

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 affairs of business according to the standard classification are as follows:

- 14.220 Exploitation of clay and kaolin
- 15.810 Production of bread, fresh cakes and sweets
- 15.820 Production of toast and biscuits, production of conserved cakes and sweets
- 18.210 Fabrication of working clothes
- 18.240 Fabrication of other clothing and accessories
- 19.200 Manufacture of leather ware, saddle and strapping products
- 20.100 Sawing and shaving of timber, impregnation of timber
- 20.200 Production of veneer, plywood, sandwich plates, pressed wood pulp and other plates
- 20.300 Construction carpentry
- 20.400 Manufacture of wooden packaging
- 20.510 Manufacture of other wooden products
- 21.210 Production of corrugated cardboard, paper and cardboard packaging
- 22.110 Book publishing
- 22.120 Publishing of newspapers
- 22.130 Publishing of magazines and periodicals
- 22.150 Other publishing
- 22.210 Printing of newspapers
- 22.220 Other printing
- 22.230 Book binding and after-treatment
- 22.240 Preparation and production of printing forms
- 22.250 Other printing services
- 22.330 Multiplication of computer prints
- 25.210 Production of plastic plates, foils, piping and fittings
- 25.220 Production of packaging from plastic materials
- 25.230 Production of plastic products for construction
- 25.240 Production of other plastic products
- 26.210 Production of household and decorative ceramics
- 26.220 Production of sanitary ceramics
- 26.250 Production of other ceramic products
- 26.300 Production of wall and floor ceramic tiles
- 26.820 Production of other non-metallic mineral products
- 28.110 Production of metal constructions and components
- 28.210 Production of metal reservoirs, cisterns, containers
- 28.220 Production of heating radiators and boilers for central heating
- 28.300 Production of steam boilers, except boilers for central heating

28.400 Forging, pressing, molding and metal rolling, powder metallurgy
28.511 Sheathing of metal with metal
28.512 Other surface and thermal treatment of metal
28.520 General mechanical works
28.610 Manufacture of cutting tools
28.621 Manufacture of manual tools
28.622 Manufacture of machine tools
28.710 Production of steel drums, vessels and similar ware
28.720 Production of light metal packaging
28.730 Production of wire ware
28.750 Production of other metal products
29.120 Production of pumps and compressors
29.130 Production of faucets and valves
29.140 Production of bearings, gears and elements for mechanical transfer of energy
29.210 Production of furnaces and burners
29.220 Production of lifting and transporting equipment
29.230 Production of cooling and ventilation equipment, except household
29.240 Production of other products for general use
29.310 Production of tractors
29.320 Production of other farming and forestry machines
29.410 Production of mobile manual processing machines
29.420 Production of other metal processing machines
29.430 Production of other processing machines
29.510 Production of metallurgic machines
29.520 Production of mining and construction machines
29.530 Production of machines for alimentary and tobacco industry
29.550 Production of machines for paper and cardboard industry
29.560 Production of machines for other special purposes
29.710 Production of electric household appliances
29.720 Production of non-powered household appliances
30.020 Production of computers and other information processing equipment
31.200 Production of devices for distribution and control of electricity
31.300 Production of insulated power cables and wiring
31.500 Production of illumination equipment and electric lamps
31.610 Production of other electrical equipment for machines and vehicles
31.620 Production of other electrical equipment
32.300 Production of radio and television receivers, appliances and equipment for recording and playing of sound and picture
33.200 Production of measuring, checking, testing, navigational and other instruments and gadgets, except equipment for industrial processing control
33.300 Production of equipment for industrial processing control
33.400 Production of optical instruments and photographic equipment
34.200 Production of vehicle chassis, production of trailers and semi-trailers
34.300 Production of parts and accessories for motor vehicles and their motors
36.110 Production of upholstery furniture
36.120 Production of furniture for business and sales premises, except for seating upholstery furniture
36.130 Production of kitchen furniture, except seating elements
36.140 Production of other furniture
37.100 Recycling of metallic shavings and debris
37.200 Recycling of non-metallic shavings and debris

