



Attachment I to Remuneration Policy Board of Directors

Performance measures and weightings

Executive Board Members

– STI and LTI

Performance measures and weightings - STI

Short-term incentive

Purpose and link to strategy

Rewards the delivery of short-term performance and takes into account the interests of multiple stakeholders.

Executive Board Members are eligible for an annual cash incentive. The annual cash incentive is designed to reward the achievement of annual financial and operational objectives and personal performance targets that are aligned with the company's annual business plan setting the strategic priorities, which in turn contribute to the Company's long-term objectives.

Performance framework and operation

- The Board of Directors sets challenging and realistic targets for each theme;
- Performance period: 1 year;
- On-target incentive level:
 - CEO: 70% of gross annual salary
 - Other Executive Board Members: 50% of gross annual salary
- Maximum annual incentive cap: 140% of gross annual salary (minimum 0% of gross salary)
- 80% of the STI is related to financial performance measures and focuses on realization of strategic business objectives;
- 20% of STI is related to team and individual performance measures;
- At the end of the performance period, the Board of Directors (without the participation of the Executive Board Members) determines which targets on each of the themes have been achieved, aligned with recommendations of the Remuneration Committee. A theme can only contribute to payout if it is fully met, which means there is no stretch and no threshold;
- The STI is paid on an annual basis in cash;
- The quantifiable themes are defined, weighted and linked to the strategy.

Performance measures and weightings - STI

Theme	Definition	Weight	Link to strategy	Measurement/specific targets (some examples)
People	Increase accountability and results	10%	Attract and retain A-players	<ul style="list-style-type: none"> Targets on resource management/ composition workforce (competences/skills) Implementation leadership and all staff development program modules
Execution	Finetune processes to run without material disruptions	30%	Drive flawless execution	<ul style="list-style-type: none"> Effective production and supply management Operating excellence projects targets
Financial	Net revenues EBITDA Cash flow Financing strategy	50%	Deliver profitable growth and generate sustainable cash flow	<ul style="list-style-type: none"> Net revenues/ EBITDA and cashflow targets
Impact/Purpose	Corporate social responsibility is incorporated in our core business	10%	Making a positive contribution to the environment and society	<ul style="list-style-type: none"> Implementation of (advanced) Business Integrity program modules Initiatives to promote to staff Pharming's core values and mission (i.a. embedded in staff performance evaluation).

Performance measures and weightings - LTI

Long-term incentive

Purpose and link to strategy

Rewards long-term value creation to Pharming's strategy and reinforces alignment with shareholder interest by granting shares

The long-term incentive supports the strategy and long-term interests of the Company, by linking part of the remuneration to the performance of each Executive Board Member against a set of financial and non-financial targets, set at the start of the three year period that is consistent with and supportive of the aforesaid strategy and the long-term interests of the Company.

Performance framework and operation

- Ordinary Pharming shares will be conditionally granted;
- Performance period: 3 year.
- Performance parameters: A combination of (i) Total Shareholder Return (TSR) for 40% and (ii) realizing corporate targets linked to the strategy for 60%.
- The defined targets will not be adjusted for measuring performance during the entire three-year performance period and progress is scored annually.
- The number of shares vested for TSR will be based on the relative performance of the share price, as further described on the next slide, over the three-year period. TSR scores are calculated by taking a 20 day VWAP prior to the start and end date of the performance periods. There will be no pay-out on the TSR under the LTI in case of performance below index.
- For the corporate targets, challenging and realistic targets are set linked to the strategic themes (see next slides);
- On-target incentive level: 300 % of gross annual salary for the CEO and 200% of gross annual salary for other Executive Board Members. Maximum: 450% of gross annual salary for the CEO and 300% of the gross annual salary for other Executive Board Members;
- As typically a 50% income tax payment over the gains is due immediately upon vesting and has to be withheld by the employer, performance shares will typically be partially sold by Pharming on behalf of the executive, at vesting (sell to cover);
- All performance shares are to be retained for a period of at least 5 years as of grant.

Performance measures and weightings - LTI

Long-term incentive

TSR Peer Group

- AMX index (50%)
- Nasdaq Biotechnology Index, represented by the IBB ETF (50%)

TSR thresholds and pay-out percentages

To be determined for each of the AMX and IBB indices separately (each weighted at 50% of pay-out):

- TSR equal to index: 80% pay-out
- TSR 10% above index: 90% pay-out
- TSR 20% above index: 100% pay-out
- TSR 40% above index: 110% pay-out
- TSR 60% above index: 120% pay-out
- TSR 80% above index: 130% pay-out
- TSR 100% above index 150% pay-out

TSR below index: 0% pay-out.

Performance measures and weightings - LTI

Theme	Definition	Weight	Link to strategy	Measurement/specific targets (some examples)
TSR	Total Shareholder returns compared to AMX and IBB ETF (Nasdaq biotech index) (50% each)	40%	Deliver shareholder value	See previous slide
Execution of Strategy	Progress on delivery of strategic objectives	60%	Execute on agreed strategy	Progress on specific long- term strategic plan targets <ul style="list-style-type: none"> • Broadening revenue base (e.g. development new products, increase in-licensing opportunities) • Leveraging commercialisation infrastructure in US and EU • Projects to expand C1 esterase inhibitor franchise beyond acute HAE attack treatments.



PEOPLE

ATTRACT AND KEEP THE
RIGHT PEOPLE

- ▶ Become a magnet for 'A-Players' who are dedicated to your goals
- ▶ Increase accountability and results



STRATEGY

CREATE A TRULY
DIFFERENTIATED STRATEGY

- ▶ Clarify/define your core values and purpose
- ▶ Define your 'Core Customer'
- ▶ Determine your 3-year differentiated strategy to catapult growth



EXECUTION

DRIVE FLAWLESS
EXECUTION

- ▶ Learn and apply the 'Rockefeller Habits 2.0'
- ▶ Create a culture of accountability
- ▶ Fine-tune processes to run without drama



CASH

HAVE PLENTY OF CASH TO
WEATHER THE STORMS

- ▶ Accelerate your cash flow cycles to fuel growth
- ▶ Understand the 7 levers for improving your cash position