
28.950 Manufacture of machinery for paper and paperboard production  
28.960 Manufacture of plastics and rubber machinery  
28.990 Manufacture of other special-purpose machinery n.e.c.  
29.200 Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers  
29.310 Manufacture of electrical and electronic equipment for motor vehicles  
29.320 Manufacture of other parts and accessories for motor vehicles  
30.110 Building of ships and floating structures  
30.200 Manufacture of railway locomotives and rolling stock  
30.300 Manufacture of air and spacecraft and related machinery  
31.010 Manufacture of office and shop furniture  
31.020 Manufacture of kitchen furniture  
31.090 Manufacture of other furniture  
32.500 Manufacture of medical and dental instruments and supplies  
32.990 Other manufacturing n.e.c.  
33.110 Repair of fabricated metal products  
33.120 Repair of machinery  
33.130 Repair of electronic and optical equipment  
33.140 Repair of electrical equipment  
33.190 Repair of other equipment  
33.200 Installation of industrial machinery and equipment  
35.119 Other production of electricity  
35.120 Transmission of electricity  
35.130 Distribution of electricity  
35.140 Trade of electricity  
35.210 Manufacture of gas  
35.220 Distribution of gaseous fuels through mains  
35.230 Trade of gas through mains  
35.300 Steam and hot water supply  
36.000 Water collection, treatment and supply  
37.000 Sewerage  
38.110 Collection of non-hazardous waste  
38.120 Collection of hazardous waste  
38.210 Treatment and disposal of non-hazardous waste  
38.220 Treatment and disposal of hazardous waste

- 38.310 Dismantling of wrecks
- 38.320 Recovery of secondary raw (sorted) materials from waste
- 39.000 Remediation activities and other waste management services
- 41.100 Development of building projects
- 41.200 Construction of residential and non-residential buildings
- 42.110 Construction of roads and motorways
- 42.120 Construction of railways and underground railways
- 42.130 Construction of bridges and tunnels
- 42.210 Construction of utility projects for fluids (gas and liquid)
- 42.220 Construction of utility projects for electricity and telecommunications
- 42.910 Construction of water projects
- 42.990 Construction of other civil engineering projects n.e.c.
- 43.110 Demolition
- 43.120 Site preparation
- 43.210 Electrical installation
- 43.220 Plumbing, heat and air-conditioning installation
- 43.290 Other construction installation
- 43.310 Plastering
- 43.320 Joinery installation
- 43.330 Floor and wall covering
- 43.341 Glazing
- 43.342 Painting
- 43.390 Other building completion and finishing
- 43.910 Roofing activities
- 43.990 Other specialized construction activities n.e.c.
- 45.110 Sale of cars and light motor vehicles
- 45.190 Sale of other motor vehicles
- 45.200 Maintenance and repair of motor vehicles
- 45.310 Wholesale trade of motor vehicle parts and accessories
- 45.320 Retail trade of motor vehicle parts and accessories
- 45.400 Sale, maintenance and repair of motorcycles and related parts and accessories
- 46.110 Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods
- 46.120 Agents involved in the sale of fuels, ores, metals and industrial chemicals
- 46.130 Agents involved in the sale of timber and building materials
- 46.140 Agents involved in the sale of machinery, industrial equipment, ships and aircraft
- 46.150 Agents involved in the sale of furniture, household goods, hardware and ironmongery
- 46.160 Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
- 46.170 Agents involved in the sale of food, beverages and tobacco

