

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 26th Annual General Meeting of
KRKA, tovarna zdravil, d. d., Novo mesto**

**on Thursday, 9 July 2020 at 1:00 p.m.
at Hotel Šport in Otočec**

The 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 2019 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 report on its verification and approval of the 2019 Annual Report, adoption of the resolution on the allocation of the 2019 distributable profit, and the discharge of liability for the Management and Supervisory Boards for 2019

Proposed resolutions

2.1 The AGM shall be informed about the annual report of the Management Board for the financial year 2019, 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 *2019 Annual Report*.

2.2 Distributable profit for 2019 in the amount of €270,870,010.09 shall be allocated as follows:

– Dividends (€4.25 gross per share)	€133,787,968.50
– Other revenue reserves	€68,541,020.79
– Retained earnings	€68,541,020.80

The payout of dividends shall commence on 23 July 2020. The shareholder records in the share register at KDD – Centralna klirinško depotna družba (Central Securities Clearing Corporation), d. d., Ljubljana as at 22 July 2020 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 2019 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 2019 and discharges it of liability for the performance of its duties.

3 Authorisation to acquire treasury shares

Proposed resolution

The AGM authorises the Management Board to acquire and dispose of the treasury shares as follows:

- a) The Management Board shall be authorised to acquire treasury shares. However, the share of total treasury shares shall not exceed 10% of the company's share capital, i.e. 3,279,344 shares. The share total shall also include treasury shares owned by the company as at the date of issuance of this authorisation.
- b) The authorisation to acquire treasury shares shall remain in effect 36 months after the adoption of this resolution.
- c) The company may acquire treasury shares on the regulated market at respective market prices. The company may acquire treasury shares also outside the regulated market. When acquiring treasury shares on the regulated market or non-regulated market, the purchase price must not be lower than the book value based on the last published audited financial statements of the Krka Group. Furthermore, the purchase price must not exceed 25-fold earnings per share held by the majority stakeholders as stated in the last published audited financial statements of the Krka Group.
- č) In compliance with Paragraphs 3 and 4 of Article 381 of the *Companies Act* (ZGD-1), the company may decrease its share capital under a simplified procedure and in debit to other revenue reserves.

4 Appointment of Supervisory Board members

Proposed resolutions

4.1 Peter Filipič shall be appointed a Supervisory Board member of Krka, d. d., Novo mesto – Shareholder Representative, for a five-year term of office, starting on 21 August 2020.

4.2 Boris Žnidarič shall be appointed a Supervisory Board member of Krka, d. d., Novo mesto – Shareholder Representative, for a five-year term of office, starting on 21 August 2020.

4.3 Julijana Kristl shall be appointed a Supervisory Board member of Krka, d. d., Novo mesto – Shareholder Representative, for a five-year term of office, starting on 21 August 2020.

4.4 Jože Mermal shall be appointed a Supervisory Board member of Krka, d. d., Novo mesto – Shareholder Representative, for a five-year term of office, starting on 21 August 2020.

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 Delo newspaper, e-information system of the Ljubljana Stock Exchange <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 each 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 5% of total share capital may file a written request for an additional item to be added to the agenda within seven (7) days after the release of the AGM notice. A written proposal of the resolution on which the AGM should decide 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 of 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 not 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 are entitled to submit written proposals to each item of the agenda in accordance with Paragraph 1 of 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 (7) days after 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 everything stated above, a shareholder's voting proposal does not have to be substantiated in accordance with Article 301 of the *Companies Act (ZGD-1)*.

Shareholders' proposals shall be published and released in accordance with Article 296 of the *Companies Act (ZGD-1)* only if shareholders file a reasonably substantiated proposal within

seven (7) days of the AGM notice. Shareholders may submit their proposals of resolutions 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, 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 business register at the KDD – Centralna klirinško depotna družba, d. d., Ljubljana as at the end of the fourth (4th) day before the AGM is due to convene (cut-off date), i.e. on 5 July 2020.

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 or at the company's registered office not later than by the end of the fourth (4th) day before the AGM is due to convene, i.e. on 5 July 2020, and proxies file their proxy statements at the latest at the time of the registration procedure at the AGM.

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

The proxy statement template is available at the Company's website, www.krka.si.

The company shall have the right to verify the identity of the 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 the proxy statement, while legal representatives and proxies of legal entities must present an extract from the register of companies.

The processing of personal data that will be submitted upon registration and on proxy statements 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* and will keep this data until legally required for this purpose. External processors will receive only the part of data required for technical support and organisation of the AGM. These external service providers will process received data solely in accordance with instructions of Krka, d. d., Novo mesto. The personal data protection policy of Krka and the rights of individuals are available on the Krka website (www.krka.biz).

Invitation to major shareholders to publicly disclose their management 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 governance of the company, and dynamics of their communication with the management or supervisory bodies of the company.

Other notifications

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

In order to protect the health of its employees and other interested parties, the company adopted a wide range of measures to contain the spread of coronavirus infection. These measures are in line with the current measures 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 and symptoms of 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 organised collection of proxy forms for the exercise of voting rights at this 26th 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 new coronavirus. We therefore invite our shareholders to take advantage of this option.

Novo mesto, 22 May 2020



Jože Colarič
President of the Management Board and CEO

Information to shareholders

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

Information on Krka, d. d., Novo mesto as at 20 May 2020.

Total number of shares issued: 32,793,448

Total number of shares carrying the voting right: 31,479,522

Total number of treasury shares: 1,313,926

Major shareholders (exclusive of treasury shares)

	Shareholder	Number of shares
1.	KAPITALSKA DRUŽBA, D. D.	3,493,030
2.	SDH, D. D.	2,949,876
3.	THE REPUBLIC OF SLOVENIA	2,366,016
4.	OTP BANKA, D. D.	1,544,960
5.	ADDIKO BANK, D. D. Pension fund 1	1,197,638

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