

ARTICLES OF ASSOCIATION

of the public limited company

KRKA, tovarna zdravil, d.d., Novo mesto

Clean copy of the Articles of Association dated 13.9.1996,
1st amendments adopted at the General Meeting of shareholders on 19.6.1997,
2nd amendments adopted at the General Meeting of shareholders on 29.7.1998,
3rd amendments adopted at the General Meeting of shareholders on 29.7.1999,
4th amendments adopted at the General Meeting of shareholders on 27.7.2000,
5th amendments adopted at the General Meeting of shareholders on 19.6.2001,
6th amendments adopted at the General Meeting of shareholders on 4.7.2003,
7th amendments adopted at the General Meeting of shareholders on 5.7.2007,
8th amendments adopted at the General Meeting of shareholders on 3.7.2008,
9th amendments adopted at the General Meeting of shareholders on 17.6.2010,
10th amendments adopted at the General Meeting of shareholders on 3.7.2014,
11th amendments adopted at the General Meeting of shareholders on 7.7.2016 and
12th amendments adopted at the General Meeting of shareholders on 8.7.2021.

1. CONTENTS

1.1.

These Articles of Association contain the provisions on:

- contents,
- name and registered office,
- activities of the company,
- share capital,
- reserves,
- company bodies,
- informing shareholders,
- duration and termination of the company.

2. NAME AND REGISTERED OFFICE

2.1.

The name of the Company is: KRKA, tovarna zdravil, d.d., Novo mesto (hereinafter called the Company).

2.2.

The shortened name of the Company is: KRKA, d.d., Novo mesto.

2.3.

The registered office of the Company is: Novo mesto, Šmarješka cesta 6.

2.4.

The Company's symbol and logo are integral parts of its name.

2.5.

The Company's seal shall bear the Company's full or shortened name, in addition to its symbol.

3. ACTIVITIES OF THE COMPANY

3.1.

The activities of the Company include:

A/01 AGRICULTURAL PRODUCTION, AND HUNTING AND RELATED SERVICE ACTIVITIES

A/ 01.110 Growing of cereals (except rice), leguminous crops and oil seeds

A/ 01.130 Growing of vegetables and melons, roots and tubers

A/ 01.190 Growing of other non-perennial crops

A/ 01.210 Growing of grapes

- A/ 01.240 Growing of pome fruits and stone fruits
- A/ 01.250 Growing of other tree and bush fruits and nuts
- A/ 01.270 Growing of beverage crops
- A/ 01.280 Growing of spices, aromatic, drug and pharmaceutical crops
- A/ 01.290 Growing of other perennial crops
- A/ 01.490 Raising of other animals
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- C/ 10.830 Processing of tea and coffee
- C/ 10.840 Manufacture of condiments and seasonings
- C/ 10.860 Manufacture of homogenised food preparations and dietetic foods
- C/ 10.890 Manufacture of other food products n.e.c.
- C/ 10.910 Manufacture of prepared feeds for farm animals
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C/17 MANUFACTURE OF PAPER AND PAPER PRODUCTS

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3.2.

In addition to activities under previous paragraph, the Company may also engage in other activities, necessary for its existence and the performance of its activities, which however do not involve direct performance of activities, particularly the acquisition of real estate, setting up of branches and subsidiaries at home and abroad, and equity participation in other companies.

The basic objective of the company is to perform profitable activities to maximise the value of the company and to achieve profit and operate to the benefit of the company, employees, shareholders, and the community.

4. SHARE CAPITAL

4.1.

The share capital of the company shall amount to € 54,732,264.71 and is divided into 32,793,448 ordinary no-par value registered shares. Each share shall represent a proportionally equal value of equity.

No par-value shares are shares that give their holder:

- the right to participate in governance of the company;
- the right to participate in the profit (dividend);
- the right to a corresponding part of the assets remaining following the company's liquidation or bankruptcy.

Each share shall entitle the holder to one vote.

All shares are of the same class and are issued in dematerialized form.

4.2.

All shares have been paid up in full.

4.3.

The share register of the Company shall be kept by KDD The Central Securities Clearing Corporation Inc., Ljubljana.

4.4.

Shares are transferred through reposting between the accounts of holders in the central register of dematerialised securities in the custody of the central clearing and depository company.

INCREASE AND DECREASE IN SHARE CAPITAL

4.5.

Any increase in the share capital by means of a new issue of shares, and the types and classes of shares, shall be decided by the General Meeting with a 3/4 (three-quarters) majority vote of share capital represented in the voting.

