

EXPLANATION OF PROPOSED RESOLUTIONS FOR THE GENERAL MEETING  
ON 2 July 2009:

The Management Board and Supervisory Board discussed the material for the General Meeting and prepared a draft agenda and resolution proposals on its meetings until 14 May 2009:

Item 1:

The chair of the General Meeting is appointed separately for each meeting. The company IXTLAN Forum, d.o.o., Ljubljana is proposed as vote enumerator. IXTLAN Forum, d.o.o., Ljubljana was selected on the basis of good references and its successful performance in the position at last year's General Meeting.

Item 2:

The Supervisory Board verified the 2008 Annual Report of Krka, d.d. and the Krka Group. It had no comments or reservations regarding the Annual Report and approved it unanimously. Following this approval, the 2008 Annual Report of Krka, d.d. and Krka Group was adopted. The Supervisory Board also discussed the Auditor's Report and the work of the authorised Auditor. The Supervisory Board had no comments on the auditor's work and the Auditor's Report.

The Management Board prepared a proposal on the use of the accumulated profit, which amounts to EUR 151,362,990.65. The Supervisory Board agreed with the proposal and the Management Board and Supervisory Board together advised that the Company's General Meeting adopt the resolution on the use of accumulated profit. They also advised that the General Meeting issue the Management Board and Supervisory Board of Krka, d.d., Novo mesto with a discharge of liability. This proposed resolution is based on the successful operating results and the implementation of a stable dividend policy.

Item 3:

The Supervisory Board has prepared the proposal for gross attendance fees and other cost reimbursements for Supervisory Board members and members of the Supervisory Board committees with reference to Government's recommendations.

Item 4:

Due to expiry of term-in-office for workers' representatives in the Supervisory Board, the election of new representatives is currently in motion – the procedure is in the final stage. When the Workers Council's resolution is obtained, the names of the new representatives will be published on the Seonet.

Item 5:

In 2007 Marko Kranjec PhD resigned as a member of the Supervisory Board due to his appointment to a new position. The Supervisory Board therefore advises the General Meeting to appoint a replacement member of the Supervisory Board who meets all conditions for appointment and to give its consent. Since a replacement member is being appointed, said member will only be appointed for the duration of the term-in-office of current Supervisory Board members, i.e. until 21 June 2010. Data on the candidate will be published on the SEOnet.

Item 6:

The Management Board believes that mainly for the reasons of possible M&A activities, the employment of Treasury Shares fund should be ensured. The Management Board proposes to be authorised to increase the fund of own shares up to 10% (on the base of the Authorisation concerned and the Authorisation from the 2<sup>nd</sup> General Meeting on 5 November 1997). The Management Board also proposes the exclusion of pre-emptive rights when disposing own shares. The reasons for this decision are substantiated in the Report on reasons for total exclusion of pre-emptive right in case of disposal of own shares. The Supervisory Board has approved the proposal.

Item 7:

The operations of the Krka, d.d., Novo mesto in 2009 must also be reviewed by the appointed auditor, who must prepare a report on the audit of the financial statements and business reports. The Supervisory Board proposes that KPMG Slovenija, podjetje za revidiranje, d.o.o., Ljubljana be appointed as the company auditor for the 2009 financial year.

Novo mesto, 14 May 2009

Jože Colarič  
President of the Management Board

Dr Gregor Gomišček,  
President of the Supervisory Board

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On the date of AGM notice, the total number of issued shares of Krka, d. d., Novo mesto amounts to 35,426,120 shares, whereas 33,799,500 shares have the voting right.