

Remuneration Policy for the Board of Directors

This Remuneration Policy was adopted by the General Meeting of Shareholders of Pharming Group N.V. (hereafter the "Company" or "Pharming") on ~~May 21, 2024~~ December 2020 (hereafter the "Remuneration Policy or "Policy") and outlines the remuneration structure for members of the Board of Directors of the Company. Accordingly, the Policy governs the remuneration of both the executive members (hereafter the "Executive Board Members") and the non-executive members (hereafter the "Non-Executive Board Members") of the Board of Directors.

This Policy refers to an undefined number of Executive Board Members and Non-Executive Board Members and any reference herein to multiple members is each time subject to the actual number of members as fixed from time to time in accordance with the Company's corporate governance practice. At the date of adoption of this Remuneration Policy only one Executive Director has been appointed. The Remuneration Policy is submitted for adoption to the General Meeting of Shareholders every four years. The previous Remuneration Policy for the Board of Directors was adopted by the General Meeting of Shareholders held on December 11, 2020, and entered into force with retrospective effect from 1 January 2020.

This Policy supports the continuous efforts of the Company aimed at improving the overall performance, facilitating growth and sustainable success and enhancing the other sustainable, long-term value and interests of the Company, as it has been designed to provide remuneration packages that are competitive to attract the required executive and non-executive talent and expertise for reaching these objectives in accordance with the Company's ~~long-term strategy~~ sustainable long-term strategy. Pharming has a major presence in the complex US market and the majority of Pharming's current and future sales will continue to be generated in the US. In addition, American Depositary Shares, representing ordinary shares in Pharming, have traded on the Nasdaq Global Market ("PHAR") since 23 December 2020 and, therefore, Pharming is ~~Pharming also recently announced the launch of an ADR type 2 program, which will imply that the Company will become~~ a dual EU and US listed entity. As a result of the foregoing, this Policy is aimed to enable the Company to compete in a global market, including the challenging US labor market, for attracting both the required top talent to execute the Company's ~~long-term strategy~~ sustainable long-term strategy and the required non-executive board expertise to effectively supervise such execution, creating long-term value and sustainable growth in the best interest of the Company and all of its stakeholders.

For Executive Board Members, the variable part of the remuneration is linked to the performance against a set of financial and non-financial targets that is consistent with and supportive of the aforesaid strategy and long-term interests of the Company. Risk alignment is also embedded in the target setting to promote sound and effective risk management. A consistent and competitive remuneration structure, which applies across the workforce, is another core principle to promote a culture of shared purpose and performance, focusing all Executive Board Members and all staff members on delivering on Pharming's mission, vision and strategy and creating long-term stakeholder value.

The remuneration of the Non-Executive Board Members is not linked to the performance of the Company to ensure independence in the discharge of their supervisory tasks and responsibilities.

Company strategy

Pharming's vision is to become the leading global rare disease company of choice with a specific focus on transformative medicines in rare diseases. The Company's mission is to bring the unserved rare disease patients the solutions they need through its fully integrated and ongoing drug development and commercialization expertise.

Pharming creates long-term value by leveraging its core strengths in clinical development and rare-disease drug commercialization. To sustain longer-term additional growth, the Company has set the objective to transform its pipeline from sole dependency on its c1INH technology platform, with the majority of revenues generated from one geography, to a company with multiple commercialized products in multiple geographies generating revenues across key markets.

Additionally, Pharming aims to include a broader range of acquired and inlicensed technologies, as well as developing future indications for leniolisib (Joenja®).

Pharming is focused on improving treatment options for patients with life altering conditions. The strategy is centred around three pillars of growth:

- Organic growth in HAE
- Organic growth in other indications
- Expansion of the pipeline supplemented by external opportunities

Activities of the Company to execute the growth strategy include:

- Commercialising its own products in the major markets, with RUCONEST® as its lead product at present.
- Where the product is partnered, assisting the partner to obtain the best value for RUCONEST® and patients by pursuing additional regulatory approvals and additional indications for the product.
- Developing leniolisib to FDA and EMA approvals.
- Evaluating external opportunities to enhance the product range and pipeline to enable better value from Pharming's resources.
- Development of RUCONEST® for additional indications: Acute kidney injury and pre-eclampsia.
- Developing new protein replacement treatments for Pompe disease and Fabry disease.
- Development of more convenient dosing forms of RUCONEST® (especially pain free or virtually pain free injection methods).

This Remuneration Policy is consistent with and supports the long-term strategy of the Company. The Policy aims at distributing the strategy of the Company into (inter-)departmental Goals and Objectives, which lead to the personal objectives of Executive Board Members and employees.

The Policy will evolve over time, to align with Pharming's long-term strategy, market practice and the interests of its stakeholders.

