



On the basis of Item 6.20 of the *Articles of Association* of Krka, tovarna zdravil, d. d., Novo mesto, Šmarješka cesta 6, Novo mesto (hereafter referred to as "the Company"), the Management Board of the Company convenes

## **The 19<sup>th</sup> Annual General Meeting Of KRKA, tovarna zdravil, d. d., Novo mesto**

**On Thursday, 3 July 2014, at 1 p.m. at Hotel Šport in Otočec  
ob Krki.**

The notary public, Andrej Tiran from Novo mesto will attend the General Meeting.

### **The agenda and proposed resolutions**

#### **1. Opening of the Company's General Meeting and election of working bodies**

Proposed resolution

1.1 The attorney Stojan Zdolšek shall be appointed as the Chair of the General Meeting, and *Ixtlan FORUM, d. o. o., Ljubljana* as the vote enumerator.

**2. The presentation of the 2013 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 2013 Annual Report, adoption of the resolution on the allocation of the 2013 accumulated profit and the discharge of liability for the Management and Supervisory Boards for 2013**

Proposed resolutions

2.1 The General Meeting is informed on the Management Board's Annual Report for the 2013 financial year, the remuneration of the members of the Management and Supervisory Boards, and the Supervisory Board's Report on its verification and approval of the Annual Report.

2.2 The accumulated profit for 2013 in the amount of EUR 179,352,421.39 shall be allocated as follows:

- To dividends (EUR 2.10 gross per share) .....	EUR 68,866,240.80
- To other profit reserves .....	EUR 55,243,090.30
- To carry forward to the next year .....	EUR 55,243,090.29

The payout of dividends shall commence within 60 days after the General Meeting has been concluded. The shareholder records in the share register at *KDD – Centralna klirinško depotna družba* (Central Securities Clearing Corporation), d. d., Ljubljana, as at 8 July 2014 (record date 2) shall apply for the dividend payout.

2.3 The General Meeting approves and gives its consent to the work of the Management Board for the 2013 financial year and discharges it from liability for performance of its duties.

2.4 The General Meeting approves and gives its consent to the work of the Supervisory Board for the 2013 financial year and discharges it from liability for performance of its duties.

### **3. Decrease of share capital by cancelation of treasury shares**

Proposed resolution

1. Due to the cancelation of treasury shares, the Company's share capital shall decrease from EUR 59,126,194.28 by the amount of EUR 4,393,929.57. After the decrease, the share capital shall amount to EUR 54,732,264.71.
2. The decrease of share capital shall be executed by the cancelation of 2,632,672 shares under the symbol KRKG representing 7.431% of all Company's shares issued and held in the Company's treasury. After the decrease, the Company's share capital shall consist of 32,793,448 ordinary no-par value registered shares carrying the symbol KRKG.
3. The cancelation of treasury shares shall be executed based on a simplified procedure of the share capital decrease with cancelation of treasury shares in accordance with the Paragraphs 3 and 4 of Article 381 of the *Companies Act*. The purpose of the share capital decrease is to increase the shareholder value and the return on shareholders' equity.
4. In accordance with Paragraph 3 of Article 381 of the *Companies Act*, the share capital decrease shall be executed against the decrease of the *other revenue reserves*. In accordance with Paragraph 5 of Article 381 of the *Companies Act*, share premium shall be increased by EUR 4,393,929.57. After the increase, share premium shall amount to EUR 105,897,419.36.

5. The General Meeting authorises the Management Board to cancel 2,632,672 treasury shares carrying the symbol KRKG and to remove these shares from the central securities registry at *KDD – Centralna klirinško depotna družba, d. d.*
6. In accordance with Article 329 of the *Companies Act*, the General Meeting authorizes the Supervisory Board to amend the Articles of Association to present share capital and the number of shares issued according to this resolution.