- 46.180 Agents specialized in the sale of other particular products
- 46.190 Agents involved in the sale of a variety of goods
- 46.210 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
- 46.240 Wholesale of hides, skins and leather
- 46.390 Non-specialized wholesale of food, beverages and tobacco
- 46.410 Wholesale of textiles
- 46.420 Wholesale of clothing and footwear
- 46.430 Wholesale of electrical household appliances and radio and television goods
- 46.440 Wholesale of china and glassware and cleaning materials
- 46.450 Wholesale of perfume and cosmetics
- 46.460 Wholesale of pharmaceutical and medical goods and supplies
- 46.470 Wholesale of furniture, carpets and lighting equipment
- 46.480 Wholesale of watches and jewellery
- 46.490 Wholesale of other household goods
- 46.510 Wholesale of computers, computer peripheral equipment and software
- 46.520 Wholesale of electronic and telecommunications equipment and parts
- 46.610 Wholesale of agricultural machinery, equipment and supplies
- 46.620 Wholesale of machine tools
- 46.630 Wholesale of mining, construction and civil engineering machinery
- 46.640 Wholesale of machinery for the textile industry and of sewing and knitting machines
- 46.650 Wholesale of office furniture
- 46.660 Wholesale of other office machinery and equipment
- 46.690 Wholesale of other machinery and equipment
- 46.710 Wholesale of solid, liquid and gaseous fuels and related products
- 46.720 Wholesale of metals and metal ores
- 46.730 Wholesale of wood, construction materials and sanitary equipment
- 46.740 Wholesale of hardware, plumbing and heating equipment and supplies
- 46.750 Wholesale of chemical products
- 46.760 Wholesale of other intermediate products
- 46.770 Wholesale of waste and scrap
- 46.900 Non-specialized wholesale trade
- 47.110 Retail sale in non-specialized stores with food, beverages or tobacco predominating
- 47.190 Other retail sale in non-specialized stores
- 47.250 Retail sale of beverages in specialized stores
- 47.410 Retail sale of computers, peripheral units and software in specialized stores
- 47.420 Retail sale of telecommunications equipment in specialized stores
- 47.430 Retail sale of audio and video equipment in specialized stores
- 47.510 Retail sale of textiles in specialized stores
- 47.520 Retail sale of hardware, paints and glass in specialized stores
- 47.530 Retail sale of carpets, rugs, wall and floor coverings in specialized stores

47.540 Retail sale of electrical household appliances in specialized stores  
47.590 Retail sale of furniture, lighting equipment and other household articles in specialized stores  
47.621 Retail sale of newspapers in specialized stores  
47.630 Retail sale of music and video recordings in specialized stores  
47.640 Retail sale of sporting equipment in specialized stores  
47.650 Retail sale of games and toys in specialized stores  
47.710 Retail sale of clothing in specialized stores  
47.720 Retail sale of footwear and leather goods in specialized stores  
47.740 Retail sale of medical and orthopaedic goods in specialized stores  
47.750 Retail sale of cosmetic and toilet articles in specialized stores  
47.762 Retail sale of gardening material, pet animals and pet food in specialized stores  
47.770 Retail sale of watches and jewellery in specialized stores  
47.781 Activities of opticians  
47.782 Retail sale services of commercial art galleries  
47.789 Other retail sale of new goods in specialized stores n.e.c.  
47.790 Retail sale of second-hand goods in stores  
47.810 Retail sale via stalls and markets of food, beverages and tobacco products  
47.820 Retail sale via stalls and markets of textiles, clothing and footwear  
47.890 Retail sale via stalls and markets of other goods  
47.910 Retail sale via mail order houses or via Internet  
47.990 Other retail sale not in stores, stalls or markets  
49.391 Interurban and other passenger road transport  
49.410 Freight transport by road  
49.420 Removal / moving services  
52.100 Warehousing and storage  
52.210 Service activities incidental to land transportation  
52.240 Cargo handling  
52.290 Other transportation support activities  
53.200 Other postal and courier activities  
55.100 Hotels and similar accommodation  
55.209 Other short-stay accommodation  
56.101 Restaurants and inns  
56.102 Snack bars and similar  
56.103 Sweetshops and coffee-houses  
56.104 Provisory food-serving stands  
56.210 Event catering activities  
56.290 Other food services  
56.300 Beverage serving activities  
58.110 Book publishing  
58.120 Publishing of directories and mailing lists

58.130 Publishing of newspapers  
58.140 Publishing of journals and periodicals  
58.190 Other publishing activities  
58.210 Publishing of computer games  
58.290 Other software publishing  
59.200 Sound recording and music publishing activities  
60.100 Radio broadcasting  
60.200 Television programming and broadcasting activities  
61.100 Wired telecommunications activities  
61.200 Wireless telecommunications activities  
61.300 Satellite telecommunications activities  
61.900 Other telecommunications activities  
62.010 Computer programming activities  
62.020 Information technology consultancy activities  
62.030 Computer facilities management activities  
62.090 Other information technology service activities  
63.110 Data processing, hosting and related activities  
63.120 Web portals  
63.990 Other information service activities n.e.c.  
64.200 Activities of holding companies  
64.300 Trusts, funds and similar financial entities  
64.920 Other credit granting  
64.990 Other financial intermediation (excl. insurance and pension funding) n.e.c.  
65.200 Reinsurance  
65.300 Pension funding  
66.120 Security and commodity contracts dealing activities  
66.300 Fund management activities  
66.190 Other activities auxiliary to financial intermediation  
68.100 Buying and selling of own real estate  
68.200 Renting and operating of own or leased real estate  
68.310 Real estate agencies  
68.320 Management of real estate on a fee or contract basis  
69.101 Legal representation  
69.102 Activities of notaries public  
69.103 Other legal activities (excl. legal representation)  
69.200 Accounting, bookkeeping and auditing activities; tax consultancy  
70.100 Activities of head offices  
70.210 Public relation and communication activities  
70.220 Business and other management consultancy activities  
71.111 Architectural planning  
71.112 Landscape architecture, urban and other planning  
71.121 Geo-engineering and related activities