Principles remuneration policy

The Policy is based on the following principles:

Executive Board Members

- The total remuneration packages of the Executive Board Members will enable the Company to attract and retain top talent in a competitive and global environment and to focus management and staff on creation of sustainable growth and added value.
- The level of total remuneration of the Executive Board Members (the sum of fixed, short term variable and long-term variable remuneration) is aligned with the position of the Company relative to the benchmark groups that are relevant to the Company (see page 5).
- A consistent and competitive structure is applied across the workforce to promote a culture of shared purpose and performance, focusing all Executive Board Members and all staff members on delivering on Pharming's mission, vision and strategy and creating long-term stakeholder value.
- The Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company.
- The remuneration structure ensures a proper balance between variable and fixed remuneration to attract, motivate and keep qualified Executive Board Members both in the EU and the USA.
- All (short-term and long-term) variable remuneration is performance related and never guaranteed. The total amount of remuneration for Executive Board Members is based on a combination of the assessment of the performance of the individual and the overall results of the Company and when assessing individual performance, quantitative (financial) criteria and qualitative (non-financial) criteria are taken into account.
- The metrics used to calculate (pools of) variable remuneration components include (adjustment for) all relevant types of current and future risks.
- The assignment or payment of variable remuneration should not adversely affect the financial situation of the Company (in terms of solvability, liquidity, profitability) in a significant matter.
- Executive Board Members who leave the Company or have given notice to leave the Company before any variable remuneration payment is made, shall forfeit full or pro-rata entitlement to that payment, unless expressly provided otherwise in this Policy.
- Payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure. This does not preclude termination payments in situations such as early termination of the contract due to changes in the strategy of the Company, or in merger and/or takeover situations or when the termination payment is set in a legal (court) proceeding.

Non-Executive Board Members

- The total remuneration packages of the Non-Executive Board Members will enable the

Company to attract and retain the required non-executive board expertise in a competitive and global environment, including the EU and the US, in view of the Company's growth and its sustainable long-term strategy and ambitions, ensuring a solid focus on creating sustainable growth and added value in the best interest of the Company and all of its stakeholders.

- The remuneration is fixed and not linked to the performance of the Company.

Governance

Executive Board Members

The remuneration packages for Executive Board Members are determined by the Board of Directors, without the participation of the Executive Board Members, within the restrictions set by this Policy as adopted by the General Meeting of Shareholders. Arrangements in the form of shares or rights to subscribe for shares are subject to the approval of the General Meeting.

Within the restrictions of this Policy, the Board of Directors may exercise discretion in the execution of the Policy, each time upon proposal by the Remuneration Committee and without the participation of the Executive Board Members, including but not limited to:

- determining and adjusting the fixed salary amounts, for Executive Board Members;
- determining, and if necessary substituting, the companies for the peer group used for an assessment of the remuneration levels or for the Total Shareholder Return (TSR) as part of the ~~LTI~~Executive LTI Plan in accordance with the related provisions of this Policy;
- ~~adopting the Company targets;~~
- adopting the ~~personal~~ targets regarding both the annual (short-term) and the long-term variable remuneration for Executive Board Members, including the related weightings;
- the payout of variable remuneration;
- ~~taking the necessity to take~~ ex ante or ex post measures with regard to the variable remuneration (malus and clawback).

In addition, in case of new appointments of Executive Board Members, both in case of an internal appointment or an external hire, the Board of Directors, without the participation of the Executive Board Members, may also consider applying some of the following items:

- Depending on the date of appointment, (a) for the individual annual target bonus, to set pro-rata targets and amount over the first (partial) year; and (b) for the ~~LTI~~LTI Executive Plan, to set a pro rata grant size or make the first grant of shares at the first possible moment following appointment;
- In case of internal promotions, to continue to honor commitments made prior to the appointment as Executive Board Member;
- In case of external hires: to ~~grant award cash or~~ share-based sign-on awards, if and to the extent necessary (and therefore, like-for-like) to cover compensation that the new appointee forfeits by leaving a previous employer, ~~applying including,~~ inter alia, similar vesting conditions as were applicable with the previous employer. The Board is also entitled to grant the new appointee a sign-on award in cash, if and to the extent necessary (and therefore, like-for-like) to compensate the value of a short-term incentive plan providing for a pay-out in cash, that is in effect for the year in which the new appointee resigns to be appointed by the Company and that is forfeited

due to that resignation. The awards shall be provided that the award is disclosed as part of the proposal for appointment to the General Meeting of Shareholders;

- To offer alternative benefits such as pensions or insurances with a n-equivalent value aligned with similar benefits offered to Pharming's staff members in the jurisdiction where the relevant Executive Board Member is residing, or, if there are no Pharming staff members in that jurisdiction, with benefits that are common in that jurisdiction according to a benchmark report obtained from a recognized third party reward expert in an international context; and
- -to compensate any double taxation or social security costs.

The Board of Directors, without the participation of the Executive Board Members, may, upon recommendation of the Remuneration Committee, temporarily derogate from the Remuneration Policy for Executive Board Members in exceptional circumstances, in accordance with principles of reasonableness and fairness. Exceptional circumstances are circumstances in which deviation is, in the opinion of the Board of Directors, necessary to serve the long-term prospects and sustainability of the Company. Such circumstances may include, amongst others, the following situations:

- 1) The Short-term Incentive plan and/or Long-Term Incentive Plan for Executive Board Members: adjust the weightings of the respective targets, if (i) a decision to that effect is adopted at the start of a new performance period and (ii) deemed necessary by the Board of Directors to ensure the effective execution of the Company's long-term strategy; and/or
- 2) Adjustments in any of the remuneration elements as required due to changes in applicable, mandatory laws and regulations to ensure continued regulatory compliance.