The existing shareholders shall have the pre-emptive right of subscription to new shares in proportion to their holdings in the share capital of the Company. The pre-emptive right may be excluded only on the basis of a decision of the General Meeting adopted with a 3/4 (three-quarters) majority of the share capital represented in the voting.

4.6.

The Management Board of the Company shall announce the issue of new shares in daily newspaper and invite the existing shareholders to subscribe and pay for the new shares in proportion to their existing shareholdings, latest within thirty days from adopting the relevant decision on the increase of share capital adopted by the General Meeting. The existing shareholders must subscribe the newly issued shares not later than thirty (30) days after the announcement of share issue in a daily newspaper, unless otherwise provided in the relevant decision on the issue of shares for each separate case.

4.7.

Shareholders shall exercise their pre-emptive right by sending a written statement to that effect to the Management Board of the Company within the time limit specified in the decision on share issue.

If the existing shareholders do not exercise their pre-emptive rights within the specified time limit and do not subscribe the issued shares, the Management Board shall be free to call on third parties to subscribe and pay for the shares.

4.8.

The share issue procedure and the conditions for share subscription and payment are laid down by law or a relevant decision on the issue of new shares adopted by the General Meeting for each separate case.

4.9.

The increase of share capital shall take effect on the date of its entry in the court register.

4.10.

The General Meeting may decide with an ordinary majority that the share capital of the Company shall be increased from the Company's reserves or its profit. The decision on the increase of share capital from the Company's reserves shall be based on the last audited annual balance sheet.

In the case of increase of share capital from the Company's reserves, the value of the reserves must not fall below the legally determined minimum level.

4.11.

The Company may decrease the share capital if so required by law or by decision of the General Meeting adopted with a 3/4 (three-quarters) majority. The decision shall state the reasons for and the purpose of the decrease, as well as the manner in which the share capital is to be decreased.

5. RESERVES

5.1.

The Company forms legal reserves in the amount of up to 30 (thirty) percent of the share capital.

Apart from legal reserves the Company has also formed statutory reserves in the amount of up to EUR 30 (thirty) million.

The statutory reserves are formed by using up to 30 (thirty) percent of net profit left after potentially covering any loss carried forward and after forming legal reserves and reserves for own shares, until they reach the level referred to in the previous paragraph.

The statutory reserves may be used to form reserves for own shares, to cover net loss for the financial year, to cover loss carried forward, to decrease share capital by withdrawing the shares, to pay out dividends pursuant to the decision of the General Meeting if other sources do not suffice, to cover the difference in share values arising from share option programs, to cover revenue fall-out exceeding 3 (three) percent of planned revenues and if total value of liabilities payable due to indemnity claims arising from Company's liability reach, in a financial year, 3(three) percent of planned revenues.

6. COMPANY BODIES

MANAGEMENT BOARD

6.1.

The Management Board shall manage the Company independently and at its own responsibility and shall represent and act on behalf of the Company towards third parties without limitations. The President of the Management Board shall represent and act on behalf of the Company in all matters without limitations,

whereas other members will represent it within the scope of competences defined for each member in the Rules of Procedure regulating the Board's functioning. The Worker director shall represent the company together with another Management Board member.

6.2.

The Management Board shall be appointed and removed by the Supervisory Board.

6.3.

The Management Board of the company shall comprise four members and the Worker Director. The president or any member of the Management Board must comply with all the applicable regulatory and legal requirements, and meet at least the conditions as follows: The candidate shall hold at least a university degree and have at least five years of professional experience in managerial position in large companies in accordance with the criteria determined by the currently applicable Companies Act. Further details and criteria for the president and members of the Management Board shall be determined by the Supervisory Board. Criteria for the appointment of the Worker Director shall be jointly determined by the Supervisory Board and Workers' Council.

One of the four members shall be both the President of the Management Board and the Chief Executive.

The term-in-office for members of the Management Board shall be six years, with the possibility of reappointment.

6.4.

The Worker Director shall be a member of the Management Board appointed by the Supervisory Board. Within the general rights and obligations assumed by members of the Management Board in accordance with the law and the Articles of Association, the Worker Director shall represent the interests of employees with regard to personnel and social issues.

6.5.

The Supervisory Board may early recall the members of the Management Board.

6.6.

The Management Board shall adopt the Rules of Procedure to regulate its functioning; the decisions are adopted with an ordinary majority.

6.7.

Mutual rights and obligations between members of the Management Board and the Company shall be set out by a separate agreement signed on behalf of the Company by the President of the Supervisory Board.

