

**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:

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, June 6, 2016

President and CEO
Franc Bobinac

Supervisory Board report on the audit of the Annual Report of the company Gorenje, d.d., and the Gorenje Group for the year 2015

Introduction

In 2015, the Supervisory Board supervised the operations of the company Gorenje, d.d., and the Gorenje Group within the powers and authorizations specified by the relevant legislation, the company's Articles of Association, and the Code of Conduct, and also performed other tasks. The Board received regular reports on the company's operations, performance, and key activities, and to this end adopted the relevant resolutions, monitored their implementation, and determined that the Management Board had implemented every resolution adopted by the Supervisory Board.

General information

Since the approval of the 2014 Annual Report, the Supervisory Board has held thirteen sessions, of which six were regular meetings and seven were correspondence sessions.

The company Supervisory Board consists of eleven members, of which seven represent shareholder interests and four are employee representatives. Shareholder representatives are Marko Voljč, chairman; Bernard Pasquier, deputy chairman; Uroš Slavinec, deputy chairman; Bachtiar Djilil, Corinna Graf, Keith Charles Miles, Toshibumi Tanimoto and employee representatives are Krešimir Martinjak, deputy chairman; Peter Kobal, Drago Krenker and Jurij Slemenik.

Supervisory Board members are appointed for a term of four years, and their current term expires on July 20, 2018.

All Supervisory Board members representing capital signed a written statement that they are entirely independent in their work and free from any conflict of interest, which the company has publicly announced on its website.

Supervisory Board Activities

Keeping track of 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, benchmarks against the competition, sales conditions in the markets, changes in raw and processed material prices, and risk management, especially management of currency 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.

Other issues addressed by the Supervisory Board

The Management Board presented to the Supervisory Board in detail the progress of the divestment of some of the non-core companies and non-operating assets. While the divestment is not fully complete, it should be noted that the company is paying particular attention to deleveraging and that the divestment of non-core and non-operating assets is a constituent part of such efforts.

The Supervisory Board was also kept up to date regarding the cooperation with the Panasonic Corporation. Strategic partnership with this company is definitely of immense importance for the future of the Group. It is important for the scope of cooperation between the two companies to double each year. Our targets for the future are based on such a growth rate. Last year, another major step forward was taken in this strategic partnership as it was extended to new business fields: sourcing of materials and components, product innovation, after-sales services, logistics, quality assurance, and distribution of major and small domestic appliances in select markets).

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

Approval of the Strategic Plan for the 2016–2020 period

The Supervisory Board approved the Strategic Plan for the 2016–2020 period. The plan is based on global growth. Sales will be doubled in upmarket segments, with premium and innovative products, and in overseas countries. Profitable growth remains our overall goal as we look to reach EUR 1.56 billion of revenue in 2020, with an EBITDA margin of 9%. Ambitious activities in all fields of business will lead to stable growth of operating profit (EBIT), which is expected to exceed EUR 70 million in 2020 (with a 4.5 percent EBIT margin). In the following five years, we are planning to increase Gorenje Group overall revenue by over EUR 400 million, or over 35 percent. On an annual basis, this means average growth of around 6.2 percent, which is a steeper growth than that of the global white goods market.

Approving our business plans

At the January session early this year, we approved the Business plan for the company Gorenje, d. d., and the Gorenje Group for the year 2016. This year is the first year of the new strategic period. Gorenje Group revenue growth is planned at 4.6 percent; Home segment growth is planned at 5.2 percent; EBITDA growth is planned at 13.8 percent. The net result, according to the 2016 plan, is at EUR 7.6 million. Based on the activities presented in detail in all fields of operation, both in terms of revenue and expenses, we determined that the Business Plan as presented by the Management Board was realistic and we approved it.

Supervisory Board self-assessment – 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 committed to accepting measures for the fields with the lowest scores. At the next Supervisory Board session, activities will be launched to improve the Supervisory Board's work, which will result in even better efficiency.

Early in February 2016, we received a letter of resignation from the Chief Sales Officer Marko Mrzel; we accepted his resignation. We were informed that the management of this field would temporarily be taken over by Suad Hadžić, executive director of the Eastern Europe region. Moreover, we set a deadline by which the Supervisory Board will appoint a new Management Board member in charge of sales.