Notwithstanding the foregoing, each deviation shall be carefully considered and be aligned with the main objectives and principles of the Policy, applying a consistent approach. The Board of Directors will disclose in the next Remuneration Report the deviations, if any, applied for Executive Board Members and the reasons therefor. The Board of Directors shall be required to submit a proposal to the next General Meeting of Shareholders to adopt the amendment to this Policy to incorporate the deviation due to a change in laws or regulations as identified sub 2) hereabove.

~~Any and all deviations of this Policy must be carefully considered and are limited to the remuneration elements of the Policy and may not extend to the described principles. The Board of Directors will disclose in the next Remuneration Report the deviations, if any, applied for Executive Board Members and the reasons therefor.~~

Non-Executive Board Members

The remuneration of the Non-Executive Board Members is determined by the Board of Directors in accordance with this Policy as adopted by the General Meeting of Shareholders. Arrangements in the form of shares or rights to subscribe for shares are subject to the approval of the General Meeting.

The annual remuneration is based on the position an individual has in the Board of Directors, the Audit Committee, the Remuneration Committee and the Corporate Governance Committee.

Peer Group

The Remuneration Policy is based on the overarching principle that the average level of total remuneration of both the Executive Board Members and the Non-Executive Board Members is consistent with the position of the Company relative to the benchmark groups that are relevant to the Company.

~~Pharming has set the objective to align itself with European best practices in the field of remuneration, but will also need to ensure that it meets the urgent need to remain competitive in the important US labor market to support Pharming's efforts to create long term value and to ensure sustainable growth in line with its strategy, as the Company has established a significant and still growing presence in the US. The US market accounted for more than 97% of sales generated by Pharming according to the 2023 Financial Statements. Accordingly, t~~The peer group of the Company will each time consist of a group of European and US integrated and commercial stage listed companies active in Life Sciences. This peer group reflects the Company's operating areas and the markets most relevant in relation to the recruitment and retention of top talent. ~~The Company has established a major and growing presence in the US and therefore the Company's remuneration structure and levels should ensure that it remains competitive both for relevant expertise in the EU and the critical US labor market to support Pharming's efforts to create long term value and to ensure sustainable growth in line with its strategy. The peer group also reflects the pursued US listing on Nasdaq, in addition to the current listing on Euronext Amsterdam.~~The names of the companies in the peer group are disclosed in the Remuneration Report.

~~With regards to the 2020 benchmark groups, the Company is positioned in the upper quartile of the EU benchmark group, with regards to revenues and profitability. For the US benchmark, the Company is positioned well into the top 50% in relation to revenues and profitability. The market capitalization of Pharming is 45% compared to the US peer group and 40% compared to the European peer group.~~

The Remuneration Committee periodically checks whether that the choice of peer group is still adequate or if it should be adapted. Every two years, a ~~third party rewardn independent~~ consultant makes a market comparison (remuneration benchmark). The Remuneration Committee reports on the findings and, to the extent applicable, recommends changes to the Board of Directors. Changes to the peer group will be exceptional but are permitted if deemed necessary to continue to facilitate a solid comparison of the remuneration levels, for example for changes in business or the competitive nature of the companies involved. The Board of Directors (i) will ensure that the adjusted peer group remains aligned with the geographical spread, complexity and business characteristics of the Company and (ii) will explain the reason for the change in the next Remuneration Report.

Main features of the remuneration structure for the Executive Board Members

The remuneration packages of the Executive Board Members consist of:

- I) *Fixed remuneration*: annual base salary;
- II) *Variable remuneration*: the variable remuneration components are (a) an annual bonus in cash as a percentage of the fixed component (short-term incentive) and (b) a (share-based) long-term incentive;
- III) *Others*: contribution pension premiums, travel allowance and holiday allowance.

I) Fixed remuneration (Base salary)

The CEO, as Executive Board Member, is ~~s-are~~ entitled to receive an annual base salary (fixed remuneration) ~~not to exceed the following amounts (reference year 2020)~~ The applicable base salary is determined by the Board of Directors upon recommendation of the Remuneration Committee, based on the country of residence of the CEO and subject to the ~~other remaining~~ provisions of this Policy. The applicable base salary is disclosed prospectively for the coming year in the annual Remuneration Report.:

CEO	EUR 538,000
Other Executive Board Members	EUR 400,000

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Base salary levels of the Executive Board Member(s) are reviewed annually, taking into consideration the outcome of the review of the annual performance of the Executive Board Member(s), performance results by the Company, changes in roles and responsibilities of the relevant Executive Board Member(s), changes in pay and conditions across the Company and market benchmarks (as explained below).

The Board of Directors, without the participation of the Executive Board Members, may upon proposal of the Remuneration Committee decide to increase the base salary of Executive Board Members within the restrictions set by this Remuneration Policy, based on the outcome of the annual review and provided that the amount of the increase does not exceed the average salary increase of the employees of the Company. Salary increases will typically become effective from the 1st of January each year.

A proposal for the annual base salary of new or additional Executive Board Members, if nominated at any time in the future, will be presented to the General Meeting of Shareholders at the same moment of the nomination for appointment to the Board of Directors. These proposals will reflect the weight and complexity of the relevant positions and be aligned with prevailing labor market conditions, based on the country of residence of the relevant Executive Board Member(s).

