

CONTINUOUS TEXT of the articles of association of **Pharming Group N.V.**, with corporate seat in Leiden, after partial amendment to the articles of association, by deed executed before P.C.S. van der Bijl, civil law notary in Amsterdam, on **[date]**.

Trade Registry number 28048592.

This is a translation into English of the original Dutch text. An attempt has been made to be as literal as possible without jeopardizing the overall continuity. Inevitably, differences may occur in translation, and if so the Dutch text will by law govern.

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## ARTICLES OF ASSOCIATION

### CHAPTER I.

#### Article 1. Definitions.

In these Articles of Association the following words shall have the following meanings:

- a. **"accountant"**:  
a chartered accountant ("registeraccountant") or other accountant referred to in Section 2:393 of the Dutch Civil Code or an organisation in which such accountants work together;
- b. a **"dependent company"**:  
a dependent company as referred to in Section 2:152 of the Dutch Civil Code;
- c. the **"general meeting"**:  
a meeting of shareholders and other persons entitled to attend meetings of shareholders or the body of the company consisting of shareholders entitled to vote, as the case may be;
- d. **"directors report"**:  
the directors report as referred to in Section 2:391 of the Dutch Civil Code;
- e. **"central institute"**:  
a central institute ("centraal instituut") within the meaning of the GSTA;
- f. **"participant"**:  
a participant in a collective depot ("verzameldepot");
- g. **"subsidiary"**:
  - a legal entity in respect of which the company or one or more of its subsidiaries, whether or not pursuant to an agreement with other persons holding voting rights, may, individually or jointly, exercise more than half of the voting rights in the general meeting of members or shareholders of that legal entity;
  - a legal entity of which the company or one or more of its subsidiaries are a member or a shareholder and, whether or not pursuant to an agreement with other persons holding voting rights, may, individually or jointly, appoint or dismiss more than half of the members of the management board or the supervisory board, even when all those entitled to vote take part in the voting;
 all this subject to the provisions of Section 2:24a paragraphs 3 and 4 of the Dutch Civil Code. A company operating under its own name, for the debts of which the company or one or more subsidiaries is fully liable as a partner towards creditors, shall be treated as a

- subsidiary;
- h. **"girodepot"**:  
a girodepot within the meaning of the GSTA;
- i. **"group company"**:  
a group company as referred to in Section 2:24b of the Dutch Civil Code;
- j. **"intermediary"**:  
an intermediary ("intermediair") within the meaning of the GSTA;
- k. **"annual accounts"**:  
the balance and profit and loss statement with explanatory notes;
- l. **"in writing"**:  
by letter, by telecopier or e-mail or by any other legible and reproducible electronically send message provided that the identity of the sender can be sufficiently established;
- m. the **"distributable equity"**:  
the part of the company's equity which exceeds the aggregate of the paid in and called up part of the capital and the reserves which must be maintained pursuant to the law;
- n. a **"company body"**:  
the management board, the supervisory board or the general meeting;
- o. **"global share certificate"**:  
the share certificate that embodies all ordinary bearer shares;
- p. **"collective depot"**:  
a collective depot ("verzameldepot") within the meaning of the Dutch Giro Securities Transactions Act;
- q. **"GSTA"**:  
the Dutch Giro Securities Transactions Act ("Wet giraal effectenverkeer");
- r. **"FSA"**:  
the Dutch Financial Supervision Act ("Wet op het financieel toezicht").

## **CHAPTER II. NAME AND SEAT. OBJECTS.**

### **Article 2. Name and seat.**

1. The name of the company is:  
Pharming Group N.V.
2. The company has its official seat in Leiden.

### **Article 3. Objects.**

The objects of the company are:

- a. to incorporate, to participate in, to manage and to take part financially in any way whatsoever, in other companies and enterprises;
- b. to render services to other companies, persons and enterprises in the administrative, technical, financial, economical and managerial fields;
- c. to develop and trade in patents, trade marks, licenses, intellectual and other industrial property rights;
- d. to obtain, alienate, manage and exploit registered property, securities, and items of property in general;
- e. to borrow or to lend funds, as well as to act as guarantor or as severally-liable co-debtor,

or to bind itself as security for a debt of a third party;  
and furthermore to do everything that is connected therewith or may be conducive thereto, all this to be interpreted in the widest sense of the word.

### **CHAPTER III. CAPITAL AND SHARES. GLOBAL SHARE CERTIFICATE. REGISTER OF SHAREHOLDERS.**

#### **Article 4. Capital and Shares.**

1. The company's authorised capital amounts to eight million eight hundred thousand euro (EUR 8,800,000).
2. The authorised capital is divided into eight hundred eighty million (880,000,000) ordinary shares of one eurocent (EUR 0.01) each.
3. The ordinary shares shall be bearer shares or registered shares as described hereafter such to be determined by the shareholder. No share certificates shall be issued for registered shares.

