

## Corporate governance code compliance statement

In 2024, Krka's code of reference was the *Slovenian Corporate Governance Code for Listed Companies* (hereinafter: the *Code*), adopted on 9 December 2021 by the Ljubljana Stock Exchange and the Slovenian Directors' Association. The *Code* entered into force on 1 January 2022 and is published on the Ljubljana Stock Exchange website.

We, the Management and Supervisory Boards of Krka, tovarna zdravil, d. d., Novo mesto, Slovenia, hereby declare that in 2024, individual members of the Management and Supervisory Boards and the Management and Supervisory Boards as bodies of a listed company acted in compliance with the principles and recommendations of the *Code*. Some of the recommendations were not implemented in full. However, we have always endeavoured to implement these recommendations and identify suitable ways of doing so. Any derogations from the *Code* are explained below.

In the context of self-assessment, the Supervisory Board can establish an annual training plan for its members and determine indicative training costs. In 2024, no proposal for additional training was put forward, so the plan was not adopted (Item 15.1 of the *Code*).

Supervisory Board members evaluated the Board's performance in full accordance with the methods and the *Supervisory Board Assessment Manual* prepared by the Slovenian Directors' Association. The evaluation was carried out professionally and objectively. Since external professional support was not required in 2024, no external assessment of the Supervisory Board's performance was conducted in collaboration with a specialised institution or other experts (Items 16.2 and 16.4 of the *Code*). The Internal Audit of Krka monitors corporate governance procedures to the extent required by *International Standards for the Professional Practice of Internal Auditing*.

We use a digital application to distribute Supervisory Board materials securely. Supervisory Board members can access the archive until the end of their terms in office (Items 14.2 and 14.6 of the *Code*), which complies with our *Information Security Policy*.

According to our *Rules of Procedure of the Supervisory Board*, the President of the Supervisory Board has two deputies: a shareholder representative and an employee representative. This is necessary to ensure the inclusion of employee representatives in the key activities of the bodies. The *Rules of Procedure of the Supervisory Board* state that when the president is absent or unavailable to attend, the shareholder representative is first to assume the president's duties and only in the absence of the former does the employee representative assume this role. This ensures we do not deviate significantly from the *Code*, which stipulates that only a shareholder representative may act as Deputy President of the Supervisory Board (Item 17.4 of the *Code*).

In 2024, Krka's 'Corporate governance statement' was reviewed by an external auditor as part of the regular audit. An additional external assessment of the statement's adequacy was not performed (Item 5.6 of the *Code*).

In the 'Corporate governance statement' section of Krka's *2024 Annual Report*, we do not list any association of the Management and Supervisory Board members with any governance or supervisory bodies of non-related companies in the uniform tables (Attachments C1 and C2 to the *Code* in force). The Management Board members do not hold corporate governance and supervisory roles outside the Krka Group, while information about the Supervisory Board members' engagements is included in their CVs (Item 5.5 of the *Code*).

In line with the *Remuneration Policy for Management and Supervisory Bodies*, variable remuneration is always paid in two instalments: the first part mid-year based on semi-annual results; and the second part as back pay after the Supervisory Board confirms the annual report at their meeting (Item 23.2 of the *Code*).

The Supervisory Board revised the Management Board variable remuneration criteria in 2012, 2014, 2016, and 2018, taking into account additional Management Board duties related to business strategy, changes in the business climate, and remuneration trends. In 2022, the Supervisory Board further adjusted the remuneration policy in 2022 and submitted it for AGM approval for the first time. In line with the shareholders' comments at this AGM, the Supervisory Board revised the remuneration policy again in 2023. It was approved with 97.45% of votes during consultative voting at the 29th AGM in 2023. The Supervisory Board did not set the criteria annually, as recommended in Item 14.11 of the *Code*, because they relate to the Krka Group's long-term development strategy.

Under the *Rules of Procedure of the Management Board*, Management Board members may sit on supervisory boards of non-related companies only after informing and obtaining approval from the Company's Supervisory Board. This is a partial derogation from Item 21.6 of the *Code*, which applies to all companies, not just non-related ones.

We publish contact details for investors and the public on our website, but do not list names of individuals (Item 31.2 of the *Code*), as multiple people are responsible for different areas.

We also made the *Rules of Procedure of the Supervisory Board* public. In the 2024 'Corporate governance statement', we disclosed the composition, remits, and other aspects concerning the operation of our bodies, and providing all essential information on corporate governance. We did not publish any additional operational documents related to the bodies' performance in 2024 (Item 32.7 of the *Code*).

Two members of the Supervisory Board, i.e. employee representatives, could be regarded as members of the wider management team according to certain criteria (Item 13 of the *Code*). This is despite the fact that they cannot make entirely independent decisions in their respective areas of work concerning financial resource allocations, employment, or strategy. These two members have served for more than three terms of office, but are not dependent members (Statement of independence of Supervisory Board members).

We also adhered to the majority of the provisions of the applicable *Best Practice for GPW Listed Companies* code, which applies to companies listed on the Warsaw Stock Exchange. We explain discrepancies in a separate document published through the Warsaw Stock Exchange dissemination system.

Novo mesto, 24 March 2025



Jože Colarič  
President of the Management Board and CEO



Jože Mermal  
President of the Supervisory Board