Each Executive Board Member's remuneration level is benchmarked every two years by a third party reward consultant. Salary levels are each time reviewed based on the region of residence (EU or US) of the relevant Executive Board Member. Given that Pharming's revenues are mostly generated, and that Pharming also competes mostly in the U.S. market, a further compensation competitiveness check against U.S. compensation for non-US Executive Board Members is also taken into consideration. Reference is made to page [5] for an explanation of the Peer Group used to ensure that the average level of total remuneration of the Executive Board Members is at the median of the benchmark group that is relevant to the Company.-.

A recent benchmark analysis by a leading compensation consultant (Radford), based on a peer group comparison of European and US integrated and commercial stage listed companies active in Life Sciences, as further explained at page 5, showed that the base salaries of the Executive Board Members are on average almost 10% below the median of the relevant benchmarks.-

~~This gap is the result of the rapidly changing nature and complexity of the Company over the last couple of years, when it suddenly transformed from a chronic loss-making small biotech into an integrated profitable bio-pharmaceutical organisation with own commercialisation operations in both the US and EU and ongoing forward integrating into manufacturing. Hence, as a one-off catch-up with the changed nature and complexity of the Company, the individual fixed remuneration of the Executive Board Members is permitted to be increased to bridge the gap divided into benchmarked annual stages until the end of 2023, subject to continued (overall) satisfactory performance by the relevant Executive Board Members.~~

The annual Remuneration Report shows a visualization of the five-year development of the remuneration of the respective Executive Board Members versus company performance and the evolution of the average employee salaries.

II) Variable remuneration

The performance of each Executive Board Member is reviewed annually by the Board of Directors, without the participation of the Executive Board Members, based on a set of financial and non-financial targets that are aligned with the Company's ~~long-term strategy~~sustainable long-term strategy, in accordance with the outline in Attachment I to this Policy (as incorporated herein by reference).

The outcome of this review is used to determine the entitlement to the short-term and long-term incentives, respectively. Additionally, the annual performance management cycle may lead to an increase of the fixed remuneration, if the higher salary is justified by higher levels of responsibility and/or changes in labour markets.

Short-term incentive: annual bonus (STI)

The Board of Directors, without the participation of the Executive Board Members, may upon proposal of the Remuneration Committee award individual Executive Board Members an annual bonus in cash (the "Short-Term Incentive" or "STI") based on personal performance and/or the achievement of predetermined financial and non-financial objectives for a financial year, aligned with the Company's ~~long-term strategy~~sustainable long-term strategy.

The individual on-target bonus for the CEO is set at 70% of the gross annual salary and for other Executive Board members at 50% of the gross annual salary. The maximum annual bonus is capped at 140% of the gross annual salary.

STI target setting

The Board will set the targets for the STI for each financial year based on a proposal and recommendation by the Remuneration Committee.

At least 50% of the targets for the STI will be linked to financial performance. The Company is in the process of defining quantitative, measurable ESG measures, in preparation for the mandatory ESG reporting under the CSRD Directive as from the Annual Report 2025. These measurable ESG measures, once approved by the Board, will be integrated into the performance measures for the STI.

The Remuneration Committee undertakes a thorough assessment to ensure that all targets to be submitted to, and to be adopted by, the Board of Directors for each annual STI are measurable, rigorous and sufficiently stretched in the context of potential remuneration generated.

~~80% of the annual bonus is related to company objectives, while the remaining 20% is related to individual performance objectives.~~

Attachment I to this Policy provides a (qualitative) ~~an~~ outline of the performance measures and weightings applied for the Short-Term Incentive (such attachment incorporated herein by reference). The Board of Directors may, upon proposal of the Remuneration Committee, decide to adjust the weightings to be applied for a specific financial year.

The STI scorecard that has been set for the Executive Board Member for a specific financial year, including the link of the targets to the strategy, the weightings for each of the targets and the way performance is measured (but excluding the KPIs), will be included upfront in the Remuneration Report published on the preceding year.

Vesting

Proposals on achievement of milestones and the potential award of a bonus under the applicable STI, are made by the Remuneration Committee ~~towards the end of the year~~ and formally approved by the Board of Directors in the first meeting of the next year, but in any case prior to or on the date of approval of the Annual Report. The vesting results for each of the individual quantitative targets (KPIs) are calculated in accordance with the following table:

<u>Actual score compared to target</u>	<u>Vesting result</u>
<u><80%</u>	<u>0%</u>
<u>On target</u>	<u>100%</u>
<u>Each 1% exceeding target</u>	<u>+3%</u>
<u>Each 1% below target</u>	<u>-3%</u>

A maximum vesting result of 200% applies for each individual target.

The total vesting result on all targets, applying the respective designated weightings, is multiplied by the 'on target'-score (70% pay-out for the CEO, 50% pay-out for other Executive Board Members, if any) to calculate the total pay-out on the STI, up to the maximum of 140% of the annual base salary.

The Company will provide in the Remuneration Report a retrospective disclosure of actual performance against ~~all the targets thresholds~~ set for the preceding year.

