

EXPLANATION OF PROPOSED RESOLUTIONS

For the 28th Annual General Meeting of Krka, d. d., Novo mesto due on 7 July 2022

At several meetings, the Management and Supervisory Boards of Krka, d. d., Novo mesto (also Krka or the company) discussed the materials for the 28th Annual General Meeting (AGM) and prepared a draft Agenda and a proposal of resolutions.

Add 1.

The Chair of the Annual 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 already performed voting and vote enumerating procedures at Krka's AGMs in previous years.

Add 2.

The Supervisory Board reviewed the *2021 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 *2021 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 on either of these.

In accordance with the provisions of the *Companies Act (ZGD-1)*, the company prepared the *Report on Remuneration of Management and Supervisory Board members* (hereinafter the *Report on Remuneration*). It includes a comprehensive overview of their remunerations, including any form of bonuses and benefits that the company awarded or owed to an individual member of management and supervisory bodies in the last financial year. The *Report on Remuneration* contains all elements as defined in Paragraph 2, Article 294 b of the ZGD-1 within the scope of data available. The auditor reviewed the *Report on Remuneration* and prepared its own report on it (Appendix to the *Report on Remuneration*). The *Report on Remuneration* is submitted to the AGM in the same manner as the annual report. The AGM has the right to an advisory vote on the *Report on Remuneration* for the last financial year. After the voting at the AGM, the company has to immediately publish the *Report on Remuneration* on its website, where it must remain publicly available and free of charge for at least ten years.

The Management Board has prepared a proposal for the appropriation of the 2021 distributable profit in total of €318,625,126.16. The Supervisory Board agreed with the proposal. The Management and Supervisory Boards jointly propose that the AGM adopt the resolution on the appropriation of distributable profit. The proposal is based on the company's strategic guidelines with regard to the dividend policy. In addition, the two Boards propose that the AGM confirm and approve the work of the Management and Supervisory Boards in the financial year 2021.

Appendices

- 2021 Annual Report
(https://seonet.ljse.si/default.aspx?doc=SEARCH&doc_id=85613)
- 2021 Supervisory Board Report of Krka, d. d., Novo mesto
(https://seonet.ljse.si/default.aspx?doc=SEARCH&doc_id=85614)
- Report on Remuneration of Management and Supervisory Board members of Krka, d. d., Novo mesto in 2021

Add 3.

In line with Article 294 a of the ZGD-1, the company whose securities are traded on a regulated market has to establish a remuneration policy for management and supervisory bodies, which is to be put to the vote for approval at the AGM. The company puts its remuneration policy to the vote following any significant change or at least every four years. The AGM vote on the remuneration policy is an advisory vote. If the AGM does not approve the proposed remuneration policy, the company puts an amended remuneration policy to vote at the next AGM. The company determines the remuneration of the management and supervisory body members only in accordance with the remuneration policy put to the vote for approval at the AGM. The remuneration policy is published on the company website after the voting, together with the voting date and results. The policy must remain publicly available and free of charge for at least as long as it is in force or at least for ten years.

Appendix

- *Remuneration Policy for Management and Supervisory Bodies of Krka, d. d., Novo mesto*

Add 4.

On 7 July 2022, the term of office expires for Borut Jamnik, a member of the Supervisory Board. The Human Resource Committee of the Supervisory Board was entrusted with the preparation of the proposal for a member of the Supervisory Board elected by the AGM in line with Appendix A3 of the *Corporate Governance Code for Listed Companies*. The Code was adopted by the Ljubljana Stock Exchange and the Slovenian Directors' Association and has been in force since 1 January 2022. At its 10th regular meeting of 16 March 2022, the Supervisory Board of Krka, therefore, assigned the Supervisory Board's Human Resource Committee to evaluate and propose the most appropriate candidates for a Supervisory Board member, shareholder representative, to the Supervisory Board. At the same meeting, the Supervisory Board also adopted a profile of competences for candidate assessment (considering legal requirements, *Articles of Association*, recommendations of the *Corporate Governance Code for Listed Companies*, and *Rules of Procedure of the Supervisory Board*; the company's diversity policy may also be taken into consideration), application documentation and the definition of procedures related to the AGM proposal preparation. The Supervisory Board and Committee members searched for the candidates. The Supervisory Board decided on the Committee's proposal at its 12th regular meeting of 18 May 2022. The candidates' assessment was carried out in accordance with Article 12 of the *Corporate Governance Code for Listed Companies*. The candidate submitted their references, statements, and proofs of their suitability for the Krka Supervisory Board membership to the Committee. The Supervisory Board considered the proposal of the Committee. In line with this proposal, the Supervisory Board proposes Borut Jamnik as a member of the Supervisory Board for a five-year term of office commencing on 8 July 2022.