Supervisory Board committees are an inherent part of the Board, and they have an important function. Specific issues were previously discussed by committees. Based on their findings and judgement, the Supervisory Board adopted relevant measures. In order to extend the sound practice of Supervisory Board committees, the Supervisory Board approved the issues to be addressed by respective committees.

Supervisory Board committees**Audit Committee**

Since November Audit Committee session, the committee consisted of four members, including Bachtiar Djalil as chairman and members Keith Charles Miles, Drago Krenker, and Aleksander Igličar. At the November session, Keith Charles Miles. Since then, the committee has had three 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. Management and members of the Audit Committee have established a good practice prior written coordination unresolved issues.

Since the approval of the most recent annual report, the Audit Committee has held eight sessions, of which one was a correspondence session. In addition to reviewing the periodic or interim reports, the Committee regularly reviewed the compliance with the covenants laid down in the loan agreements signed with banks, periodic reports on the work of the Internal Audit, and other financial and accounting issues related to Gorenje Group's operations. The Committee proposed a candidate for the company auditor for the 2015 fiscal year to the Supervisory Board.

Last year, the committee members conducted the self-assessment procedure and, based on the results, adopted measures to improve their performance where necessary.

The Audit Committee also discussed the following issues:

- reward system for expatriate managers,
- competition protection,
- risk management,
- Gorenje Group human resource management strategy,
- performance and execution of agreements signed with the Government of the Republic of Serbia, and
- repayment of the loan by the company Intersolar.

Benchmark Committee

The Benchmark Committee consists of chairman Keith Charles Miles, and members Corinna Graf, Bernard Pasquier, Toshibumi Tanimoto, and Peter Kobal. The Benchmark Committee held six 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 addressed benchmarks in the following fields:

- production statistics,
- market share statistics,
- quality assurance,
- cost efficiency, complexity,
- digitization,
- labour costs,
- pricing strategy and price ranges, and
- benchmark of other fields against the best in the industry.

Remuneration Committee

The Remuneration Committee consists of chairman Bernard Pasquier, and members Keith Charles Miles, Uroš Slavinec, Marko Voljč, Drago Krenker, and Jurij Slemenik. In the last year, this Committee has held one session to evaluate the Management Board performance in 2015. Based on the Management Board Performance Criteria, the Committee reviewed in detail the goals attained by the Management Board and compared them against the adopted criteria for determining the variable reward to the Management Board members. The Committee found that the Management Board has achieved major positive developments in virtually all fields, based on which they could be rewarded with a bonus for the 2015 fiscal year. However, since Gorenje Group ended the year with a loss, the Committee proposed to the Supervisory Board not to pay out the performance bonus to the Management Board. Both the Management Board and the Supervisory Board agreed with this proposal.

Corporate Governance Committee

The Corporate Governance Committee consists of chairman Bernard Pasquier and members Marko Voljč, Peter Kobal, and Krešimir Martinjak. The Committee did not hold any sessions last year. In the period ahead, the Committee will hold sessions in case of any major changes in corporate governance, either within the parent company or the entire Group.

Nomination Committee

The Supervisory Board Nomination Committee is currently not active, as the current Supervisory Board members commenced their terms of office on July 20, 2014.

Annual Report review and approval

On April 13, 2016, the company Management Board presented to the Supervisory Board for adoption the audited Annual Report of Gorenje, d.d., and the Gorenje Group, for 2015, which was prepared for the first time in accordance with international guidelines for sustainability reporting GRI (Global Reporting Initiative), version G4. The Supervisory Board reviewed and discussed the Annual Report at the meeting held on April 21, 2016.

The Annual Report of the company Gorenje, d.d., and the Gorenje Group for 2015 was audited by the auditing company Deloitte Revizija, d.o.o. The audit was also conducted at all materially relevant subsidiaries of the Gorenje Group, and has previously coordinated with the audit company Deloitte Audit, d.o.o. On April 8, 2016, 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 2015.

Pursuant to the sound practice to date, the Audit Committee examined with due diligence before the Supervisory Board session the 2015 Annual Report, complete with Audit Report and Management Letter, to propose amendments and put forth their positions and opinions, which were observed.

Business in 2015 was affected heavily by macroeconomic and political instability, especially in Russia and Ukraine. As a result, the Gorenje Group ended the year with a loss and fell short of the result laid down in the annual plan.

