

Pursuant to Article 20 of the Articles of Association of the company Gorenje d.d., its Supervisory Board has on its meeting of 18th December 2008 adopted the consolidated text of its Rules of Procedure adopted on 5th May 1998 and amended and supplemented on 21st December 1998, 20th December 2002, 19th December 2003, 18th December 2008, and 28th May 2009, so as to read as follows:

R U L E S O F P R O C E D U R E **ON THE WORK OF THE SUPERVISORY BOARD** **gorenje, d.d.**

Article 1

By these Rules of Procedure, the Supervisory Board of Gorenje, d.d., (hereinafter referred to as: the Supervisory Board) lays down the manner and organisation of its work and business operations.

PRINCIPLES OF OPERATION OF THE SUPERVISORY BOARD

Article 2

Members of the Supervisory Board are:

- autonomous and independent of the body that has elected them, in adopting decisions within their competence under law or under Articles of Association;
- completely equal regarding their rights, obligations and responsibilities arising from the membership in the Supervisory Board;
- members of the Supervisory Board shall undertake to act with due diligence. Pursuant to the Companies Act the provisions on due diligence and responsibility of the members of the Management Board shall apply mutatis mutandis to due diligence and responsibility of the members of the Supervisory Board.

COMPETENCIES OF THE SUPERVISORY BOARD

Article 3

The Supervisory Board shall exercise its rights and obligations in compliance with the provisions of the Companies Act, the Articles of Association and these Rules of Procedure, with an objective of performing supervision of business conduct of the Company.

ELECTION OF THE PRESIDENT AND DEPUTY PRESIDENT

Article 4

The Supervisory Board shall, in its meeting, elect from among themselves a President and at least one deputy for the period of four years. Election shall be held under the presidency of the existing President of the Supervisory Board or, in case the latter has been excluded from the Supervisory Board, under the presidency of one of his deputies, or subsidiarily by the age under the presidency of the oldest member of the Supervisory Board.

In case the President or any of his Deputies withdraws prematurely from the Supervisory Board, a meeting must be convened without delay where a by-election is held.

Article 5

The deputy shall act as the President when the latter is absent, and shall have the right to carry out all the tasks for which the President is competent, except those which are explicitly excluded for the Deputy.

Article 6

Competences and responsibilities of the President shall be as follows:

- to represent the Company against the members of the Management Board,
- to convene and preside over the meetings of the Supervisory Board,
- to make decisions as to who should be invited to the meetings of the Supervisory Board in addition to the members,
- to provide process management and uninterrupted functioning of the Supervisory Board meetings,
- to sign the minutes of the meetings, decisions and other documents based on the Supervisory Board meetings
- to supervise the implementation of the decisions adopted by the Supervisory Board,
- to ensure the openness of the work and to report to the Company Assembly
- to be in charge and held responsible for the Supervisory Board to function in compliance with the Articles of Association and with the law,
- to represent the Supervisory Board against the third parties.

Article 7

When a member of the Supervisory board has been unjustifiably absent for several times or has seriously or repeatedly violated his/her obligations as the member of the Supervisory Board, the Supervisory Board shall be obliged to inform the Company Assembly or, when the member was appointed by the Workers' Council, it shall inform the latter, and propose the member to be replaced.

CONVENING THE MEETINGS OF THE SUPERVISORY BOARD

Article 8

The meetings of the Supervisory Board shall be convened by the President on his/her own initiative, on the initiative of any member of the Supervisory Board or on the initiative of the Management Board of the Company, and always when it is demanded by the Company's interests, but no less than three times in each financial year.

As a rule, the meetings shall usually be held at the Company head office, and only exceptionally elsewhere if there are any justified reasons for it.

The meetings of the Supervisory Board may be attended only by the members of the Supervisory Board and the members of the Management Board.

Notwithstanding the provision of the previous paragraph, the President of the Supervisory Board may invite experts or reporters to a meeting, to discuss individual items. .

The Supervisory Board shall decide, by an adopted decision, whether certain issues will be discussed in a closed meeting with the exclusive presence of the Supervisory Board members.

Article 9

The invitations shall be sent to all members of the Supervisory Board, by registered mail to the addresses last known to the Company, no later than 8 days prior to the meeting of the Supervisory Board.

Agenda must be enclosed to the invitations and if necessary in order to provide information for the members, also materials, reports and explanations to individual items of the agenda. Agenda and materials may be delivered separately, but an appropriate time period of at least 3 days between the delivery and the meeting of the Supervisory Board should be considered.