71.129 Other engineering activities and related technical consultancy  
 71.200 Technical testing and analysis  
 72.110 Research and experimental development on biotechnology  
 72.190 Other research and experimental development on natural sciences and engineering  
 72.200 Research and experimental development on social sciences and humanities  
 73.110 Advertising agencies  
 73.120 Media representation  
 73.200 Market research and public opinion polling  
 74.100 Specialized design activities  
 74.200 Photographic activities  
 74.300 Translation and interpretation activities  
 74.900 Other professional, scientific and technical activities n.e.c.  
 77.110 Renting and leasing of cars and light motor vehicles  
 77.120 Renting and leasing of trucks and other heavy vehicles  
 77.210 Renting and leasing of recreational and sports goods  
 77.220 Renting of video tapes and disks  
 77.290 Renting and leasing of other personal and household goods  
 77.310 Renting and leasing of agricultural machinery and equipment  
 77.320 Renting and leasing of construction and civil engineering machinery and equipment  
 77.330 Renting and leasing of office machinery and equipment (including computers)  
 77.390 Renting and leasing of other machinery, equipment and tangible goods n.e.c.  
 77.400 Leasing of intellectual property and similar products, except copyrighted works  
 78.100 Activities of employment placement agencies  
 79.110 Travel agency activities  
 79.120 Tour operator activities  
 79.900 Other booking (reservation) services and other travel-related activities  
 80.100 Private security activities  
 80.200 Security systems service activities  
 80.300 Investigation activities  
 81.100 Combined facilities support activities  
 81.210 General cleaning of buildings  
 81.220 Other building and industrial cleaning activities  
 81.290 Other cleaning activities  
 82.110 Combined office administrative service activities  
 82.190 Photocopying, document preparation and other specialized office support activities  
 82.200 Activities of call centres  
 82.300 Organisation of conventions and trade shows  
 82.910 Activities of collection agencies and credit bureaus  
 82.920 Packaging activities  
 82.990 Other business support service activities n.e.c.

- 84.250 Fire service activities
- 85.320 Technical and vocational secondary education
- 85.510 Sports and recreation education
- 85.520 Cultural education
- 85.590 Other education n.e.c.
- 85.600 Educational support activities
- 88.910 Child day-care activities
- 90.010 Performing arts
- 90.020 Support activities to performing arts
- 90.040 Operation of arts facilities
- 91.011 Library activities
- 91.012 Archives activities
- 91.020 Museums activities
- 93.110 Operation of sports facilities
- 93.120 Activities of sport clubs
- 93.190 Other sports activities
- 93.299 Other amusement and recreation activities n.e.c.
- 95.110 Repair of computers and peripheral equipment
- 95.120 Repair of communication equipment
- 95.210 Repair of consumer electronics
- 95.220 Repair of household appliances and home and garden equipment
- 95.230 Repair of footwear and leather goods
- 95.240 Repair of furniture and home furnishings
- 95.290 Repair of other personal and household goods
- 96.090 Other personal service activities n.e.c.

### **3. SHARE CAPITAL AND SHARES**

#### **Article 4**

Share capital of the company amounts to EUR 76,060,181.93 and is distributed to 18,227,062 ordinary freely transferable registered non-par value shares.

All shares have been fully paid-in.

#### **Article 5**

All shares belong to one single class of shares.

Shares are issued in non-materialized form and duly registered with the Central Securities Clearing Corporation Inc., Ljubljana, in line with relevant legal requirements.

Rights arising from shares are transferred by the book ownership change in the Central Register of the Central Securities Clearing Corporation Inc., Ljubljana.