In our view, the Management Board successfully compensated for the loss of sales in Russia and Ukraine. We were dissatisfied about market share development in Western Europe, particularly in Germany and Scandinavia. In contrast, performance and market share development was much better in Eastern Europe. Major progress was also seen in reductions of complexity while a major breakthrough has yet to be seen with regard to cutting the inventory levels.

The Supervisory Board finds that the 2015 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. The Supervisory Board reviewed and confirmed the Auditor's Report to which no objections were made. Therefore, 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, at the session held on April 21, 2016, the Supervisory Board approved the Annual Report for the company Gorenje, d.d., and the consolidated Gorenje Group Annual Report for the fiscal year 2015, as presented by the Management Board.

Distributable profit and proposal for its allocation

In defining the resolution on offsetting of the loss for 2015, the Management Board and Supervisory Board complied with the effective provisions of the Companies Act and the company Articles of Association of Gorenje. Based on the Companies Act and company Articles of Association, the company Management Board found and decided that the loss of the company Gorenje, d.d., for the 2015 fiscal year, amounting to EUR 4,000,572,95 shall be offset from the following components of equity: retained earnings from previous years in the amount of EUR 2,804,549.53, and a part of the share premium from general revaluation adjustment to equity in the amount of EUR 1,196,023.42. The Supervisory Board approved this proposal.

Group distributable profit as at December 31, 2015, amounts to EUR 0.00.

The Supervisory Board proposes to the Shareholders Assembly to grant discharge from liability to the Management Board and Supervisory Board for their work in 2015.

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, April 21, 2016

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 is hereby informed that the loss in the 2015 fiscal year amounts to EUR 4,000,572.95, and that the Management Board offset the loss, subject to Supervisory Board approval, against the following components of equity: retained net profits from previous years in the amount of EUR 2,804,549.53; and a part of share premium from general revaluation adjustment to equity in the amount of EUR 1,196,023.42. Thus, distributable profit of the company Gorenje, d.d., as at December 31, 2015, amounts to 0 EUR.

2.2. Discharge from liability shall be granted to the company Management Board and Supervisory Board for the fiscal year 2015.

Explanation:

The Supervisory Board discussed and adopted the audited 2015 Annual Report on April 21, 2016. Pursuant to provisions of Articles 293 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.

With consent of the Supervisory Board and pursuant to the Companies Act, the company Management Board adopted the resolution that the company loss for the 2015 fiscal year, amounting to EUR 4,000,572,95 be offset in the year 2015 from the following components of equity: retained earnings from previous years in the amount of EUR 2,804,549.53, and a part of share premium from general revaluation adjustment to equity in the amount of EUR 1,196,023.42. Thus, distributable profit of the company Gorenje, d.d., as at December 31, 2015, amounts to 0 EUR.

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 2015.

Velenje, June 6, 2016

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 year 2016.

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 May 17, 2016, 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. Considering the fact that last year was the third year when the company Gorenje, d.d., was audited by the said auditing company, and considering the fact that the Audit Committee and the Supervisory Board find that the auditors conducted their work in accordance with high quality standards and in a professional manner, the Supervisory Board proposes to the Shareholders Assembly to appoint the company DELOITTE REVIZIJA, d.o.o., as the auditor of the company Gorenje, d.d., for the year 2016.

Velenje, June 6, 2016

Supervisory Board Chairman
Marko Voljč

The Supervisory Board of Gorenje, d.d.,

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

Proposal for resolutions to item 4 of the agenda:

4.1. The Shareholders Assembly is informed about the resignation, effective as of July 8, 2016, of the Supervisory Board member Keith Charles Miles.

4.2. Miha Košak shall be appointed Supervisory Board member representing the interests of the shareholders, with a term of office from July 9, 2016 to July 20, 2018.

Explanation:

On April 25, 2016, the company Gorenje, d.d., received a letter of resignation from the Supervisory Board member Keith Charles Miles, stating irrevocably that he would resign from the position of a Supervisory Board member of the company Gorenje, d.d., as of July 8, 2016.

Consistently with the best practices of corporate governance, the Supervisory Board proposes, following the procedures of candidate evaluation by the Supervisory Board Remuneration Committee, the appointment of Miha Košak as the Supervisory Board with a term of office lasting from July 9, 2016, to July 20, 2018, and hereby submits a presentation of the said candidate.

