

## Explanatory notes to resolutions to be taken in the Annual General Meeting 2018 of Pharming Group N.V.

To be held at Holiday Inn Leiden, Haagse Schouwweg 10, 2332 KG Leiden, the Netherlands and organized by Pharming Group N.V. (the “Company” or “Pharming”) on 23 May 2018 at 14.00 hours (CET).

**Proposal 3** Proposal to grant the 2018 LTIP shares to the Board of Supervisory Directors.

The following LTIP allocations for the Board of Supervisory Directors for 2018 are being proposed:

- Chairman: 30,000 shares
- Vice-Chairman and/or Board Committee Chairs: 25,000 shares
- Other members 20,000 shares

(Please see also page 60 of the Annual Report 2017 for further details).

**Proposal 4** Proposal to appoint PricewaterhouseCoopers Accountants N.V. (PwC) as the external auditor of the Company.

It is being proposed to instruct PricewaterhouseCoopers to examine the Annual Report and the Financial Statements for the financial year 2018, to report to the Board of Supervisory Directors and the Board of Management, and to issue an auditor’s statement.

Please note that following the recommendation of the relevant financial authorities, auditors for Dutch public companies normally stand down after 10 years to enable proper independence. This year (2018) will be the last of 10 years for which PwC has been the company auditor, and therefore a new auditor will need to be selected for the financial year 2019 and beyond.

**Proposal 5** Designation of the Board of Management as the Company’s body authorized to:  
(i) issue shares, (ii) grant option rights and (iii) restrict or exclude pre-emptive rights.

The General Meeting of Shareholders has periodically designated the Board of Management as the company body authorized to, subject to the approval of the Board of Supervisory Directors:

- (i) issue shares;
- (ii) grant rights to acquire shares; and
- (iii) limit or exclude pre-emptive rights.

It is proposed to replace the current authorization and to designate the Board of Management as the company body authorized to, subject to the approval of the Board of Supervisory Directors, issue shares and/or grant rights to acquire shares and to limit or exclude pre-emptive relating thereto. The proposed authorization of the Board of Management is limited to 20% of the authorized share capital at the moment of the resolution of the Board of Management to issue shares and/or grant rights to acquire

shares. It is being proposed to confer this authorization on the Board of Management for the period from 23 May 2018 to 23 July 2019.

Any issue of or grant of rights to acquire shares in excess of this authorization will require the approval of the shareholders in general meeting.

**Proposal 6** Authorization of the Board of Management to repurchase shares in the Company.

It is proposed to authorize the Board of Management for a period from 23 May 2018 to 23 July 2019 to repurchase, subject to the approval of the Board of Supervisory Directors, not more than 10% of the issued capital, through the stock exchange or otherwise, for a price not less than the nominal value and not exceeding 100% of the average final closing rates for shares as listed in the Official Price Gazette of NYSE Euronext Amsterdam N.V. during five consecutive trading days prior to the date of repurchase.