Shareholder is every person, registered as shareholder in the Share Register, kept by the Central Securities Clearing Corporation Inc., Ljubljana.

#### **Article 6**

Rights arising from the ownership of one share are as follows:

- one vote at the Shareholders Assembly,
- proportional share of balance sheet profit, to be distributed among shareholders (dividends),
- proportional share of assets from bankruptcy or liquidation proceedings in case of bankruptcy or liquidation of the Company.

#### **Article 7**

The Company may acquire own shares under terms and conditions set by legal regulations.

### **4. INCREASE AND/OR REDUCTION OF SHARE CAPITAL**

#### **Article 8**

Increase or reduction of share capital shall be deliberated by the Assembly with 3/4 majority of represented capital.

The Management Board shall be authorized to, subject to Supervisory Board consent, carry out a capital increase within no later than one year after the changes to the Articles of Association as adopted at the 20<sup>th</sup> company Shareholders Assembly are duly registered; at the time of such capital increase, the company share capital shall amount to no more than EUR 119,629,015.46 and it shall be divided into no more than 28,667,897 ordinary freely transferable registered no-par value shares; with the capital increase, this share capital shall be increased by an amount of no more than EUR 9,681,964.61 (approved capital) to a total of no more than EUR 129,310,980.07, by issue of new shares in exchange for non-cash (in-kind) contributions. The new shares shall be of the same class as the outstanding shares. Increase of the share capital by the said amount of up to EUR 9,681,964.61 shall be effected by issue of no more than 2,320,186 new ordinary freely transferable registered no par value shares. New shares shall be issued in exchange for non-cash contributions at a price of EUR 4.31 per share. The Management Board shall be authorized to issue, subject to consent by the Supervisory Board, new shares in exchange for one or more non-cash (in-kind) contributions, subject to the following conditions:

- the non-cash contribution shall be the receivables pertaining to loans granted to the Company;
- the value of such non-cash contribution shall be equal to the nominal value of the receivables;

- person from whom the Company shall obtain the non-cash contribution may be any financial institution that is a creditor of the Company as at the day of the convocation of the 20<sup>th</sup> Shareholders Assembly;
- the according amount of shares to be exchanged for the non-cash contribution shall be calculated by dividing the value of the non-cash contribution with the emission price per share; the result shall be rounded down to the first integer; then, the resulting integer shall be multiplied by the emission price per share.

Pre-emptive right of the existing shareholders shall be omitted (suspended). The acquiring party shall subscribe upon acquisition each share acquired by the debt-to-equity swap. Details regarding the increase of share capital, including the deadline for subscription and payment of the new shares and specification of the subject of one or several non-cash contributions, the person or persons from which the company shall accept such contribution, and the number of shares and the nominal amount of such shares to be issued and provided in exchange for the contribution or contributions, shall be specified by the Management Board, subject to Supervisory Board's consent, and announced in advance in a prospectus.

## **5. BODIES OF THE COMPANY**

### **A. Management Board**

#### **Article 9**

The Company is managed by the Management Board who always act for the best benefit of the Company independently and by individual responsibility.

The Board has powers and duties to carry out all tasks defined by legal regulations, plus all other duties which by legal requirements or the present Statute do not fall into the responsibilities of other bodies of the Company.

#### **Article 10**

Management Board is appointed and recalled by the Supervisory Board, who also determines the number and responsibilities of particular Management Board member by relevant resolution.

Term of office of each Board member is 5 years, with the option of renewed appointment. Management Board shall comprise the President and not less than two members, of whom one is the labour director.

Labour director shall exercise equal rights as all other members, and shall represent interests of employees in regard to recruitment and social issues, but may not exercise powers of representing the Company, except in cases when the labour director on the Board is a person who had already been appointed as Board member.

Supervisory Board may recall the Management Board prior the termination of their term of office.

## **Article 11**

The President and all Board members represent the Company individually and without limitations.

In representing the Company, the members shall respect relations between particular Board members defined by the Rules of Proceedings.

The Board shall deliberate upon matters from its competence with common majority of all members, with each member exercising the right to one vote. In case of a tie the ruling vote is cast by the President as the Chief Executive Officer.

Management Board shall adopt relevant Rules of Proceedings.

## **Article 12**

Board members are jointly responsible to the Company for any damage resulting from breach of their respective duties, except if they may prove differently, and produce evidence that they appropriately carried out their duties and responsibilities.