In case of the termination of the membership of the Board as Executive Board Member, good leavers (as determined by the Board of Directors, without the participation of the Executive Board Members, upon proposal of the Remuneration Committee) will remain entitled to the pro-rata annual bonus for time served during the relevant year at the predetermined time (i.e. no accelerated award of bonus) subject to the achievement of the applicable performance measures and targets for the STI. The same arrangement applies in case of retirement and death of ~~an the Executive Board Member participant~~. Any other entitlement to the STI shall lapse. An Executive Board Member leaving Pharming cannot be a designated "Good leaver" if his/her membership of the Board is terminated at the Board's initiative because of fraud, a criminal offence, gross negligence or wilful misconduct by the relevant Executive Board Member.

Long-term incentive (~~LTI~~Executive LTI Plan)

Executive Board Members will participate in the Company's Long-Term Incentive ~~plan~~ program (Executive LTI Plan). Under the ~~LTI~~Executive LTI Plan, (ordinary) shares are granted as a three-year program, subject to the achievement of predefined performance objectives and targets (applying a defined weighting) that have been set at the start of each three-year performance period, without any intermediate adjustments being permitted. Notwithstanding the outline of the Executive LTI Plan as set out in this section, the Board of Directors undertakes to ensure that dilution limits for Pharming due to the equity plans for staff and the Executive Board Member(s) will be prudently applied and that in any event grants of equity or equity rights under these equity plans will not result in Pharming exceeding 10% of all issued and outstanding shares of Pharming on a diluted basis.

The on-target value of the shares to be awarded annually under the ~~LTI~~Executive LTI Plan -for each next performance period of three years- is set at 300% of the gross annual salary for the CEO (representing 50% below the lowest quartile of the US benchmark group and just below the top quartile of the EU benchmark group) and 200% for other Executive Board Members (representing between 20 and 30% below the lowest quartile of the US benchmark group and just in the top quartile of the EU benchmark group). The number of shares is calculated with reference to the 20-day VWAP prior to the start of the performance period. Maximum performance value of shares is set at 450%. These parameters have not changed compared to the Remuneration Policy adopted on 11 December 2020.

Target setting

The Board will set the targets for the Executive LTI Plan for each performance period of three years based on a proposal and recommendation by the Remuneration Committee. These targets will each time be a combination of Total Shareholder Return ("TSR"; 40% weighting) and strategic corporate objectives (60% weighting) for the three year performance period.

Attachment I to this Policy provides a (qualitative) outline of the performance measures and weightings applied for the Executive LTI Plan (such attachment incorporated herein by reference).

The thresholds and scores for the TSR component (40% weighting) are provided in the following table:

Metric	Targets							
	Below Index	Equal To Index	10% above Index	20% Above Index	40% Above Index	60% above Index	80% above Index	100% above index
Pay-Out	0	80%	90%	100%	110%	120%	130%	150%

The peer group used to determine the TSR, as part of the targets applied for the LTI, is composed of the companies included in the Euronext AScXMX ("The AMX Index) and the NASDAQ Biotechnology Index, represented by the IBB (as the most liquid NASDAQ Biotechnology Index ETF), respectively, equally weighted, at the time of determination. More details are provided in Attachment I to this Policy.

The Remuneration Committee periodically checks whether that the choice of peer group is still adequate or if it should be revised. The Remuneration Committee reports on the findings and, to the extent applicable recommends changes, to the Board of Directors. Changes to the peer group are permitted if necessary to continue to facilitate a solid share performance comparison, for example in

case of a corporate event (mergers, de-listings etc). The Board of Directors (i) will ensure that the adjusted peer group remains aligned with the geographical spread and business characteristics of the Company and (ii) will explain the reason for the change in the next Remuneration Report.

The corporate strategic targets (60% weighting) that have been set by the Board for the Executive Board Member for a specific three year-performance period, including the link of the targets to the strategy and the respective weightings, will be outlined in a Scorecard to be included upfront in the Remuneration Report published in the first year of that performance period. The Scorecard will specify upfront the KPIs/targets that have been set for each of the corporate strategic objectives, except for the financial or other highly commercially sensitive targets that will be disclosed retrospectively after vesting of the relevant shares.

Vesting

At the end of the three-year performance period, but in any case prior to the date of approval of the next Annual Report, the Board of Directors, without the participation of the Executive Board Members, will determine whether the targets for that performance period have been achieved and consequently the number of shares that will vest, based on the score on the TSR (40% weighting) and the corporate strategic objectives (60% weighting), respectively. Proposals on the achievement of performance objectives and the potential award of the shares will be submitted to the Board of Directors by the Remuneration Committee.

The scores for the TSR component (40% weighting), are determined in accordance with the following table:

Metric	Targets							
	Below Index	Equal To Index	10% above Index	20% Above Index	40% Above Index	60% above Index	80% above Index	100% above index
TSR relative to ASCX and IBB ETF Index	0	80%	90%	100%	110%	120%	130%	150%

As a 40% weighting applies to the TSR, the total score on the TSR is multiplied by 40% to calculate the vesting percentage of the shares for the TSR.

The vesting results for each of the individual quantitative targets (KPIs), as part of the corporate strategic objectives, are calculated in accordance with the following table:

Actual score compared to target	Vesting result
<80%	0%
On target	100%
Each 1% exceeding target	+3%
Each 1% below target	-3%

A maximum vesting result of 200% applies for each individual target.

As a 60% weighting applies, the total score on the strategic objectives is multiplied by 60% to calculate the total vesting percentage for the strategic objectives.