In accordance with a proposal of the Supervisory Board and a relevant decision adopted by the General Meeting, the Management Board shall be entitled to participate in the Company's distributable profit, however as a rule only if net profit of the current year comparing to the total equity capital of the Company on the annual account date, gives a return that exceeds the return on one-year deposits.

The amount which may be used for participation of the Management Board in the Company's distributable profit shall, as a rule not exceed five percent of the distributable profit allocated for dividend payment to shareholders.

At least two thirds of the Company's distributable profit allocated for participation of the Management Board in the Company's distributable profit, is paid out in the form of shares, which are not transferable until expiry of a six-month period upon termination of the Management Board membership function. Only exceptionally the shares from Management Board's participation in the distributable profit are transferable upon publication of a public offer for the Company takeover exceeding 50 (fifty) percent of the whole Company when the Management Board members are allowed to accept the offer.

SUPERVISORY BOARD

6.8.

The Supervisory Board shall comprise nine members.

6.9.

One third of the Supervisory Board members shall be representatives of the employees of the Company, elected by the Workers' Council.

The provision of the first paragraph applies only for the period while the Law on Workers' Participation in Management is in force.

6.10.

The Supervisory Board shall be appointed by the General Meeting with an ordinary majority vote of shareholders present at the General Meeting, except for the members of the Supervisory Board referred to in paragraph 6.9. of these Articles of Association.

6.11.

Members of the Supervisory Board shall be appointed for a period of five years and may be re-appointed.

The Supervisory Board shall elect from its members a President and a Deputy President of the Supervisory Board. The President of the Supervisory Board is always elected from shareholders' representatives.

The President shall convene and head meetings of the Supervisory Board and is authorized to express the will and announce the decisions of the Supervisory Board.

The President of the Supervisory Board shall represent the Company in relations with the members of the Management Board, and the Supervisory Board in relations with the company bodies and third parties, unless otherwise determined in a specific case.

The President of the Supervisory Board shall also represent the Company when concluding the contract with the auditor of the annual and consolidated annual report.

6.12.

Meetings of the Supervisory Board shall be convened by the President at his/her discretion, or on the initiative of any member of the Supervisory Board, or on the initiative of the Management Board.

6.13.

The Supervisory Board shall adopt decisions at its meetings. The Supervisory Board may adopt decisions in writing, by telephone, telegraph or similar technical equipment, provided none of its members oppose such manner of decision-making.

6.14.

The Supervisory Board shall have a quorum if at least half of its members are present in a meeting, of which three on the part of shareholders' representatives and at least one on the part of employees' representatives.

The Supervisory Board may adopt valid resolutions even without the presence of the members who are employees' representatives if the President adopts a resolution that all of employees' representatives have been invited to the meeting in a proper and timely manner.

6.15.

A decision on the early removal of shareholders' representatives shall be adopted with a three-quarters majority of votes present at a General Meeting, while the conditions for the early recall of employees' representatives shall be determined by the Workers' Council in its Rules of Procedure.

6.16.

Supervisory Board members receive attendance fees and reimbursement of relevant expenses as determined by a General Meeting resolution. Supervisory Board members may receive additional payment for performing their tasks, which may be determined by a General Meeting resolution. Such payment should be in appropriate proportion to the tasks of Supervisory Board members and the Company's financial standing.

6.17.

The Supervisory Board shall regulate in detail the manner and conditions of its functioning in its Rules of Procedure.

6.18.

The Supervisory Board gives the Management Board a prior consent for the adoption of annual business and financial plan of the Company and for the adoption of the Company's strategy.

GENERAL MEETING

6.19.

Shareholders shall exercise their rights relating to the Company at General Meetings, either personally or through their proxies.

A shareholder may attend the General Meeting and exercise his/her voting right if he/she announces his/her participation, and if the proxy presents his/her written Power of Attorney to the Management Board at least by the end of day four before the General Meeting takes place. In the General Meeting convocation notice the shareholders' attention should be drawn to this time limit explicitly.

The acquisition of shares exceeding the total of 20 (twenty) percent of share capital, is subject to prior approval by the Supervisory Board, and those exceeding 25 (twenty-five) percent to prior approval by the General Meeting. In both cases this provision also relates to the Company's shares held by affiliated and controlling companies of a shareholder; or companies associated and closely linked to a shareholder. The General Meeting or the Supervisory Board may refuse the authorization for share transfer, if, with the acquisition of shares, the acquirer exceeds the relevant stake in the Company's share capital, defined in the first sentence.

6.20.