Responsibilities of the Management Board do not cede in case business responsibilities for particular fields of operations have been delegated to other managers.

## **Article 13**

Compensations of Board members must be proportionate to their respective powers and duties, and in line with the overall financial standing of the Company.

In case of deterioration in the financial status of the Company, when the economic position of the Company is threatened, the Supervisory Board of the Company may unilaterally reduce salaries of the Board members.

Board members may participate in the distribution of profit subject to the motion by the Supervisory Board and the approval of the Assembly.

## **Article 14**

Management Board may appoint a proxy.

In the realization of its powers defined by the standing legislation, the present Statute and/or the relevant Supervisory Board resolutions the Management of the company may delegate the execution of particular issues to the officers with special authorizations, including the right to represent the company within the delimitation of the relevant business areas that they manage. However, the Management may not delegate the entire scope of its authorizations thereof.

The President of the Management Board shall sign relevant managerial contracts of employment with such officers with special authorizations, defining respective rights and obligations, as well as salaries for their work.

## **B. Supervisory Board**

### **Article 15**

The company has a Supervisory Board consisting of ten members.

Six Supervisory Board members representing the interests of the shareholders shall be appointed / elected by the Shareholders Assembly. Only experts on economy and related fields qualify for appointment into the Supervisory Board.

Four Supervisory Board members representing the interests of the workers shall be appointed / elected by the Works Council, pursuant to the legislation on worker codetermination and general acts / rules of the Works Council. The Works Council must inform the Shareholders Assembly about the appointment of Supervisory Board members.

No impediments based on the Companies Act may apply to any Supervisory Board member.

### **Article 16**

Members of the Supervisory Board are appointed for the term of four years and may be re-elected without limitations.

Motion for the appointment of Supervisors representing the interests of shareholders shall be submitted by the preceding Supervisory Board.

### **Article 17**

Member of the Supervisory Board may be recalled prior the expiry of his term of office. Resignation shall be approved by the 3/4 majority of Assembly votes.

Supervisory Board members representing interests of employees are revoked by the Workers Council in line with relevant legislation regulating workers participation in management, and in line with relevant Council statutes.

### **Article 18**

Supplementary member of the Supervisory Board shall be appointed for the remaining portion of the relevant term of office, except if the Assembly rules differently with specific resolution.

### **Article 19**

Supervisory Board shall appoint its Chairman from the Supervisors representing interests of shareholders, and one or more Deputy Chairmen.

The Chairman shall call and chair the Board meetings, and shall declare and announce the resolutions and decisions of the Supervisory Board.

Supervisory Board shall constitute a quorum if not less than half the Board members are

present, of which at least one Supervisor must represent interests of workers.

Supervisory Board may deliberate in absence of workers' representatives only if they had not been appointed by the Workers Council, or if the Council had failed to notify the Assembly accordingly.

Absent Supervisor may participate in deliberation of the Board by submitting his written ruling or decision.

Supervisory Board shall deliberate with common majority of cast votes. In case of a tie the ruling vote is cast by the Chairman. In case of Chairman's absence the meeting of the Supervisory Board is chaired by his Deputy who then has equal status as that of the Chairman.

Member of the Supervisory Board may not participate in deliberating upon matters concerning himself personally.

Voting outcome must be declared by the Chairman for the record and noted in the relevant minutes of proceedings.

## **Article 20**

Supervisory Board shall appoint commissions and boards, and by specific resolution define their duties and powers, as well as compensations and payments to the persons, participating in such bodies of the Supervisory Board.

Supervisory Board shall define terms and particulars of its work in the relevant Rules of Proceedings.

## **Article 21**

Supervisory Board supervises the performance of business in the Company. Its supervisory function is performed by reviewing the reports, submitted by the company management, especially in regard to the following:

- Planned business policy and other strategic issues related to business;
- Profitability of the Company, especially regarding return on capital;
- Financial status of the Company;
- Business deals that may have important impact to the profitability of the Company;
- and
- Any other issues related to the business of the Company and its subsidiaries.

The Supervisory Board shall also carry out other duties, such as:

- Appoint Management Board members, President of the Board, and deliberate upon their resignations;
- Define standards for managerial employment contracts and salaries of Board members and the President;
- Propose to the Assembly the auditor of the Company;
- Propose to the Assembly relevant deliberations if so defined by legislative requirements;
- Approve payment of interim dividend;
- Amend and adjust the text of the Company Statute with the standing resolutions of

- the Assembly; and
- Carry out other duties.

