

1.

The *Krka Group Tax Strategy* (hereinafter the '*Tax Strategy*') is binding on the controlling company Krka, d. d., Novo mesto, which includes organisational units in Slovenia and representative offices abroad as well as on the joint venture and Krka Group subsidiaries in Slovenia and abroad.

2.

The *Krka Group Tax Code of Conduct* governs the area of taxation in terms of compliance and legality.

3.

The *Tax Strategy* complies with the strategic guidelines and objectives set out in the *Krka Group Development Strategy*.

4.

The Krka Group and its entities in Slovenia and abroad pursue the following tax objectives and guidelines:

- 4.1 Maximize value for Krka shareholders (tax planning should be carried out in line with laws, in accordance with the purpose, and with clear and undisputed economic substance of conduct),
- 4.2 Comply with laws and regulations with respect to levels of taxation and deadlines for settlement of tax liabilities
- 4.3 Avoid any risky tax decisions.
- 4.4 Settle tax liabilities voluntarily (tax avoidance is not permitted).
- 4.5 Do not carry out any redundant transactions that would only serve to avoid tax burdens (aggressive tax planning is not allowed).
- 4.6 It is prohibited to redirect created added value/income to jurisdictions with low taxation (tax havens) with purpose of avoiding the tax burden.
- 4.7 Ensure that tax-related decisions cause no harm to the reputation of Krka and its brands.
- 4.8 Provide relevant documentation and IT support to allow for correct and timely accounting of taxes and other duties, including process and information digitalization.

- 4.9 Manage Krka Group transfer pricing by preparing relevant documentation in accordance with applicable guidelines (Arm's length principle), regulations, and legislations.
- 4.10 Manage the area of taxation comprehensively by knowing all business processes and providing their descriptions; manage tax risks whereby taking into account various legislations, regulations, and guidelines.
- 4.11 Consider tax perspective when introducing any changes or new business models.
- 4.12 Provide continuous training for employees included in the tax process.
- 4.13 Make important tax-related decisions together with relevant Management Board members.
- 4.14 Cooperate with tax authorities in an open, transparent, and constructive manner to maintain good partner relations.
- 4.15 Actively engage in planned tax law changes that might significantly impact business operations of individual Krka Group companies.
- 4.16 Strengthen professional and cost synergies.

5.

The *Tax Strategy* and any changes or amendments to it are adopted by the Management Board of the controlling company. At meetings of supervisory bodies of units abroad, of the joint venture, and at general meetings of the subsidiary in Slovenia, the *Tax Strategy* must be presented as binding on the management bodies of the Krka Group subsidiaries and representative offices abroad.

6.

The *Tax Strategy* is updated if the need arises upon significant changes of business circumstances and/or of the Krka Group business model. It is also revised when the *Krka Group Development Strategy* is updated. Any amendments to the *Tax Strategy* are made by Corporate Performance Management.