

Based on Item 6.20 of the *Articles of Association* of Krka, tovarna zdravil, d. d., Novo mesto, Šmarješka cesta 6, Novo mesto, the Management Board of the company convenes

**the 27th Annual General Meeting of
KRKA, tovarna zdravil, d. d., Novo mesto**

on Thursday, 8 July 2021 at 1:00 p.m.
at Šport Hotel in Otočec

The Annual General Meeting (AGM) shall be attended by a notary public, Darja Jarnovič, from Novo mesto.

Agenda and proposed resolutions

1 Opening of the AGM and election of working bodies

Proposed resolution

The attorney Stojan Zdolšek shall be appointed as the Chair of the AGM, and Ixtlan Forum, d. o. o., Ljubljana as the vote enumerator.

2 Presentation of the 2020 Annual Report prepared by the Management Board, including the information on remuneration of members of the Management and Supervisory Boards, the auditor's report, and the Supervisory Board's report on its verification and approval of the 2020 Annual Report, adoption of the resolution on the allocation of the 2020 distributable profit, and the discharge of liability for the Management and Supervisory Boards for 2020

Proposed resolutions

2.1 The AGM shall be informed about the annual report of the Management Board for the financial year 2020, including the remuneration of Management and Supervisory Board members, the auditor's report, and the report of the Supervisory Board on its verification and approval of the *2020 Annual Report*.

2.2 Distributable profit for 2020 totalling €337,519,831.00 shall be allocated as follows:

– Dividends (€5.00 gross per share)	€156,079,785.00
– Other profit reserves	€90,720,023.00
– Retained earnings	€90.720.023,00.

The payout of dividends commences on 22 July 2021. The shareholder records in the share register at KDD – Centralna klirinško depotna družba (Central Securities Clearing Corporation), d. d., Ljubljana as at 21 July 2021 shall apply for the dividend payout.

2.3 The AGM approves and gives its consent to the work of the Management Board for the financial year 2020 and discharges it of liability for the performance of its duties.

2.4 The AGM approves and gives its consent to the work of the Supervisory Board for the financial year 2020 and discharges it of liability for the performance of its duties.

3 Proposed amendments to *Articles of Association*

Proposed resolution

The proposed amendments to *Articles of Association* shall be adopted and shall enter into force on the date of the entry into the court register.

4 Remuneration paid to the Supervisory Board members

Proposed resolution

4.1 The Supervisory Board members shall receive an attendance fee of €275.00 gross per member for attending the Supervisory Board meetings. For their participation in committee meetings, the Supervisory Board committee members shall receive attendance fees amounting to 80% of attendance fees received for the Supervisory Board meetings. Attendance fees for participating in correspondence sessions shall amount to 80% of the usual attendance fees. Irrespective of the above and of the number of attendances in a financial year, each member of the Supervisory Board shall be entitled to receive attendance fees up until the total amount of attendance fees reaches 50% of the basic annual pay for exercising their function on the Supervisory Board. Irrespective of the above and of the number of Supervisory Board and committee meetings attended in a financial year, the Supervisory Board members who are members of one or more Supervisory Board committees shall be entitled to attendance fees up until the total amount of the attendance fees received, based either on attended Supervisory Board meetings or Supervisory Board committee meetings, reaches 75% of the basic annual pay for exercising their function.

4.2 In addition to attendance fees, the Supervisory Board members shall receive a basic annual pay of €15,000.00 gross per member for exercising their function. The President of the Supervisory Board shall be entitled to additional compensation amounting to 50% of the basic pay for exercising the function of a Supervisory Board member. The Deputy President of the Supervisory Board shall be entitled to additional compensation totalling 10% of the basic pay for exercising the function of a Supervisory Board member. Supervisory Board committee members shall receive additional compensation amounting to 25% of the basic pay for exercising the function of a Supervisory Board member. The presidents of committees shall be entitled to additional compensation totalling 37.5% of the basic pay for exercising the function of a Supervisory Board member. Every financial year, irrespective of the above and thus of the number of committees where an individual is a committee member or president, each Supervisory Board committee member shall be entitled to

additional compensation for exercising their function up until the total amount of additional compensation reaches 50% of the basic annual pay for exercising the function of a Supervisory Board member. Every financial year, irrespective of the above and thus of the number of committees where an individual is a committee member or president – if the Supervisory Board member's term of office is shorter than the financial year – the Supervisory Board committee member shall be entitled to additional compensation for executing their function up until the total amount of additional compensation reaches 50% of the basic pay for exercising the function of a Supervisory Board member, taking into account payments member is entitled to for the duration of member's term of office in the financial year.