## **Article 22**

Chairman of the Supervisory Board shall represent the Company versus the Management Board members.

## **Article 23**

Supervisory Board shall review the Annual Report and motions by the Management Board for the allocation of balance sheet proceedings, and prepare written report in regard to the revision of the Annual Report to be submitted at the Assembly. Such report shall include scope and detail of reviewing the competence of managing the Company for the relevant business year period, and the Supervisory Board shall reveal its opinion on the audit report. If the Supervisory Board approves the Annual Report, such Report is deemed adopted.

The Supervisory Board shall submit its report to the Management Board within one month following the delivery of the Annual Report. In case the Supervisory Board should fail to submit its report within the additional one month extension of the above period approved by the Management Board, the Annual Report is deemed refused.

## **Article 24**

Supervisory Board members shall be compensated for their regular work at the meetings and reimbursed for the costs incurred, as defined in the relevant Shareholders Assembly resolution.

Supervisory Board members may be awarded additional compensation for their work, as defined in the relevant Shareholders Assembly resolution. The payment should be relative to the Supervisory Board members' tasks and the financial position of the company.

## **C. Shareholders Assembly**

### **Article 25**

Shareholders may exercise their rights at the Shareholders Assembly.

The Assembly shall deliberate upon the following matters:

- Company Statute and its amendments and supplements;
- Allocation of balance sheet profits and release of responsibilities for the Management Board members and Supervisory Board members;
- Annual Report in cases defined by legal regulations;



- Measures for the increase and/or reduction of share capital;
- Appointment of auditor;
- Appointment and recall of Company Supervisors;
- Statutory legal changes and cessation of the Company;
- Other matters, defined by legal regulations or the present Statute.

When deliberating in regard to the allocation of balance sheet profit the Assembly is bound by the provisions of the approved Annual Report.

#### **Article 26**

The Assembly shall deliberate upon the approval of the Annual Report only if the Supervisory Board had failed to approve the Report, or if the Management Board or the Supervisory Board should surrender the approval to the Assembly.

In the above case the report submitted to the Assembly by the Supervisory Board must contain relevant resolutions of the Management Board and Supervisory Board.

If the Assembly should alter the submitted Annual Report, which in line to the legal requirements must be audited, the auditor must review such altered Annual Report within two weeks from the approval by the Assembly.

#### **Article 27**

The Assembly is called by the Management Board in accordance with legal provisions.

Management Board shall summon the Assembly upon the motion by the Supervisory Board or on the written request by shareholders whose joint shares aggregately amount to not less than one twenty (1/20) of the share capital. Such request by the shareholders shall contain purpose and motives of the call.

The Assembly is chaired by the Chairman, elected by the shareholders with common majority upon the motion by the caller.

#### **Article 28**

Standard summon of the Assembly is once a year. The venue for the meeting may be at the Company head office or elsewhere if so decided by the Company management.

Call of the Assembly is published in the daily "DELO" not less than one month prior the meeting is scheduled.

Call of the Assembly shall contain the agenda and draft resolutions to each agenda item.

Documents for the Assembly are available for review at the Company head office.

#### **Article 29**

As a condition for attendance at the Shareholders Assembly and exercising the voting right, each shareholder must register in writing their presence at the Shareholders Assembly no later than by the end of the fourth day prior to the Assembly.

Shareholder shall exercise his voting right personally or by legal proxy who in such cases

must produce relevant written power of attorney.

Each shareholder may appoint a proxy by electronic means. The shareholder must submit to the company a certificate on the appointment of a proxy by electronic means. The certificate must be submitted by electronic mail signed with a digital signature based on a valid digital certificate.

Each share shall represent one vote.

The Assembly shall rule with the common majority of cast votes, except in cases where a particular resolution requires other majority of cast votes by law or by the present Statute, or in case of ruling by the represented registered capital.

### **Article 30**

Detailed ruling procedure at the Assembly may be defined in the relevant Rules of Proceedings.

### **Article 31**

Any expenses incurred in the participation at the Assembly meeting shall be borne by shareholders.

## **6. ANNUAL REPORT, COMPANY RESERVES, ALLOCATION OF NET PROFIT AND BALANCE SHEET PROFIT**

### **Article 32**

Management Board shall prepare the Annual Report for the relevant business year within deadlines defined by legal regulations and/or other general statutes.

Calendar year is a business year.