40.113 Other production of electricity
40.120 Transfer of electric energy
40.131 Distribution of electricity
40.132 Trading with electric power
40.210 Production of gas
40.221 Trading of gas fuels in pipelines
40.300 Supply of steam and hot water
41.000 Collection, purification and distribution of water
45.110 Demolishing of buildings and excavation works
45.210 General construction
45.220 Construction of roofing and roof tiling
45.250 Other construction works, including special professions
45.310 Electrical installation
45.320 Insulation works
45.330 Plumbing, gas and sanitary installation
45.340 Other construction installations
45.410 Frontal siding and stucco works
45.420 Assembly of exterior door and window furnishings
45.441 Glass installation
45.442 Painting works
45.450 Other final construction works
45.500 Leasing of construction machinery and equipment, with operating personnel
50.101 Wholesale trading of motor vehicles
50.102 Retail trading of motor vehicles
50.103 Mediation in trading with motor vehicles
50.200 Maintenance and repair of motor vehicles
50.301 Wholesale trading of spares and accessories for motor vehicles
50.302 Retail trading of spares and accessories for motor vehicles
50.303 Mediation in trading of spares and accessories for motor vehicles
50.401 Wholesale trading of motorcycles, components and equipment
50.402 Retail trading of motorcycles, components and equipment
50.403 Mediation in trading of motorcycles, components and equipment
50.404 Maintenance and repair of motorcycles
51.110 Mediation in sale of farming raw materials, livestock, textile raw materials, semi-products
51.120 Mediation in sale of fuels, minerals, metals, technical chemicals
51.130 Mediation in sale of timber and building materials
51.140 Mediation in sale of machines, industrial equipment, ships, aircraft
51.150 Mediation in sale of furniture, household items and appliances, other metal products
51.160 Mediation in sale of fabrics, garments, footwear, leather products
51.170 Mediation in sale of food, beverages, tobacco products
51.180 Mediation, specialized for sale of other specific products
51.190 Mediation in sale of miscellaneous products
51.210 Wholesale trading of cereals, seeds and forage
51.240 Wholesale trading of fur and leather
51.390 General wholesale of food, beverages, tobacco products
51.410 Wholesale trading of textiles
51.420 Wholesale trading of garments and footwear
51.430 Wholesale trading of powered household appliances, radio and TV-sets
51.440 Wholesale trading of china, glassware, rugs and cleansing agents
51.450 Wholesale trading of perfumes and cosmetics

51.460 Wholesale of pharmaceuticals and medicinal accessories
51.470 Wholesale trading of other products for general use
51.510 Wholesale trading of solid, liquid and gas fuels
51.520 Wholesale of metals and minerals
51.530 Wholesale trading of timber, building material and sanitary equipment
51.540 Wholesale trading of metal products, installation material, heating appliances
51.550 Wholesale trading of chemical products
51.560 Wholesale trading of other semi-products
51.570 Wholesale trading of residues and scrap
51.810 Wholesale trading of forming machinery
51.820 Wholesale trading of construction machinery
51.830 Wholesale trading of textile industry machines
51.840 Wholesale trading of computer hardware
51.850 Wholesale trading of office equipment and hardware
51.860 Wholesale trading of electronic components and equipment
51.870 Wholesale trading of other machines and equipment for industry, commerce, navigation
51.880 Wholesale trading of farming machinery, accessories, farming tools
51.900 Other wholesale trading
52.110 Retail trading in general stores, mostly food outlets
52.120 Retail trading at other general outlets
52.250 Retail trading of alcoholic and non-alcoholic beverages
52.320 Retail of medical and orthopedic products
52.330 Retail trading of cosmetic and toilet products
52.410 Retail trading of fabrics
52.420 Retail trading of garments
52.430 Retail trading of footwear and leather items
52.440 Retail trading of furniture, lamps and other household items
52.450 Retail trading of powered household appliances, radio and TV-sets
52.461 Retail trading of metallic products
52.462 Retail trading of paints, coatings, and other chemical products
52.463 Retail trading of construction materials
52.472 Retail trading of newspapers and magazines
52.481 Retail trading of athletic equipment
52.483 Retail trading of garden equipment and house pets
52.485 Retail trading of watches, jewelry and gemstones
52.486 Retail trading of pieces of art
52.487 Retail trading of toys, baby equipment
52.488 Retail trading at other specialized outlets
52.500 Retail trading of second hand goods
52.610 Retail trading by mail
52.620 Retail trading at markets and stands
52.630 Other retail trading outside retail outlets
52.720 Service repair of household appliances
52.740 Other repairs
55.100 Hotel accommodation and similar services
55.239 Other temporary accommodation
55.301 Restaurants and inns catering
55.302 Snack bars, self-service food establishments, pizza parlors
55.303 Candy shops and coffee shops
55.304 Mobile and temporary catering outlets
55.400 Retail of beverages in catering outlets