Article 10

In case of matters that require immediate decisions, the President of the Supervisory Board may convene a meeting orally by telephone. In such cases, when it is not possible to prepare the materials before the beginning of the meeting, oral reporting shall be made.

A meeting of the Supervisory Board can be interrupted by the President himself or by a vote of the Supervisory Board, either due to provision of quorum or due to acquisition of new information and materials. If a new date of the meeting is determined when the meeting is interrupted, no special written invitations shall be required.

Article 11

In particularly urgent cases the President of the Supervisory Board may decide for a correspondence session to be held.

A correspondence session decision shall be regarded as adopted when the required majority of the members of the Supervisory Board have communicated their decision in writing, by fax or with the help of other technical means and none of the members of the Supervisory Board has opposed to such decision-making process.

Minutes of such decision-making process shall be drafted and transmitted to all the members of the Supervisory Board.

The President of the Supervisory Board or the person, who proposed the decision, shall be obliged to report on the reasons for convening the correspondence session at the next regular session.

THE AGENDA

Article 12

The agenda shall be determined by the President of the Supervisory Board or, in case of his absence, by one of his Deputies, who takes into account the proposals made by the members of the Supervisory Board and by the Management Board.

An extension of the agenda during the meeting itself shall be allowed if the agenda is submitted in a written form with a short explanation and with a proposal of decisions, and none of the members of the Supervisory Board opposes such extraordinary extension.

DECISION-MAKING IN THE SUPERVISORY BOARD

Article 13

The Supervisory Board shall constitute a quorum if all the members have been correctly summoned and at least six members are present, of which one is the President or, in case of his absence, his Deputy.

The chairing person shall initially be obliged to establish whether there is a quorum and to provide process management and uninterrupted functioning of meeting, as well as to give the members the opportunity to discuss and decide on the items on the agenda.

When assessing the quorum, the counting shall also include those members of the Supervisory Board that are not entitled to participate in decision-making for individual items of the agenda because the issues refer to them. In case there is no quorum, another meeting with the same agenda must be convened.

Article 14

The method of voting shall be specified in the Article 19, Articles of Association.

As a rule, the members shall vote on the proposals for decisions by an open vote by raising hands, except in cases when the members of the Supervisory Board decide that secret voting shall be taken regarding a particular issue.

The decision on secret voting shall be adopted if it is voted for by the majority of the members present.

Secret voting must be carried out in such a manner that it is later possible to establish how individual members of the Supervisory Board voted on an individual proposal for a decision.

RECORDS OF THE MEETINGS

Article 15

Minutes of the meetings shall be taken and shall include the names of the present members, the agenda and the adopted decisions as well as the content course of the meeting. The minutes must be signed by the chairing person.

At the request of a member of the Supervisory Board, his/her opinion which differs from the adopted decision shall be included in the minutes, accompanied with a short explanation.

Each member of the Supervisory Board shall be sent a copy of the minutes within eight days of the date of the meeting by registered mail or any other way which can be evidenced, and submitted for approval at the next meeting. Objections or wishes regarding amendments of the minutes may be filed with the President or the Management Board within 15 days of the receipt of the minutes. Postmark shall be the decisive element in considering the observation of the time limit.

The original copies of the minutes shall be kept by the Management Board and they are available to the members of the Supervisory Board for consultation. Minutes shall be considered business secret and they may be published in part or whole only when approved by the majority of the members of the Supervisory Board.

COMMISSIONS

Article 16

The Supervisory Board may, by its decision, appoint one or more commissions to perform expert technical services in individual areas of the Supervisory Board's activity, who prepare expert groundwork and reports necessary for the work and

decision-making of the Supervisory Board, formulate the proposals of the decisions and take care of their implementation.

The commission must include at least one member of the Supervisory Board. The members of the commission may be appointed from among competent employees or external experts.

The commissions may not adopt decisions on the issues that are in the exclusive competence of the Supervisory Board.

For the matter of quorum and decision making of commissions is reasonable using the Rules of procedures on the work of the Supervisory Board.

The commission meetings are in principle at least three days before the meetings of the Supervisory board, and the members of the commissions should receive the invitation, agenda and materials for the meeting as registered letter at least on the day, when the Supervisory Board members receive the materials for the Board meeting. The president of the auditing commission is reporting about the findings and conclusions at the Supervisory Board meeting

Every commission must consist of at least three members.