A General Meeting shall be convened when this is in the interest of the Company or when so required by law or these Articles of Association.

6.21.

A General Meeting shall be convened by the Management Board of the Company on its own initiative, at the request of the Supervisory Board, or at the request of shareholders of the Company jointly representing at least five percent of the share capital of the Company. The party requesting the convocation of a General Meeting shall submit to the Management Board the explanation and reasoning of the intentions and grounds for the General Meeting convocation. Such a request may also be sent to the Management Board by fax.

The General Meeting is generally held at the Šport Hotel in Otočec. For valid reasons, the Management Board may decide to host the meeting in another place in the Republic of Slovenia.

With the consent of the Supervisory Board, the Management Board may determine in the General Meeting notice that the shareholders may participate in and vote at the General Meeting remotely via electronic means (electronic GM). Members of the Management and Supervisory Boards may participate in the General Meeting via image and sound broadcast if the electronic meeting is held in accordance with Paragraph 4, Article 297 of the *Companies Act (ZGD-1)* and in other events defined by the *Rules of Procedure for General Meetings*.

The following requirements should be met when hosting an electronic GM:

- The technical solution has to ensure full image and sound broadcast of the entire meeting in real time.
- The company has to ensure the conditions and methods for identification of shareholders or their proxies in a manner that corresponds to the objectives of an electronic GM, which is to facilitate the shareholders' execution of the voting right in a secure manner.
- The technical solution must enable the shareholders to vote on General Meeting proposals, make counter proposals (including procedural), and announce challenging of resolutions in real time.
- The technical solution has to allow the shareholders to ask questions and participate in discussions in real time. In the rules of procedure from the below paragraph of this article from *Articles of Association*, the Management Board may condition exercising the rights from this point by requiring that the shareholders announce to the company that they will exercise these rights at least one day prior to the General Meeting.
- The technical solution must provide secure electronic communication.

The Management Board of the company is authorised to determine detailed rules of procedure for participation in and voting at the electronic GM and other aspects of the electronic GM; the Management Board shall publish these on the Krka website or in the General Meeting notice.

6.22.

The General Meeting notice shall be published at least thirty (30) days before the General Meeting on the website of the Slovenian business register AJPES. It shall also be published in the printed or electronic newsletter of the company if available at the time of the notice, and on the company's website. The General Meeting notice shall also be published in accordance with the law governing the financial instruments market.

It should be stated in the notice convening the General Meeting that the party entitled to propose an extension of the agenda or a counter proposal may send this also by fax. Shareholders may also send to the Management Board by fax their application to the General Meeting and potential Power of Attorney. In the same manner shareholders may at any time revoke such power. In the convocation notice the Management Board may also define other ways of use of electronic media.

6.23.

The shareholders each representing at least 5(five)percent share in the total share capital, shall be informed in writing of the General Meeting convocation together with the agenda and the relevant materials (by registered post with a receipt confirmation slip), twenty-eight days prior to the General Meeting.

6.24.

The General Meeting shall adopt decisions with a majority of votes, unless otherwise provided by law or these Articles of Association. The General Meeting shall adopt decisions with a three-quarters majority, primarily on the following matters:

- amendments to the Articles of Association,
- decrease of share capital (including conditional increase),
- increase of share capital,
- changes in status and the termination of the Company,
- the exclusion of pre-emptive rights of shareholders in a new share issue,
- the early recall of Supervisory Board members,
- other cases determined by law or these Articles of Association.

6.25.

The General Meeting shall adopt its Rules of Procedure with the majority of votes.

The General Meeting shall be chaired by the President elected by the General Meeting with ordinary majority of votes for each meeting separately respectively for four years.

7. INFORMING SHAREHOLDERS

7.1.

The company publishes information material to the company and the shareholders through the SEOnet of the Ljubljana Stock Exchange or the information system that might replace it, and on the company's website.

8. EMPLOYEES PARTICIPATION IN PROFIT SHARING

The Company's profit may be allocated for employees participation in profit sharing in accordance with the Law on Employees Participation in the Profit Sharing.

9. DURATION AND TERMINATION OF THE COMPANY

9.1.

The Company is established for an indefinite period.

9.2.

The Company shall be terminated for reasons and according to the procedure specified by law.

10. TRANSITIONAL AND FINAL CLAUSES

10.1.

The Supervisory Board is authorized for the textual amendments of the Articles of Association, but only in accordance with the decisions adopted by the Company's General Meeting.

10.2.

Amendments to the Articles of Association shall become effective on the day when the resolution on the amendments to the Articles of Association is entered in the court register.