55.510 Cantinas
55.520 Preparation and delivery of food (catering)
60.230 Other land passenger transport
60.240 Road freight transport
63.110 Reloading and manipulation
63.120 Warehousing and storage
63.210 Other auxiliary services in land transport
63.300 Travel agency and tour organization; tourist related business
63.400 Other transport and traffic agencies
64.120 Courier service, except public mail service
64.200 Telecommunications
65.210 Financial leasing
65.220 Other loan approvals
65.230 Other financial operations
66.020 Retirement funds
67.120 Brokerage of securities
67.130 Auxiliary transactions related to financial brokerage
70.110 Organization of real estate projects for the market
70.120 Trading with own real estate property
70.200 Leasing of own real estate property
70.310 Real estate trading agency services
70.320 Contractual or paid management of real estate
71.100 Leasing of cars
71.210 Leasing of other land vehicles
71.310 Leasing of farming machinery and equipment
71.320 Leasing of building machinery and equipment
71.330 Leasing of office equipment and computer hardware
71.340 Leasing of other machinery and equipment
71.401 Borrowing athletic gear
71.402 Video rentals
71.403 Rentals of other general consumption goods
72.100 Computer hardware consulting
72.210 Development and publishing of software
72.220 Computer software consulting and supply
72.300 Information processing
72.400 Management of network data bases
72.500 Maintenance and repair of office equipment, calculation machines and computer hardware
72.600 Other computer related services
73.101 Research and experimental development of science
73.102 Research and experimental development of technology
73.103 Research and experimental development in farming and related activities
73.104 Research and experimental development in medicine
74.110 Legal counseling
74.120 Accounting and bookkeeping, tax consulting, except audit services
74.130 Market survey and public opinion survey
74.140 Entrepreneur and business consulting
74.150 Holding corporations
74.201 Geodetic, geophysical, and other monitoring, measurements, charting
74.202 Physical, urban, and land planning
74.203 Architectural and constructional planning and related technical consulting
74.204 Other planning and technical consulting

- 74.300 Technical trials and analysis
- 74.400 Advertising business
- 74.600 Detective services and security
- 74.700 Cleaning of buildings
- 74.820 Packaging
- 74.851 Translation
- 74.852 Photocopying and other multiplication
- 74.853 Other general secretarial activities
- 74.860 Alarm center operations
- 74.871 Organization of expositions, fairs and conferences
- 74.872 Designs, arrangements, interior decorations
- 74.873 Other miscellaneous business activities
- 75.250 Protection and salvage from fires and disasters
- 80.422 General education
- 90.001 Collection and disposal of garbage
- 90.010 Treatment of waste waters
- 90.021 Collection and removal of waste
- 90.022 Waste depositories, incineration, and other methods of solid waste removal
- 90.023 Treatment of hazardous waste
- 90.031 Cleaning of environment
- 90.032 Other public sanitary services
- 92.320 Management of buildings for cultural manifestations
- 92.340 Other entertainment activities
- 92.511 Maintenance of libraries
- 92.512 Maintenance of museums
- 92.521 Museum activities
- 92.623 Other athletic activities
- 92.720 Other recreational activities
- 93.050 Other personal services

3. SHARE CAPITAL AND SHARES

Article 4

Share capital of the company amounts to EUR 58,546,152.56 and is distributed to 14,030,000 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.

5. BODIES OF THE COMPANY

A. Board of Directors

Article 9

The Company is managed by the Board of Directors 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

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

Term of office of each Board Director is 5 years, with the option of renewed appointment.

Board of Directors shall comprise the President and not less than two Directors, of whom one is the employee representative.

Employee representative shall exercise equal rights as all other Board Directors, 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 Employee representative on the Board is a person who had already been appointed as Board Director.

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

Article 11

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

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

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

Board of Directors shall adopt relevant Rules of Proceedings.

Article 12

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

Article 13

Compensations of Board Directors 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 Directors.

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

Article 14

Board of Directors 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 ten member Supervisory Board.

Five Supervisors representing shareholders interests are appointed by the Assembly. Person appointed for Supervisor may be an expert in economy and/or other related branch.

Five Supervisors representing interests of employees are appointed by the Workers Council in line with relevant legislation regulating workers participation in management, and in line with relevant Council statutes. The Workers Council shall notify the Supervisory Board in regard to such appointments.

Supervisory Board members must not satisfy defined limitations from the Commercial Corporations Act.

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 Board Directors, President of the Board, and deliberate upon their resignations;
- Define standards for managerial employment contracts and salaries of Board Directors 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 Board Directors.

Article 23

Supervisory Board shall review the Annual Report and motions by the Board of Directors 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 Board of Directors 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 Board of Directors, the Annual Report is deemed refused.

Article 24

Members of the Supervisory Board shall be paid for their ordinary meetings, including the compensation of their respective expenses. Such payments are approved by the resolution of the Assembly.

Members of the Supervisory Board may participate in the distribution of profit subject to the approval of the Assembly.

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 Board Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors in accordance with legal provisions.

Board of Directors 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

To exercise his right of participating at the Assembly and his voting right each shareholder shall accordingly notify the Company management in written in regard to his intention not less than three days prior the call of 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 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

Board of Directors 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.

Board of Directors 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 Board of Directors and the Supervisory Board.

Balance sheet profits may be transferred.

Article 37

Board of Directors 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 Board of Directors.

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.

This final version of the Statute of Gorenje, d.d., was defined by the Company Supervisory Board at the 13th Supervisory Board Meeting on September 19th 2007. Final version of the Statute is prepared based on the authorization to the Supervisory Board, that after the capital increase (approved capital), the Supervisory Board adequate adapt the Statute of the Company in line with new facts, regarding to the capital increase.

Gorenje, d.d., Supervisory Board Chairman:
dr. Jože Zagožen