

EXPLANATION OF PROPOSED RESOLUTIONS

For the 24th Annual General Meeting of Krka, d. d., Novo mesto due on 5 July 2018.

At several meetings, the Management and Supervisory Boards of Krka, d. d., Novo mesto reviewed the materials for the call of the 24th AGM, prepared the motion of the Agenda and the proposal of the resolutions as follows:

Add 1.

According to the *Rules of Procedure for General Meetings*, the Chair of the General Meeting is elected for each meeting separately. IXTLAN FORUM, d. o. o., Ljubljana is proposed as the vote enumerator based on its good references. This company has successfully performed the voting and vote enumerating procedures at Krka's General Meetings for years.

Add 2.

The Supervisory Board reviewed the 2017 Annual Report of Krka, d. d., Novo mesto and the Krka Group. There were no comments or reservations regarding the report, therefore the Board approved it unanimously. By this approval, the 2017 Annual Report of Krka, d. d., Novo mesto and the Krka Group was adopted. The Supervisory Board also discussed the Auditor's Report and the work of the Certified Auditor. The Supervisory Board had no comments about either of the two documents. The 2017 Annual Report also discloses the remuneration of members of the Management and Supervisory Boards.

The Management Board has prepared a proposal for the allocation of the 2017 accumulated profit in total of €169,230,538.48. The Supervisory Board agreed with the proposal. The Supervisory and Management Boards jointly propose to the AGM to adopt the resolution on the allocation of accumulated profit. In addition to this, the two Boards propose that the AGM discharge the Management and the Supervisory Boards of Krka, d. d., Novo mesto from their liabilities. The proposal is based on the strategic guidelines of the company regarding dividend policy.

Add 3.

Also in 2018, business performance of Krka, d. d., Novo mesto shall be audited by the appointed auditor, who shall prepare a report on the examination and audit of the financial statements and business report. The Supervisory Board proposes that the audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d. o. o., Dunajska cesta 111, 1000 Ljubljana be appointed as the auditor for 2018.

Novo mesto, 25 May 2018



Jože Colarič
President of the Management Board and Chief Executive



Jože Mermal
President of the Supervisory Board