- 4.3 The Supervisory Board members shall also be eligible for additional compensation for special tasks. A task is considered a special task when it is unusual, extends over a longer period, is more complex, and generally lasts for at least a month. With the consent of the Supervisory Board member, the Supervisory Board shall have the authority to assign special tasks to this member, decide on the tasks' duration and on additional compensation for special tasks in accordance with this AGM resolution. The Supervisory Board shall also have the authority to decide on additional compensation for special tasks of Supervisory Board members resulting from objective circumstances at the company. Additional compensation for special tasks shall only be permitted for the period when special tasks are actually performed. The Supervisory Board shall be exceptionally allowed to decide on such matter retrospectively (especially with regard to special tasks resulting from objective circumstances at the company), but only for the previous financial year. Members may receive annual additional compensation for special tasks that must not exceed 50% of the basic pay for exercising the function of a Supervisory Board member, regardless of the number of special tasks performed. When determining the amount of additional compensation, the complexity of a special task shall be considered and the related increase in workload and responsibility. Additional compensation shall be calculated according to the time needed to actually perform the special task.
- 4.4 The Supervisory Board members shall receive a basic pay for exercising their function and additional compensation for special tasks in equal monthly payments, to which they are entitled as long as they exercise their function and/or perform a special task. The monthly payment shall amount to one twelfth of the above annual amounts. Depending on the circumstances, additional compensation for special tasks may also be paid in a lump sum when the special task is completed.
- 4.5 The limit of total amount of attendance fees or additional compensation paid to Supervisory Board members shall not affect, in any way or form, their obligation to actively participate in all Supervisory Board meetings and meetings of the committees they are members of, and their legal responsibility.

- 4.6 The Supervisory Board members shall be entitled to reimbursement of travel and accommodation expenses incurred in connection with their work on the Supervisory Board up to the amount specified in the rules regulating the reimbursement of work-related expenses and other income not included in the tax base (provisions applicable to business travel and overnight accommodation). The amount that the Supervisory Board member is entitled to in accordance with the above rule has to include also all applicable taxes so that the net payout equals actual travel expenses incurred. Mileage is determined based on distances between places calculated on the AMZS (the Slovene national automobile association) website. Accommodation expenses may only be reimbursed if the distance between the permanent or the temporary residence of a Supervisory Board member or a Supervisory Board committee member and the place of their work is at least 100 kilometres and if the member is not able to return to their place of residence due to unavailable public transport or other objective reasons.
- 4.7 This resolution shall enter into force and shall be applied as at the date of the adoption at the Annual General Meeting. The adopted resolution nullifies the resolution No 3 adopted by the 16th Annual General Meeting of 7 July 2011.

Materials for the Annual General Meeting

The shareholders may review the complete materials for the AGM from the day of the AGM notice release in the newspaper *Delo*, the Ljubljana Stock Exchange electronic information dissemination system (<http://seonet.ljse.si>), and on the Krka website (www.krka.si) until including the day of the AGM, and at the company's registered office address at Šmarješka cesta 6, Novo mesto every working day from 10:00 a.m. to 1:00 p.m. The AGM notice and complete materials, including the agenda and proposed resolutions, are also published on the Krka website www.krka.si.

Additional items to the agenda

Shareholders jointly representing at least the twentieth part of total share capital may file a written request for an additional item to be added to the agenda within seven days after the release of the AGM notice. A written proposal of the resolution which the AGM should decide on must be attached to the request, or the explanation of the agenda if no resolution is to be passed for a particular agenda item. In compliance with Paragraph 3, Article 298 of the *Companies Act (ZGD-1)*, the Management Board of the company shall publish those additional items to the agenda required by shareholders no later than within seven days after the release of this notice. Shareholders may submit their requests for additional agenda items to the company by fax at +386 7 332 15 37.

Proposals by shareholders

Shareholders may submit written proposals to each item of the agenda in accordance with Paragraph 1, Articles 300 and 301 of the *Companies Act* (ZGD-1). The Management Board of the company shall also publish all shareholders' proposals that comply with the following conditions in the same manner as this notice:

- the proposals must be sent within seven days of the release of this AGM notice;
- the proposals must be reasonably substantiated;
- the shareholders initiating proposals must file a notice stating that they plan to oppose the proposal made by the Management or Supervisory Boards, and that they will prevail upon other shareholders to vote for their counterproposal.

Irrespective of the above, a shareholder's voting proposal does not have to be substantiated in accordance with Article 301 of the *Companies Act* (ZGD-1).

The shareholder's proposal is published and released in accordance with Article 296 of the *Companies Act* (ZGD-1) only if the shareholder files a reasonably substantiated proposal within seven days of the AGM notice. Shareholders may submit their resolution proposals and voting proposals also by fax at +386 7 332 15 37.