#### **4. Authorisation for acquisition of treasury shares**

The General Meeting authorises the Management Board to acquire own shares:

- a) The General Meeting authorizes the Management Board to acquire treasury shares, however, the total percentage of acquired shares shall not exceed 10% of the share capital or 3,279,344 shares.
- b) This authorisation shall remain valid for 36 months from the date of adoption.
- c) The Company may acquire treasury shares on the regulated market at the respective market prices. The Company may also acquire shares outside the regulated market. When acquiring treasury shares on the regulated market or on the non-regulated market, the purchase price shall not be lower than the share book value based on the last available audited financial statements for the Krka Group. The purchase price shall also not exceed the price-to-earnings multiple of 25 based on net profit of majority shareholders as stated in the last available audited financial statements of the Krka Group, which is approximately the highest share value on the regulated market so far.
- d) Treasury shares acquired on the base of this authorisation may be disposed of in the following way:
  - They may be exchanged for equity-stakes in other companies based on the Company's merger-and-acquisition strategy, or
  - They may be sold to a strategic partner.
- e) Upon the disposal of treasury shares in accordance with item d) of this resolution, the pre-emptive right of the existing shareholders shall be entirely excluded.

#### **5. Information on election of workers' representatives in the Supervisory Board**

Proposed resolution

The General Meeting is informed that the Workers' Council has elected workers' representatives to the Supervisory Board, with a five-year term of office. The representatives are:

- Franc Šašek,
- Tomaž Sever, and
- Mateja Vrečer.

## 6. Appointment of the auditor for 2014 financial year

Proposed resolution

*Ernst & Young Revizija, poslovno svetovanje, d. o. o., Ljubljana, Dunajska cesta 111, 1000 Ljubljana* shall be appointed as the auditor for the 2014 financial year.

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The General Meeting may be attended by shareholders, their proxies and representatives. The Proxy shall be made in writing and kept at the Company's Headquarters for the entire period of the Proxy duration.

The right to attend the General Meeting and participate in voting applies to shareholders recorded in the shareholders' register at the KDD – Centralna klirinško depotna družba, d. d., Ljubljana, their proxies and representatives if they apply to the General Meeting at the Company's Headquarters at least four days before the General Meeting date, i.e. by 29 June 2014 (record date 1), or if their written application is received within this period. Within this term proxies shall present, in addition to filing the application, also their valid Proxy (stating the authorising shareholder including his/her personal ID number or registration number, the exact name of the Proxy including his/her personal ID or registration number, the scope of authorisation, etc.).

Shareholders representing jointly at least five (5) percent of the total share capital may send, within 7 days after the release of the General Meeting notice, a written request for an additional item to be added to the agenda including the proposal of the resolution and explanation.

Shareholders may also send a request for an additional item to be added to the agenda, possible counter proposals and their Proxies by fax, to fax number ++386 (0)7 33 21 537.

The General Meeting participants shall register at the reception, where they must confirm their attendance by signature, and collect voting tools and other materials. For the purpose of establishing the annual meeting attendance by shareholders or their proxies and representatives and for drafting the attendance register of shareholders present in person or represented, the venue hall will be opened one hour prior to the commencement of the meeting. The voting tools shall be collected at least half an hour prior to the commencement of the meeting.



The complete materials for the General Meeting will be available for review at the Company's registered office (Šmarješka cesta 6, Novo mesto) each working day from 10 a.m. to 1 p.m. from the day of the General Meeting notice release until 3 July 2014.

The General Meeting notice, proposed resolutions including explanations and other pertaining material are published at the Company's website [www.krka.si](http://www.krka.si).

Novo mesto, 2 June 2014

A handwritten signature in blue ink, consisting of a large, fluid loop followed by a horizontal stroke.

Jože Colarič  
President of the Management Board and Chief  
Executive



## Information to shareholders

The General Meeting is called by the Company's Management Board. The Management Board is the proposer of the resolution under Item 1. The Management and Supervisory Boards are joint proposers of resolutions under Item numbers 2, 3, 4, 5 and the Supervisory Board is the proposer of the resolution under Item 6.

## Information on Krka, d. d., Novo mesto as at 13 May 2014

Total number of shares ..... 35,426,120  
Total number of shares carrying the voting right .....32,793,448  
Total number of treasury shares ..... 2,632,672

### Major shareholders (exclusive of treasury shares)

1.	Slovenska odškodninska družba, d. d.	5,312,070
2.	Kapitalska družba, d. d.	3,493,030
3.	Societe Generale-Splitska banka d. d.	1,347,254
4.	Hypo Alpe-Adria-Bank d. d.	1,009,385
5.	New World Fund Inc	755,000

Krka, d. d., Novo mesto

Fax number ++386 (0)7 33 21 537

Website: [www.krka.si](http://www.krka.si)