Miha Košak, born 1.1.1968, obtained his bachelor degree in Economics (BSc. Econ), specialising in International Trade and Development, from the London School of Economics in 1989; his master's degree in the Economics of the European Community from the University of Exeter in 1990; the Securities Institute Diploma in 1994; and, an MBA from Bocconi University in Milan (Italy) in 1998. Currently, he is completing the Financial Times Non-Executive Director's Diploma.

Since 2015, he is an independent consultant, focusing on strategic and corporate advisory work for Boards and Shareholders in selected and diversified industries. Providing senior counsel on a number of economic, business, corporate governance and regulatory issues impacting their businesses and subsidiaries within the European Union and Emerging Europe geographical space. Miha Košak has 25 years' experience in international banking practices – corporate banking, investment banking, financial consulting and corporate finance, capital markets and wealth management; he has managed and participated in many important M&A transactions, privatisations and capital raisings in a number of sectors in Central Europe, EMEA, Russia and Asia, including in the white goods sector. Until June 2014, he was Executive Director at VTB Capital Plc in charge of the firm's coverage drive in Central and

Eastern Europe. Since 1991 he has held senior director positions in many leading global financial institutions including Barclays de Zoete Wedd, Credit Suisse First Boston, UBS Investment Bank and Citigroup Global Markets based in London, Milan and Zurich.

He is currently an Advisory Board Member of Slovenia's largest international airport, Aerodrom Ljubljana d.o.o., providing advice and support on commercial and other issues that are important for the Airport regarding developments in the economy, aviation and airport sectors. Between 2013 and 2016, he was a member of the Supervisory Board of Slovenia's largest financial institution, NLB d.d., and from 2014 was its Deputy Chairman, and sat on the Risk, Nomination and Remuneration Committees as well as Chairman of the Strategy and Development Committee.

Miha Košak is a Fellow of the Chartered Institute for Securities & Investment (FCSI) in the UK. He is a dual national, Slovenian and British, and speaks Slovenian, English and Italian and has passive knowledge of French, German, Russian, Serbian and Croatian. He is married with two teenage sons.

The proposed candidate provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Velenje, on this June 6, 2016

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 5 of the agenda:

The wording of the company Articles of Association shall be changed as follows:

5.1.

The wording of paragraph 4 of Article 10 shall be changed to the following wording:

"Labour director shall exercise equal rights as all other members, and shall represent interests of employees in regard to recruitment and social issues."

Changed and amended in this way, Article 10 of the Articles of Association shall have the following wording:

"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.

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

Explanation of the change:

Article 84 of the Worker Participation in Management Act specifies that within the general rights and obligations of all Management Board members or executive directors of a company, pursuant to a special Act and the company Articles of Association, labour director or labour representative among the company executive directors shall represent the interests of the workers with regard to issues of human resource management and social issues. The Management Board and Supervisory Board propose that the Articles of Association be harmonized with the Worker Participation in Management Act.

5.2

A new paragraph two shall be added to Article 22 of the Articles of Association, as follows:

"Chairman of the Supervisory Board shall represent the company in signing of the agreement with the auditor for the annual and consolidated annual report."

Changed and amended in this way, Article 22 of the Articles of Association shall have the following wording:

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

Chairman of the Supervisory Board shall represent the company in signing of the agreement with the auditor for the annual and consolidated annual report."

Explanation of the change:

The Act Amending the Companies Act (ZGD1I) amended the Article 281 of the said Act which regulates the responsibilities of the Supervisory Board. The Management Board and Supervisory Board propose that the Articles of Association be harmonized with the Companies Act.

5.3. The changes to the Articles of Association shall be effective as of the day they are entered in the Court Register.

Explanation:

Pursuant to Article 332 of the Companies Act (ZGD-1), changes and amendments to the Articles of Association shall be effective as of the day such changes and amendments are duly entered into the court register; the Management Board shall file the changes and amendments for entry into the register.

5.4. The Shareholders Assembly hereby authorizes the Supervisory Board to prepare a clean and consolidated copy of the Articles of Association, based on the changes and amendments adopted.

Explanation:

Pursuant to the Companies Act (ZGD-1), the Shareholders Assembly may authorize the Supervisory Board to prepare the consolidated version of the Articles of Association, based on the changes adopted at the Shareholders Assembly. Such authorization to the Supervisory Board simplifies the

procedure of entering the changes to the Articles of Association into the court register.

Velenje, on this June 6, 2016

President and CEO
Franc Bobinac

Supervisory Board Chairman
Marko Voljč