The maximum value of the shares that can vest under each Executive the LTI Plan is set at 450% of the gross annual salary for the CEO and 300% for other Executive Board Members. The defined on-

target value of the shares awards are gross of all tax liabilities. In the Netherlands approximately 50% income tax is immediately withheld upon vesting of the shares awards.

~~Attachment I to this Policy provides an outline of the performance measures, such as Total Shareholder Return and Execution of Strategy, and weightings applied for the LTI (such attachment incorporated by reference).~~

~~Proposals on the achievement of performance objectives and the potential award of the shares pursuant to the LTI are made by the Remuneration Committee and formally approved by the Board of Directors, without the participation of the Executive Board Members, in the first meeting of the next year, but in any case prior to or on the date of approval of the Annual Report.~~

The Company will provide in the Remuneration Report a retrospective disclosure of actual performance against ~~all the~~ objectives and targets set for the relevant ~~performance period, financial year.~~

In case of the termination of the membership of the Board as Executive Board Member, good leavers (as determined by the Board of Directors, without the participation of the Executive Board Members upon proposal of the Remuneration Committee) will remain entitled to the pro-rata vesting of shares for time served at the predetermined times (i.e. no accelerated vesting) subject to the achievement of the applicable performance measures and targets. The same arrangement applies in case of retirement and death of the participant. Any other entitlement to shares granted pursuant to the ~~LTI~~ Executive LTI Plan shall lapse. An Executive Board Member leaving Pharming cannot be a designated "Good leaver" if his/her membership of the Board is terminated at the Board's initiative because of fraud, a criminal offence, gross negligence or wilful misconduct by the relevant Executive Board Member.

Executive Board Members are required to retain the shares awarded under the ~~LTI~~ Executive LTI Plan for a minimum of five years from the date of grant, so until two years after vesting, notwithstanding the minimum share ownership requirement (see ~~below next paragraph~~).

Malus and clawbacks

Pay-out of all variable remuneration takes place only after verification by the external auditor of the relevant Company's financial statements, including the financial KPIs on which the financial targets are based.

In line with Dutch Law and the Dutch Corporate Governance Code and applicable SEC requirements, the STI and Executive LTI Plan shares are subject to malus and clawback provisions whereby the Board of Directors, in accordance with a recommendation by the Remuneration Committee, shall reduce or recover variable remuneration if certain circumstances apply. The Board of Directors has adopted a Compensation Clawback Policy (hereafter the "Policy") that is applicable to all equity based compensation for the Executive Board Members, including the STIs and Executive LTI plans, and all grants and pay-outs made under these plans.

The main features of the Policy, that is automatically updated to incorporate any mandatory requirement of law, the SEC, exchange listing standard, rule or regulation applicable to the Company:

- any determination made by the Board under the Policy will be final and binding for the relevant Executive Board Member(s);

- **Restatement Clawback**

In the event the Company is required to prepare an Accounting Restatement (as defined below), any Executive Board Member who received Excess Compensation (as defined below) during the three (3) completed fiscal years preceding the date the Company is required to prepare an Accounting Restatement (the "Look-Back Period") shall be required to repay or forfeit such Excess Compensation reasonably promptly;

- **Method of Repayment, Conditions for Non-Recovery**

The Board shall have discretion to determine the appropriate means of recovery of Excess Compensation, which may include, without limitation, direct payment in a lump sum from the Executive Board Member(s), recovery over time, cancellation of outstanding awards, the reduction of future pay and/or awards, and/or any other method which the Board determines is advisable to achieve reasonably prompt recovery of Excess Compensation. At the direction of the Board, the Company shall take all actions reasonable and appropriate to recover Excess Compensation from any applicable Executive Board Members, and such Executive Board Member shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Excess Compensation in accordance with the Policy.

The Board may determine that repayment of Excess Compensation (or a portion thereof) is not required only where it determines that recovery would be impracticable and one of the following circumstances exists: (i) the direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered, provided the Company has (A) made a reasonable attempt to recover such Incentive-Based Compensation, (B) documented such reasonable attempt, and (C) provided such documentation to Nasdaq; (ii) so long as the Company is a "foreign private issuer," as defined under the Applicable Rules, recovery would violate home country law where the law was adopted prior to November 28, 2022, provided the Company has (A) obtained an opinion of home country counsel acceptable to Nasdaq that recovery would result in such violation and (B) provided such opinion to Nasdaq; or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

- **No Fault Application, No Indemnification**

Recovery of Excess Compensation under the Policy is on a "no fault" basis, meaning that it will occur regardless of whether the Executive Board Member engaged in misconduct or was otherwise directly or indirectly responsible, in whole or in part, for the Accounting Restatement. No Executive Board Member shall be indemnified by the Company, or any of its affiliates, for losses arising from the application of the Policy.

- **Recoupment and Adjustment of a Bonus under Dutch Law**

The Company shall, if so directed by the Board based on a recommendation by the Remuneration Committee, recoup all or part of a Bonus that has already been paid to an Executive Board Member, to the extent payment of such Bonus was based on inaccurate information as to the achievement of targets or the occurrence of events on which the Bonus was based (as determined by the Board acting in good faith). The claim for recoupment of a Bonus will expire after a period of five years has elapsed after the Company became aware that the Bonus was based on inaccurate information.