The right to be informed

In compliance with Paragraph 1, Article 305 of the *Companies Act* (ZGD-1), shareholders are entitled to pursue their right to be informed at the AGM. Detailed information on shareholders' rights according to Paragraph 1 of Article 298, Paragraph 1 of Article 300, and Articles 301 and 305 of the *Companies Act* (ZGD-1) is available on the company website www.krka.si.

The right to attend the AGM and participate in voting

The right to attend the AGM and participate in voting applies to shareholders recorded in the register at KDD – Centralna klirinško depotna družba, d. d., Ljubljana as at the end of the seventh day before the AGM is due to convene (cut-off date), i.e. on 1 July 2021.

Shareholders may attend the AGM and participate in voting either in person or by proxy if they notify the Management Board of their presence in writing at the company's registered office no later than by the end of the fourth day before the AGM is due to convene, i.e. a written application for participation must arrive at the company's registered office by 4 July 2021, and proxies may file their proxy statements no later than at the registration for the AGM. Shareholders may send their participation applications and potential proxy statements by post to the following address: Krka, d. d., Novo mesto, Šmarješka cesta 6, Novo mesto, or by fax at: +386 7 332 15 37.

Proxy statements must be submitted in writing and include general data (full name, address, personal ID number or company name, registered office and company ID number, and scope of representation) of the party granting the proxy and the party holding the proxy, as well as the signature of the party granting the proxy.

The proxy statement template is available on the company website www.krka.si.

The company reserves the right to verify the identity of each shareholder or the party granting the proxy. If so requested, shareholders or their legal representatives or proxies must identify themselves at the AGM by presenting their ID and a written proxy statement, while legal representatives and proxies of legal entities must present an extract from the companies register.

The processing of personal data submitted upon the AGM registration or on proxy statements together with data from the shareholder register is mandatory for the organisation of the AGM. Krka, d. d., Novo mesto will process this data in accordance with the *General Data Protection Regulation* (GDPR) and will keep the data in compliance with the statutory retention period for such data. The company will provide external processors only with the personal data required for technical support and organisation of the AGM, which will be processed in accordance with the instructions of Krka, d. d., Novo mesto. External processors will only receive the part of data required for technical support and organisation of the AGM. These external service providers will process the data received solely in accordance with instructions of Krka, d. d., Novo mesto. The company's policy on personal data protection and the rights of individuals are available on the company website (www.krka.biz).

Invitation to major shareholders to publicly disclose their policies

In accordance with Item 6.2 of the *Corporate Governance Code*, Krka, d. d., Novo mesto encourages all major shareholders to publicly disclose their investment policies with respect to the stakes they hold in Krka, d. d., Novo mesto. The information may comprise, for example, their voting policy, the type and frequency of their engagement in the company's governance, and the dynamics of their communication with the company's management or supervisory bodies.

Other notifications

We would like to ask the participants to arrive an hour before the AGM starts for registration purposes and collection of the voting tools.

In order to protect the health of its employees and other parties, the company adopted a number of sanitary, health, and organisational measures that allow for uninterrupted processes, while preventing the introduction and spread of potential coronavirus infection. These measures are in line with the current measures and recommendations implemented by the Government of the Republic of Slovenia to curb the spread of the coronavirus and will apply to the AGM should they still be necessary at that time.

We would like to ask the participants to carefully follow the measures to contain the spread of the coronavirus and abstain from attending the AGM if they notice any signs or symptoms of the disease. This will help protect our shareholders, their proxies, and company representatives.

We would like to inform our shareholders that, in accordance with valid legislation, we will carry out the organised collection of proxy forms for the exercise of voting rights at this

27th AGM to enable voting at the AGM without physical presence. Collection of proxy forms for the exercise of voting rights at the AGM is one of the responsible actions aimed at containing the spread of the coronavirus. We therefore invite our shareholders to take advantage of this option.

Novo mesto, 21 May 2021



Jože Colarič
President of the Management Board and CEO

Information to shareholders

The Annual General Meeting is called by the company's Management Board. The Management Board proposes resolutions under Items 1 and 3. The Management and Supervisory Boards jointly propose resolutions under Item 2. The Supervisory Board proposes resolutions under Item 4.

Information on Krka, d. d., Novo mesto as at 19 May 2021.

Total number of shares issued: 32,793,448

Total number of shares carrying the voting right: 31,215,957

Total number of treasury shares: 1,577,491

Major shareholders (exclusive of treasury shares)

	Shareholder	Number of shares
1	Kapitalska družba, d. d.	3,493,030
2	Slovenski državni holding, d. d. (SDH)	2,949,876
3	Republic of Slovenia	2,366,016
4	OTP banka, d.d.	1,609,828
5	Addiko Bank d.d. Pension Fund 1	1,199,638

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