Borut Jamnik (born 1970) is from Ljubljana and chairs the management board of the insurance company, Modra zavarovalnica, d. d. He graduated in mathematics from the Faculty of Natural Sciences and Engineering at the University of Ljubljana. He commenced his career at the Agency of the Republic of Slovenia for Restructuring and Privatisation. After completing his traineeship, he managed many ownership transformation projects. After a brief spell at the Securities Market Agency of Slovenia, Jamnik took up a post at the IT and analyses department of Kapitalska družba, a company that evaluates investments and prepares the grounds for management decisions. He managed the project that led to establishing the First Pension Fund in Slovenia. In 2000, he began his term on the management board of Kapitalska družba in charge of finance, analyses, information technology, and pension fund management activities. Jamnik chaired the management board of Kapitalska družba from 2003 to 2005 and from 2008 to 2011. In the intervening years, he was a board member with responsibility for finance and group management at Hit, then at Probanka Asset Management, first as a management consultant and later as a management board member. During that tenure, he oversaw the merger of two hotels, HIT Alpinea and Kompas Hoteli KG, and was involved in negotiations with the strategic partner, the then Harrah's Entertainment. He chaired the board of a special business consulting company Posebna družba za podjetniško svetovanje (PDP) until its dissolution following the merger with Slovenski državni holding (SDH, Slovenian Sovereign Holding), a process that involved a series of financial and business restructurings. In 2011, he began chairing the management board at Modra zavarovalnica, where he is responsible for asset management, compliance, planning and controlling, legal and HR matters.

Since 1999, he has chaired many management bodies of major Slovenian companies, including Telekom Slovenije, Pivovarna Laško, Zavarovalnica Triglav, NLB, Luka Koper, Comet, Swaty, Lesnina, Žito, and Krka. Until 2018, he was a management board member of the European Association of Public Sector Pension Institutions (EAPSPI).

Jamnik held the presidency of the Slovenian Directors' Association (SDA) from 2008 until 2020, where he helped to develop corporate governance expertise and practices and the functioning of supervisory and management boards. Since 2020, he has chaired Policy Committee of the SDA. He also chaired Slovensko zavarovalno združenje (SZZ, Slovenian Insurance Association), where he currently continues his tenure as a committee board member.

He currently sits on supervisory boards of the Nova KBM bank and Krka, d. d., Novo mesto.

According to the criteria of the Corporate Governance Code for Listed Companies currently in force, adopted by the Ljubljana Stock Exchange and the Slovenian Directors' Association, Jamnik is independent in relation to Krka and his supervisory board membership does not form grounds for any conflict of interests.

Add 5.

The appointed auditor must review the annual financial statements of Krka, d. d., Novo mesto and the consolidated financial statements of the Krka Group for 2022, 2023, and 2024. The auditor also has to prepare a report on the review and audit of the Krka Group and Krka financial statements and with regard to the review of the business report. The Supervisory Board proposes the audit firm KPMG SLOVENIJA, podjetje za revidiranje, d. o. o., Železna cesta 8 a, 1000 Ljubljana as the auditor for 2022, 2023, and 2024.

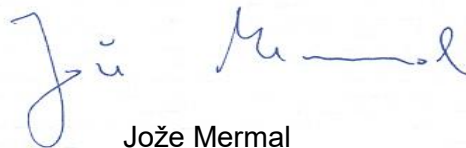
The audit firm KPMG SLOVENIJA, podjetje za revidiranje, d. o. o., Železna cesta 8 a, 1000 Ljubljana has experience of audits of parent companies and groups from the pharmaceutical industry. The audit firm and its key audit partner have experience in conducting audits of comparable groups (Pliva and Lek Groups) and conducting audits of pharmaceutical companies' subsidiaries (Roche, Pfizer, Bayer, GSK, Monsanto, Genera, Alkaloid, Tosama). The audit firm shall ensure continued

involvement and availability of key audit team members and domestic experts for all key audit areas and for consultation on complex accounting, tax, and other reporting issues.

Novo mesto, 19 May 2022

A handwritten signature in blue ink, appearing to read 'Jože Colarič', with a long horizontal stroke at the end.

Jože Colarič
President of the Management Board and CEO

A handwritten signature in blue ink, appearing to read 'Jože Mermal', with a long horizontal stroke at the end.

Jože Mermal
President of the Supervisory Board