In addition, the Board may in its discretion, based on a recommendation by the Remuneration Committee, decide to adjust an Executive Board Member's entitlement to a Bonus that has not yet been paid to an appropriate amount, if payment of the (unadjusted) Bonus would be unacceptable according to standards of reasonableness and fairness (as determined by the Board acting in good faith).

- For purposes of the Policy, the following definitions apply:

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that corrects an error that is not material to previously issued financial statements but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

Changes to financial statements that do not constitute an Accounting Restatement include retroactive: (i) application of a change from one generally accepted accounting principle to another generally accepted accounting principle; (ii) revisions to reportable segment information due to a change in internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; (v) adjustments to provisional amounts in connection with a prior business combination (the extent the Company reports its financial information under International Financial Reporting Standards); and (vi) revisions for stock splits, reverse stock splits, stock dividends, or other changes in capital structure.

"Bonus" means any variable compensation that is partly or entirely conditional on the achievement of certain targets or the occurrence of certain events (e.g., signing bonuses, severance pay, cash bonuses, performance awards and contributions to pension funds).

"Excess Compensation" means any amount of Incentive-Based Compensation received by an Executive Board Member after commencement of service as an Executive Board Member that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the Accounting Restatement, computed without regard to any taxes paid.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount to be recovered is not capable of mathematical recalculation directly from information in the Accounting Restatement, the amount to be recovered shall be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return, as applicable, and the Company shall retain documentation of the determination of such estimate and provide such documentation to Nasdaq if so required by the Applicable Rules. Incentive-Based Compensation is deemed received during the fiscal year during which the applicable financial reporting measure, stock price and/or total shareholder return measure, upon which the payment is based, is achieved, even if the grant or payment occurs after the end of such period.

"Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part on stock price, total shareholder return, and/or the attainment of (i)

any financial reporting measure(s) that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and/or (ii) any other measures that are derived in whole or in part from such measures.

Compensation that does not constitute "Incentive-Based Compensation" includes equity incentive awards for which the grant is not contingent upon achieving any financial reporting measure performance goal and that vest exclusively upon completion of a specified employment period (except to the extent such awards were granted based on measures described in the previous paragraph), without any performance condition, and bonus awards that are discretionary or based on subjective goals or goals unrelated to financial reporting measures.

Share ownership

Executive Board Members are required to acquire and hold shares in the Company. For the CEO the value of the shares held in the Company should at least equal 400% of his or her annual base salary. For other Executive Board Members, the value of the shares held in the Company should at least equal 200% of their respective annual base salaries.

All Executive Board Members are entitled to accrue their required minimum shareholding over time by the vesting of after-tax performance shares from the ~~LTI~~ Executive LTI Plan, without the requirement for own purchases, ~~provided that the minimum shareholding is reached within five years following first appointment.~~

Change of control

Following a change of control, approved by the General Meeting of Shareholders, becoming unconditional, the Executive Board Members will be entitled to pro-rata vesting of outstanding but unallocated shares for the performance period that has lapsed at that moment, subject to the achievement of the applicable performance measures and targets. The ~~remaining unvested~~ shares ~~for the remainder of the applicable performance period~~ will vest in accordance with the predetermined times (i.e. no accelerated vesting) subject to the achievement of the applicable performance measures and targets.

In case of an unsolicited change of control becoming unconditional, share-based incentive plans do not vest automatically as result of the change of control becoming unconditional.

In case of an event resulting in a change of control or in case of the announcement of a proposed formal public offer for the shares in the Company, the Board of Directors, without the participation of the Executive Board Members, can decide to settle the allocated shares for the members of the Board of Directors in cash.

III) Other benefits

Other benefits as listed below may be granted to the Executive Board Members. The monetary value of the other benefits granted to individual Executive Board Members in each year is disclosed in the next Remuneration Report.

Pension

For all Dutch employees, and also for the Executive Board Members, the Company participates in defined contribution pension plans with an independent insurance company. Defined contributions are expensed in the year in which the related employee services are rendered.

For Dutch employees, the pensionable income is capped ~~at €110,111 for 2020; this is~~ the fiscal maximum. For 2024, this fiscal maximum equals EUR 137,800.00. For employees based in other EU countries, the fiscal maximum pensionable incomes of their respective home country also apply.

Awarding discretionary pension is not possible at Pharming. A Net Employee Pension Scheme is offered to all employees who have a pensionable income in excess of the specified maximum. Participation is compulsory for staff and also for the Executive Board Members. Pension contributions from the Company and the incumbent are defined by age group.

Lease car scheme

A lease car scheme applies to the Executive Board Members.

Holiday allowance

In the Netherlands, salaries are paid in twelve monthly instalments and one additional monthly instalment, entitled "Holiday allowance", is paid typically in May or June. The allowance is equal to 8,33% of the base salary and included in the gross annual salary of staff and Executive Board Members.

Short term employee benefits

The Company does not provide to the Executive Board Members any benefits based on financial measurement of the statement of income.

Loans and advances

No loans or other financial commitments will be made by or on behalf of the Company to any Executive Board Member unless approved by the Board of Directors. Loans to any Executive Board Member will be disclosed in the next Remuneration Report.

Severance pay

The following conditions apply to severance pay for Executive Board Members, subject to the relevant provisions of the Dutch Corporate Governance Code and prevailing Dutch laws and regulations:

- The maximum severance pay is 100% of the fixed annual remuneration;
- Severance pay is not awarded in the event of failure;
- Severance pay that can be classified as variable is not awarded.

