

In accordance with articles 130 and 152 of the *Market in Financial Instruments Act* (ZTFI-1), the Management Board announces the

Resolutions of the 27th Annual General Meeting of Krka, tovarna zdravil, d. d., Novo mesto, held on 8 July 2021.

The total number of shares and voting rights represented at the General meeting was 17,035,632 representing 54.64% of the total shares with voting rights.

The General Meeting was attended by notary public, Darja Jarnovič, from Novo mesto.

- 1 The attorney Stojan Zdolšek is hereby appointed Chair of the AGM, and IXTLAN FORUM, d. o. o., Ljubljana the vote enumerator.**

The resolution was passed unanimously.

- 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**

- 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.**

The shareholders did not vote on this item as it was of purely informative nature.

Shareholder Jože Colarič submitted the following counterproposal to item 2.2:

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

– Dividends (€5.00 gross per share)	€155,895,630.00
– Other profit reserves	€90,812,100.50
– Retained earnings	€90,812,100.50.

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.

The resolution was adopted. There were 15,283,229 votes cast on the proposed resolution, equivalent to the same number of shares. There were 15,282,889 votes in favour of the proposed resolutions representing 100.00% of all votes cast. There were 340 votes against the proposed resolutions. There were 1,752,403 abstentions.

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.

The resolution was adopted. There were 17,035,172 votes cast on the proposed resolution, equivalent to the same number of shares. There were 17,022,157 votes in favour of the proposed resolutions representing 99.92% of all votes cast. There were 13,015 votes against the proposed resolutions representing 0.08% of all votes cast. There were 460 abstentions.

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.

The resolution was adopted. There were 17,034,022 votes cast on the proposed resolution, equivalent to the same number of shares. There were 17,022,107 votes in favour of the proposed resolutions representing 99.93% of all votes cast. There were 11,915 votes against the proposed resolutions representing 0.07% of all votes cast. There were 1,610 abstentions.

3 Proposed amendments to *Articles of Association*

The AGM adopts changes of the *Articles of Association*:

Adding a new activity to Item 3.1:

“C/32.500 Manufacture of medical and dental instruments and supplies”

Amending Item 4.4:

“Shares are transferred through reposting between the accounts of holders in the central register of dematerialised securities in the custody of the central clearing and depository company.”

Paragraph 2 of Item 6.21 is deleted and replaced with the following text:

“The AGM is generally held at the Šport Hotel in Otočec. For valid reasons, the Management Board may decide to host the AGM in another place in the Republic of Slovenia.

With the consent of the Supervisory Board, the Management Board may determine in the AGM notice that the shareholders may participate in and vote at the AGM remotely via electronic means (electronic AGM). Members of the Management and Supervisory Boards may participate in the AGM via image and sound broadcast if the electronic meeting is held in accordance with Paragraph 4, Article 297 of the *Companies Act* (ZGD-1) and in other events defined by the *Rules of Procedure for General Meetings*.

The following requirements should be met when hosting an electronic AGM:

- **The technical solution has to ensure full image and sound broadcast of the entire AGM in real time.**
- **The company has to ensure the conditions and methods for identification of shareholders or their proxies in a manner that corresponds to the objectives of an electronic AGM, which is to facilitate the shareholders’ execution of the voting right in a secure manner.**
- **The technical solution must enable the shareholders to vote on AGM proposals, make counter proposals (including procedural), and announce challenging of resolutions in real time.**
- **The technical solution has to allow the shareholders to ask questions and participate in discussions in real time. In the rules of procedure from the below paragraph of this article from *Articles of Association*, the Management Board may condition exercising the rights from this point by requiring that the shareholders announce to the company that they will exercise these rights at least one day prior to the AGM.**
- **The technical solution must provide secure electronic communication.**

The Management Board of the company is authorised to determine detailed rules of procedure for participation in and voting at the electronic AGM and other aspects of the electronic AGM; the Management Board shall publish these on the Krka website or in the AGM notice.”

Paragraph 1 of Item 6.22 is amended as follows:

“The AGM notice shall be published at least thirty (30) days before the AGM on the website of the Slovenian business register AJPES. It shall also be published in the printed or electronic newsletter of the company if available at the time of the notice, and on the company's website. The AGM notice shall also be published in accordance with the law governing the financial instruments market.”

Item 7.1 is amended as follows:

“The company publishes information material to the company and the shareholders through the SEOnet of the Ljubljana Stock Exchange or the information system that might replace it, and on the company's website.”

The resolution was adopted. There were 17,043,522 votes cast on the proposed resolution, equivalent to the same number of shares. There were 17,024,836 votes in favour of the proposed resolutions representing 99.94% of all votes cast. There were 9,686 votes against the proposed resolutions representing 0.06% of all votes cast. There were 1,110 abstentions.

4 Remuneration paid to the Supervisory Board members

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 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.

The resolution was adopted. There were 17,032,087 votes cast on the proposed resolution, equivalent to the same number of shares. There were 16,898,765 votes in favour of the proposed resolutions representing 99.22% of all votes cast. There were 133,322 votes against the proposed resolutions representing 0.78% of all votes cast. There were 3,545 abstentions.

There were no challenging actions presented at the General Meeting.

The following major shareholders were present or represented at the General Meeting:

	Shareholder	Number of shares	% of total voting rights
1.	KAPITALSKA DRUŽBA, D. D.	3,493,030	11.20%
2.	SDH, D. D.	2,949,876	9.46%
3.	REPUBLIKA SLOVENIJA	2,366,105	7.59%
4.	OTP BANKA D. D.	1,387,416	4.45%
5.	STATE STREET BANK AND TRUST	483,347	1.55%

Novo mesto, 8 July 2021



Jože Colarič
President of the Management Board and Chief Executive