

On 20 June 2003 the Gorenje, d.d. Velenje Assembly adopted the following

RULES OF PROCEDURE ON THE WORK OF THE SHAREHOLDERS' ASSEMBLY Gorenje, d.d.

I. GENERAL PROVISIONS

Article 1

These Rules of procedure shall regulate the manner and organisation of the work of Gorenje, d.d. Shareholders' Assembly (hereinafter: the Assembly) as well as other issues, relevant for the work and decision-making at the Assembly.

Article 2

The provisions of these Rules are mandatory for all shareholders, their legal representatives or plenipotentiaries (hereinafter: shareholders' representatives) and other persons who attend the meeting and participate in the Assembly work.

Article 3

The law and the Statute, which are applied directly, contain the provisions on the Assembly competencies, convening the meetings, quorum and the required majority for adopting individual decisions.

The relevant provisions of the Companies Act shall apply directly to the issues which are not regulated by the Statute or these Rules.

II. COMPOSITION OF THE ASSEMBLY AND ATTENDANCE AT MEETINGS

Article 4

The Assembly shall consist of all shareholders, holders of the Company shares, entered in the shareholders' ledger, provided they meet the conditions for participating and decision-making at the Assembly, laid down in law, the Statute and these Rules.

Article 5

Assembly meetings may be attended only by the shareholders who registered their attendance at the Company Management Board in the manner, laid down when the meeting is convened, or not later than three (3) days prior to the Assembly meeting.

A shareholder who has not complied with the obligation under the provisions referred to in the previous paragraph of this Article, may not attend the Assembly meeting or take a vote. The chairman of the Assembly may allow him/her to attend the Assembly as an observer.

Article 6

Shareholders may exercise their right to attend and make decisions at the Assembly directly or via plenipotentiaries on the basis of authorization.

Article 7

Assembly meetings are not public, save the Assembly decides otherwise by a special decision adopted by the majority of the votes cast.

Members of the Supervisory Board and the Management Board may attend the Assembly. The Management Board shall fix the required extent of technical services for the Assembly meetings.

The chairman of the Assembly shall decide about the participation of third parties in the Assembly meeting in accordance with the Company Statute and these Rules.

III. ASSEMBLY MEETING

Article 8

The Assembly operates during its meetings, chaired by the chairman of the Assembly, who is elected by the shareholders on the proposal made by the subject who convened the meeting, for each meeting separately.

1. Convening the meetings

Article 9

The Assembly shall be convened in accordance with the provisions of the law and the Statute.

The agenda of the Assembly meeting and the Management Board proposals for decisions shall be published in daily newspaper Delo, 30 days prior to the meeting.

The agenda with the Management Board proposals for decisions and justified proposals or counter-proposals, if any, made by shareholders and filed in due time as well as shareholders' proposals regarding elections, shall be released to the public.

All the materials for convening the Assembly shall be available for consultation at the Company premises, indicated in the announcement, from the day the meeting is convened to the day the Assembly meeting is held, every working day from 9.00 to 12.00.

Article 10

When the proposed materials include confidential data, the level of confidentiality shall be indicated. In case only parts of the proposal are of confidential nature, they shall be specified in a special annex with the indicated level of confidentiality.

2. Course of the meeting

Article 11

At the beginning of the Assembly meeting the Management Board shall establish on the basis of the list of the present participants whether the conditions for the start of work are met.

The Management Board shall establish whether the invited notary is present and propose the Assembly to elect the following working bodies:

- chairman of the Assembly

- verification commission
- reporter or notary

When the Assembly is convened by the Supervisory Board or another subject, authorized under law to convene the Assembly, also they shall comply with the provisions referred to in the previous two paragraphs of this Article.

Then the Assembly is chaired by the elected chairman, who defines the manner and the course and coordinates the Assembly work, puts proposals to the vote and announces the results of voting, signs the decisions, general acts and the Assembly minutes.

The chairman of the Assembly shall decide about all procedural issues at the Company Assembly by a decision.

Article 12

The verification commission, which establishes the presence of the represented capital and takes care about voting and elections, shall consist of three (3) members – the chairman and two persons who count the votes.

Verification commission shall conduct the voting, computer data processing, file the print-out of computer voting or ballot papers, ensure that only the participants and the invited attend the Assembly, and establish the percentage of the represented capital and then report that to the chairman of the Assembly.

Representation of the capital shall be established on the basis of the list of the present shareholders and their plenipotentiaries, who have produced registration forms or authorizations in the manner and within the period of time, laid down upon convening the Assembly.

Article 13

On the basis of the report on the representation of the capital at the Assembly the chairman shall announce that the conditions for the work of the Assembly are met.

Article 14

The proposed and published agenda shall not be the subject of voting.
The Assembly shall decide only on issues, included on the agenda.
The Assembly shall adopt its decisions by decisions.

Article 15

The Assembly meeting shall follow the items on the agenda, and they shall be announced by the chairman.

At the beginning of each item the proposer or the person appointed by the proposer as the reporter, shall briefly explain the issue which is the subject of the discussion.

Article 16

In case the agenda is very long and demanding, the chairman may limit the time for each individual explanation and discussion and warn the participants in the discussion that the time limit has expired.

In case a participant in the discussion does not respect the chairman's warning, the chairman of the Assembly may withdraw him/her the right to speak to the end of the discussion about that item on the agenda.

Article 17

The introductory explanation shall be followed by the discussion with the present shareholders and their plenipotentiaries participating, according to the order they applied to speak.