Neither fixed nor variable severance pay may be awarded in the following cases:

- If a relationship is terminated early at the Executive Board Member's own initiative, except where this is due to serious culpable conduct or neglect on the part of the Company;
- In the event of serious culpable conduct or gross negligence on the part of the Executive Board Member in the performance of his or her role.

Appointment term

Individual Executive Board Members enter into an individual management contract with the Company.

Executive Board Members are normally appointed for a period of four years, ~~such term to end at the closing of the first General Meeting of Shareholders following the expiration of the four year term if the latter would already be prior to that General Meeting~~, subject to reappointment in accordance with the Company's Articles of Association and the provisions of the Dutch Corporate Governance Code.

Main features of the remuneration of the Non-Executive Board Members

With retrospective effect from January 1, 2024 (unless provided otherwise below), For 2020 and onwards, the Non-Executive Board Members are entitled to the following remuneration, taking into consideration their responsibilities and time commitment as members of the Company's one tier board and the extended responsibilities as members of the committees:

- *Non-Executive Board Member:*
 - Chair: ~~€90,000~~~~€5,000~~ per annum in cash and €40,000 per annum in ordinary shares in Pharming – effective since September 25, 2023, in accordance with the approval by the General Meeting of Shareholders held on that day;
 - Other Members: €45,000 per annum in cash and €30,000 per annum in ordinary shares in Pharming;

all shares to valued at the 20 Day VWAP preceding the Annual General Meeting of Shareholders, without further restrictions for grant.
- *Audit Committee:* Chair ~~€15,000~~~~€9,000~~ and Member ~~€7,500~~~~€3,000~~ per annum in cash;
- *Remuneration Committee:* Chair ~~€12,500~~~~€6,000~~ and Member ~~€6,250~~~~€3,000~~ per annum in cash;
- *Governance Committee:* Chair ~~€12,500~~~~€6,000~~ and Member ~~€6,250~~~~€3,000~~ per annum in cash;
- ~~Transaction Committee:~~ Chair €12,500 and Member €6,250 per annum in cash - effective since January 1, 2023, in accordance with the approval of the General Meeting of Shareholders held on May 17, 2023.
and
- An additional compensation of €1,000 per day in case of extraordinary activities, as determined by the Chair of the Board of Directors.

The fees payable to the Non-Executive Directors have been set, taking into consideration the Company's growth over the preceding years, its significant and still growing presence in the US market, the Company's sustainable long-term strategy and ambitions, the enhanced tasks and responsibilities associated with both their membership of the Company's one tier board and the extended responsibilities as members of the committees and a comparison with the market benchmark. Moreover, the fees of the chairs and members of the committees have been increased from 2024 onwards in acknowledgement that these fees had remained unchanged since the year 2020.

The fees paid to the Non-Executive Directors for their membership of the Board of Directors have also not been increased since 2020 and will remain unchanged from 2024 onwards.

Share ownership

~~In accordance with the Dutch Corporate Governance, all shares in the Company held by the Non-Executive Board Members shall be a long-term investment.~~

The ~~grant of~~ ordinary shares in Pharming ~~to be awarded to the Non-Executive Board Members~~, as part of ~~their annual~~ remuneration, as specified hereinabove, ~~equal a fixed amount, are unrestricted and their grant will not be linked to the performance of Pharming, to safeguard the independence of the non-executive board members consistent with the intentions of the Dutch Corporate Governance Code.~~

~~will not be linked to the performance of the Company or other restrictions for the individual grant.~~

Appointment term

The Non-Executive Board Members are appointed for a period not to exceed four years, ~~such term to end at the closing of the first General Meeting of Shareholders following the expiration of the four year term if the latter would already be prior to that General Meeting~~, subject to renewal to the extent permitted by the provisions of the Dutch Corporate Governance Code.

Non-Executive Board Members shall resign in accordance with the retirement schedule as adopted by the Board of Directors. No notice period or termination fees are applicable.

Other benefits

The Non-Executive Board Members do not have an individual employment contract with Pharming and are not entitled to participate in any benefits offered to management and staff, including but not limited to pension plans. No loans or other financial commitments will be made by or on behalf of the Company to any Non-Executive Board Member.

Miscellaneous

~~S~~New search policy: diversity

Pharming complies in full with all privacy and anti-discrimination laws and regulations in force in the EU, UK and USA, including prevailing NASDAQ rules regarding diversity.

When searching new Executive Board Members or Non-Executive Board Members, Pharming actively seeks to promote diversity in the composition of the Board of Directors.

For future nominations of new Non-Executive Board Members, the Board of Directors will ensure continued compliance with the female quota according to the Dutch act on gender diversity in boards of Dutch companies.

In the event the Board of Directors would at any time in the future decide to nominate another Executive Board Member for appointment to the Board, in addition to the CEO, the Board of Directors will strive for equal gender diversity among the Executive Board Members, while each time satisfying the requirements for the relevant positions.

Disclosure of remuneration

The Company shall disclose information regarding remuneration paid to Executive Board Members and Non-Executive Board Members in the Remuneration Report, as part of the Annual Report of the Company, in accordance with the applicable rules and regulations.