

SLOVENSKI DRŽAVNI HOLDING, d. d.
MALA ULICA 5, P.P. 139
1001 Ljubljana
Slovenia

Number: 2016009450/MM

Date: 7 July 2016

Krka, d. d., Novo mesto
Šmarješka cesta 6
8000 Novo mesto

On the basis of provisions of the Companies Act and the notice convening the 22nd Annual General Meeting of Krka, tovarna zdravil, d. d. that will be held on 7 July 2016, Slovenski državni holding, d.d., Mala ulica 5, 1000 Ljubljana hereby submits the

COUNTER PROPOSAL

I

Slovenski državni holding, d. d., Mala ulica 5, Ljubljana is the holder of 5,312,070 ordinary shares of the Company (hereinafter: the Proposer), which is 16.2% of the Company's share capital whereby demonstrating its legal interest to submit a counter proposal.

II

The Proposer hereby submits the counter proposal to item 4 of the AGM agenda, namely to the proposed change of item 6.3 of the Articles of Association of the Company, which is as follows:

"The president or member of the management board may only be a person who in addition to statutory conditions fulfils the following two conditions:

- the person has completed at least university level education and
- the person has at least five years of managerial practice in large companies in accordance with the criteria stipulated by the current act regulating companies.

The supervisory board shall stipulate the conditions and criteria for the president and members of the management board.

The conditions for appointing the Worker Director shall be together stipulated by the supervisory board and the works council."

Grounds:

Also after the change, the provision shall remain partly the same as to its content, and it shall be partly amended as to its content. The conditions for members of the management board shall hereby be coordinated with the conditions that apply for some other companies in which the state holds capital assets.

The Proposer hereby proposes that its counter proposal be voted on before the proposed resolution put forward by the Company's management and supervisory boards.

Nada Drobne Popovič
Member of the Management Board

Marko Jazbec
President of the Management Board