A shareholder who establishes that the provisions of these Rules are being violated, shall be given the floor immediately.

Article 18

In addition to the shareholders, also the persons, who attend the meeting on the basis of the approval by the chairman of the Assembly or the subject who convened the meeting, may participate in the discussion when this contributes to a more complete discussion about the materials and the course of the Assembly.

Article 19

The participants in the discussion shall discuss within the contents of the proposed decisions. When the discussion moves away from the contents, the chairman shall warn the person who is speaking. The chairman shall ensure that the speaker is not disturbed. Only the chairman is allowed to interrupt the speaker. Other participants in the discussion or shareholders may interrupt the speaker only in case they want to warn the chairman that the provisions of these Rules are being violated.

Article 20

Speakers may discuss the same issue for several times, however, they may not use this opportunity to delay the Assembly. Speakers may withdraw their proposals during the discussion.

3. Decision-making at the meeting

Article 21

The Assembly shall adopt decisions by the majority of the votes cast by the present shareholders, save for the issues where the Companies Act or the Company Statute provide for a different majority to be required for a decision to be adopted.

Article 22

The chairman shall put the proposal for decisions to the vote when he/she establishes that nobody wants to discuss the issue anymore.

When the chairman announces that a decision is adopted, the discussion and decision-making about that item on the agenda of the Assembly meeting are finished. The established number of the votes cast for the voted decision shall be an integral part of the announced decision.

Article 23

Voting at the Assembly shall be open, for each decision separately.

Shareholders or plenipotentiaries shall vote FOR or AGAINST the proposal, and they may abstain from voting. Abstentions or invalid votes shall be counted separately as the votes not cast.

Voting shall be by show of hands, cards, ballot papers or with the help of electronic technical devices. Voting arrangements shall be defined by the chairman.

Article 24

When for an individual agenda item following the prescribed procedure several proposals for the Assembly decisions are proposed, whose contents differ or they are counter-proposals for the adoption of a decision proposed by the Management Board or the Supervisory Board in the published agenda, first the voting shall be taken about the proposal for a decision as proposed in the published agenda, save otherwise provided by law.

If that proposal for a decision is not adopted, then voting is taken about the proposals, the contents of which is the closest to the original proposal made by the Management Board or by the Supervisory Board. The chairman of the Assembly may make his/her own proposal and put it to the vote. The chairman of the Assembly shall decide about the order of voting.

A shareholder or his/her plenipotentiary, who votes against the proposal for a decision or who has abstained from voting, shall have the right to require that the brief reason for his decision is entered into the minutes.

Article 25

After each voting the verification commission shall establish the total number of the votes cast, and counts, as a rule with the help of a computer, the number of the votes FOR and the number of the votes AGAINST the proposal.

Article 26

Each participant may propose a break or interruption of the meeting or meetings. The chairman of the Assembly shall decide about breaks or interruptions. A break or interruption of the meeting shall not be longer than one (1) hour.

Article 27

The chairman shall conclude the meeting when all the items on the agenda have been discussed.

Article 28

The official language of the Assembly shall be Slovene.

A shareholder may use a language other than Slovene when exercising his/her right if he/she provides simultaneous translation.

4. Maintenance of order at the meeting

Article 29

The chairman shall take care about the order during the meeting. The chairman shall warn the shareholder who disturbs the order and does not comply with the Rules.

Article 30

The chairman shall punish individual participants who are disturbing the normal course of the meeting by public admonition.

Upon the repeated admonition to the same participant the chairman may rule that the participant has to leave the meeting until the end of the discussion about that item on the agenda, and in more severe cases, until the end of the meeting.

Article 31

In case the chairman is not able to maintain order at the Assembly by regular means of the Rules, he/she shall interrupt the meeting for a definite period of time.

IV. ASSEMBLY MINUTES

Article 32

Minutes of the Assembly meeting shall be taken in the form of a notarial protocol. The Assembly may also be recorded. The chairman of the Assembly shall decide about that. The minutes shall be signed by the chairman of the Assembly and by the reporter, and certified by the notary.

Article 33

The adopted Assembly decisions shall be entered into the Assembly minutes.

Article 34

The parts of the minutes which are confidential or which regard the obligation of professional secrecy are enclosed in the annex which is an integral part of the minutes.

Article 35

The original copies of the Assembly minutes, independent decisions and materials for individual Assembly meetings shall be kept in the archives of the Company Management Board.

Article 36

The Company Management Board shall be responsible for the delivery of the copy of the Assembly meeting minutes, certified by the notary, and all the required enclosures to the registry court within the statutory period of time.

V. FINAL PROVISIONS

Article 37

Shareholders, plenipotentiaries and other persons shall be required not to disclose any data or information, covered by the obligation of professional secrecy under law, the Statute or another Company act, referring directly or indirectly to the operation of the Company or its bodies and which they obtained in relation to the participation in the Assembly meetings.

Article 38

Information, which is covered by the obligation of professional secrecy shall be clearly designated as such in the materials for the Assembly meeting, provided to the participants.

Article 39

Amendments to these Rules shall be adopted by the Assembly on the proposal by individual shareholders or their authorized representatives, the Supervisory Board or the Management Board of the Company.

These Rules shall enter into force immediately when the limited liability company Assembly adopts them.

Article 40

Law or the Statute is applied directly to the issues, which are not regulated by these Rules, or the Assembly may adopt a special decision about that.

We hereby confirm that the text of these Rules of procedure complies with the Assembly decision:

Notary:
Janez Mlakar, s.

Chairman of the Assembly:
Rudi Krebl, s.