The costs of the work of the commissions shall be charged to the Company.

Article 17

The Supervisory Board shall appoint an audit committee. The number of members and the duration of the term of office of the committee shall be determined by the Supervisory Board's decision on the appointment.

One member of the audit committee must be appointed from among independent experts in the field of accounting or auditing, and the remaining members shall be appointed by the Supervisory Board among its members.

The President of the audit committee shall be appointed by the Supervisory Board's decision on the appointment. The President of the audit committee must be a member of the Supervisory Board.

The tasks of the audit committee shall include:

- monitoring the procedure of financial reporting;
- monitoring the effectiveness of functioning of the system of internal controls, internal audit and the risk management systems;
- monitoring the statutory audits of annual and consolidated financial statements;
- examination and monitoring of the independence of the auditor for the Company's annual report
- examination and monitoring of the independent auditor in providing additional non-auditing services;
- proposing to the Supervisory Board the appointment of a candidate for the auditor of the Company's annual report;

- supervising the compliance of financial information issued by the Company;
- estimating the composition of the annual report, including the formation of the proposal for the Supervisory Board;
- cooperation in determining the important segments to be audited;
- cooperation in preparing the agreement between the auditor and the company;
- cooperation with the auditor in performing the audit of the annual report of the Company, particularly by mutual communication about the main issues regarding the audit;
- monitoring the independence, impartiality and effectiveness of the external auditors;
- performing other tasks defined by the Articles of Association or a decision adopted by the Supervisory Board

MATERIAL TASKS FOR THE SUPERVISORY BOARD

Article 18

The Management Board shall provide technical and financial conditions for successful operation of the Supervisory Board.

REPORT OBLIGATION OF THE MANAGEMENT BOARD

Article 19

The Management Board shall be obliged to give regular written reports to the Supervisory Board on the issues referred to in Article 21 Paragraph 2 of the Company's Articles of Association, and extra reports on business events that significantly concern the competencies of the Supervisory Board and influence the position and operation of the Company.

The Management Board shall be obliged to present, within statutory terms, the Supervisory Board with the annual report for verification and approval.

The Supervisory Board shall have an annual schedule of meetings which can be changed should the needs of the Supervisory Board's work so require.

The President of the Management Board shall be invited to regular and extraordinary meetings of the Supervisory Board, following the same procedure as applied to the members of the Supervisory Board.

DECLARATION OF WILL OF THE SUPERVISORY BOARD

Article 20

The will of the Supervisory Board or its commissions shall be declared to the third parties by the President, or, in case of his absence, by his Deputy, unless it is determined otherwise by the Supervisory Board's decision for an individual case.

The Supervisory Board shall be obliged to inform the Management Board in writing and within usual time periods of all its requests, communications or decisions.

OBLIGATION OF PROFESSIONAL SECRECY

Article 21

All members are subject to the obligation of professional secret regarding all the discussions in the Supervisory Board and in the commissions, as well as the business situation of the Company which have come to their knowledge when they were acting in the capacity of the Supervisory Board members during the time they are members of the Supervisory Board as well as when their term of office has expired.

Documents which are submitted to the members of the Supervisory Board and the Management Board considers them as professional secrecy, shall be appropriately marked in accordance with the rules on the obligation of professional secrecy in the Company.

Notwithstanding the provision of the previous paragraph, all the Company plan acts and the Management Board reports on operation, which are not public documents under special regulations, shall be considered professional secrecy.

COMMUNICATIONS

Article 22

Communications of the Supervisory Board shall be sent to its members by registered mail to the addresses last known to the Company, unless it is otherwise provided for in these Rules of Procedure.

REIMBURSEMENT - DIRECTORS' FEES

Article 23

The members of the Supervisory Board shall be entitled to reimbursement of costs and directors' fees for attending the meetings, in compliance with the decision of the Assembly of the Shareholders.

The members of the Supervisory Board shall, on the basis of proof, be refunded those expenses incurred during their participation in the Supervisory Board.

FINAL PROVISIONS

Article 24

The President of the Supervisory Board or his Deputy shall be bound to deliver a copy of these Rules of Procedure to each member of the Supervisory board.

The Supervisory Board shall adopt the Rules of Procedure by the majority of votes of the total number of the Supervisory Board members.

Velenje, Slovenia, 28th May 2009

Gorenje, d.d.
President of the Supervisory Board
dr. Jože Zagožen