The Management shall compile the annual report in line with the relevant legislation and financial reporting standards to be defined by the Shareholders Assembly of the company.

### **Article 33**

The Company shall have legal and statutory reserves, as well as allocated reserves for own shares in case such shares had been acquired, and other reserves from profit.

### **Article 34**

Statutory reserve is first allocated for the business year starting with 1 Jan. 2003.

Statutory reserve is allocated in the annual amount of 10% of net profit for the business

year, remaining after covering eventual accumulated loss, allocation of legal reserves, and eventual reserves for own shares, whereby its aggregate amount must not exceed 30% of registered capital.

Statutory reserve may be deployed as follows:

- for the increase of share capital;
- for covering loss and accumulated loss if they can not be covered from other assets;
- for the withdrawal of shares in case of forceful withdrawal, and withdrawal of shares by their acquisition by the Company itself;
- for the withdrawal of shares by the procedure of simplified reduction of registered capital;
- for the allocation of own shares if there are no other available assets;
- for the regulation of dividend policy.

### **Article 35**

Net profit for the business year is allocated by the following priority:

1. for covering accumulated loss;
2. for allocation of legal reserves;
3. for allocations of reserves for own shares; and
4. for statutory reserve,

which must be considered by the management in the preparation of the Annual Report.

Management Board and Supervisory Board may use the remaining portion of net profit after satisfying the requirements from the preceding section of the present Article for other reserves from profit, but such reserves must not exceed 50% of the remaining amount of net profit for the business year.

### **Article 36**

Subject to the approval by the Assembly the balance sheet profit may be allocated as follows:

- allocated for other reserves from profit;
- distributed among shareholders (dividend);
- payment of bonuses and compensations, and/or participation in profit for the Management Board and the Supervisory Board.

Balance sheet profits may be transferred.

### **Article 37**

Management Board may approve payment of interim dividend during the business year in relation to the forecast net profit for the business year, but such payment may not exceed half the amount remaining after the allocation of reserves from profit, and may

not exceed half the balance sheet profit of the preceding year.  
Payment of interim dividends is subject to the approval of the Supervisory Board.

## **7. ANNOUNCEMENTS AND NOTIFICATION OF SHAREHOLDERS**

### **Article 38**

The Company shall make available sufficient information to shareholders and concerned public.

Information and notification of shareholders and other concerned public shall be carried out by means of announcements in electronic form at the Ljubljana Stock Exchange official web site, in accordance with its rules and instructions.

The Company shall also provide relevant announcements in the daily DELO for the entire territory of the Republic of Slovenia if legal regulations or other general rule so explicitly requires.

## **9. BUSINESS SECRET AND COMPETITION CLAUSE**

### **Article 39**

The Company hereby defines that any documents and/or information which may evidently cause considerable damage to the Company if used or employed by unauthorized person(s), and especially such documents so defined by the specific act of the Company, are considered as business secret.

Shareholders, associates, members of Company bodies, and other persons are liable for the breach if they knew or should have known for such nature of relevant information.

The Company shall enact a specific act defining which data are considered as business secret, and accordingly inform shareholders, associates, members of Company bodies, and other persons liable to maintain and protect such secret.

## **10. COMPANY GENERAL ACTS**

### **Article 40**

In addition to the Statute the Company shall form other internal general acts regulating particular issues of internal organization, rules and standards of operations, as well as proceedings and procedures for each particular field of operation of the Company.

The Company shall also keep general acts required by general regulations.

General acts of the Company shall be approved by the Management Board.

## **11. INCORPORATION AND CESSATION**

### **Article 41**

The Company is incorporated for an indefinite period of time.

### **Article 42**

The Company shall cease its business for the reasons and in line with the proceedings defined by legal regulations.

## **12. TRANSITORY AND FINAL PROVISIONS**

### **Article 43**

Amendments and supplements of the present Statute shall become executable with the date of their entry into the Court Register.

### **Article 44**

Any interpretations of the present Statute fall into the competence of Assembly.

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This final version of the Statute of Gorenje, d.d., is prepared based on the authorization of the 20<sup>th</sup> Shareholders Assembly, and on the resolution of the capital increase on August 23<sup>rd</sup> 2013, to the Supervisory Board, which was defined at the 42<sup>nd</sup> Supervisory Board Meeting on September 27<sup>th</sup> 2013.

Gorenje, d.d., Supervisory Board Chairman:  
Uroš Slavinec