#### **Article 5. Global share certificate.**

1. Upon its request a subscriber for ordinary shares shall, at issuance thereof, receive ordinary registered shares; if such explicit request has not been made, the subscriber shall receive ordinary bearer shares as described hereunder.
2. All ordinary bearer shares are embodied in one global share certificate.
3. The global share certificate is meant to be kept by a central institute on behalf of the person(s) entitled thereto. The control over the share certificate is irrevocably transferred to a central institute in its capacity as custodian of the girodepot. As soon as the global share certificate is in the custody of a central institute, (a) the applicable central institute shall credit each intermediary designated by the person(s) entitled thereto for a share in the girodepot of ordinary bearer shares corresponding with the right of that/those person(s) and (b) each intermediary designated by one or more persons entitled thereto shall correspondingly credit that/those person(s) in the collective depot of ordinary bearer shares of that intermediary.
4. Upon issuance of ordinary bearer shares, (a) a central institute shall, at the request of the company, add the newly issued ordinary bearer shares or have them added to the global share certificate, by which the number of ordinary bearer shares embodied in the global share certificate shall be increased with the number of ordinary bearer shares thus added (b) a central institute shall credit each intermediary designated by the person(s) entitled to the newly issued ordinary bearer shares for a share in the girodepot of ordinary bearer shares corresponding with the right of that/those person(s) and (c) each intermediary designated by one or more persons entitled thereto shall credit that/those person(s) accordingly in the collective depot of ordinary bearer shares of that intermediary.
5. Shares can only be transferred out of the girodepot or a collective depot in accordance with the relevant provisions of the GSTA.
6. In the event that a holder of one or more ordinary registered shares wishes to convert his ordinary registered shares into ordinary bearer shares, (a) the ordinary registered shares involved shall be transferred to a central institute and this transfer shall be served upon or acknowledged by the company (b) the company shall remove the name of the person

entitled thereto as holder of ordinary registered shares from its shareholders' register, (c) the applicable central institute shall add or have the ordinary registered shares involved added to the global share certificate, by which the number of ordinary bearer shares embodied in the global share certificate shall be increased with the number of ordinary bearer shares thus added, (d) the applicable central institute shall credit each intermediary designated by the person entitled thereto for a share in the girodepot of ordinary bearer shares corresponding with the number of shares added to the global share certificate and (e) the intermediary shall credit the person entitled thereto accordingly in its collective depot of ordinary bearer shares.

7. For the application of the provisions in these articles of association a participant in a collective depot shall also be regarded as holder of ordinary bearer shares.
8. The global share certificate shall be signed by a member of the management board and a member of the supervisory board; such signing may take place by means of facsimile.

**Article 6. Registers of shareholders.**

1. The management board shall keep a register for ordinary registered shares. In the register the names and addresses of all holders of ordinary registered shares are recorded.
2. Each holder of ordinary registered shares and each person holding a right of usufruct or a pledge on such share is obliged to notify the company in writing of his address.
3. In the register shall be recorded the date on which the ordinary registered shares are acquired by the shareholder, the date of acknowledgement by or serving upon the company and the amount paid on each share.
4. In the event that registered shares form part of a collective depot or a girodepot, the shareholders' register may include the name and the address of the intermediary respectively the applicable central institute, the date on which subject shares commenced to form part of the collective depot respectively girodepot, the date of acknowledgement or the date of serving upon the company, as well as the amount paid on each share.
5. All entries and recordings in a register shall be signed with due observance of the rules of representation of article 17.
6. Extracts from a register shall be non-transferable.
7. The register shall also be subject to the provisions of Section 2:85 of the Dutch Civil Code.

**CHAPTER IV. ISSUANCE OF SHARES.**

**Article 7. Resolution to issue. Competent company body.**

1. Shares shall be issued pursuant to a resolution of the general meeting or another company body designated for that purpose by the general meeting for a period of maximum five years.
2. Designation of the company body competent to issue shares may be extended by the articles of association or by a resolution of the general meeting for a period not exceeding five years in each case. The number of shares, which may be issued, shall be determined at the time of this designation. Designation by resolution of the general meeting cannot be revoked unless determined otherwise at the time of designation.
3. Upon termination of the authority of the company body designated by the general

meeting, the issue of shares shall thenceforth require a resolution of the general meeting, unless another company body has been designated by the general meeting.

4. A resolution of the general meeting to issue shares or to designate another company body as the company body competent to issue shares, may only be adopted on proposal of the management board. The proposal is subject to the approval of the supervisory board.
5. The provisions of the paragraphs 1 up to and including 4 shall equally apply to the granting of rights to subscribe for shares but shall not be applicable to the issue of shares to persons exercising a previously granted right to subscribe for shares.
6. Moreover, the provisions of Section 2:96 of the Dutch Civil Code shall be applicable to the issue of shares and the granting of rights to subscribe for shares.
7. If Section 2:86c paragraph 1 of the Dutch Civil Code does not apply, the issue shall be effected in accordance with Section 2:86 of the Dutch Civil Code.

**Article 8. Share issue terms. Pre-emptive right.**

1. The price and other terms of issue shall be determined by the resolution to issue shares. Except as provided in Section 2:80 paragraph 2 of the Dutch Civil Code, the issue price shall not be lower than par.
2. Each holder of ordinary shares shall have a pre-emptive right to any issue of ordinary shares, in accordance with the provisions stated below. The same shall apply to the granting of rights to subscribe for ordinary shares.
3. The pre-emptive right may be restricted or excluded by a resolution of the general meeting or by the company body that has been designated pursuant to article 7 paragraph 1 to limit or exclude the pre-emptive right for a period of maximum five years. Article 7 paragraphs 1 up to and including 4 shall equally apply.
4. If less than one half of the issued capital is represented at the general meeting, a majority of at least two-thirds of the votes cast shall be required for a resolution of the general meeting to restrict or exclude the pre-emptive right or to make the designation referred to in Article 8 paragraph 3. Within eight days after the resolution the Company shall file the full text thereof at the Commercial Register.
5. Moreover, Section 97 of the Dutch Civil Code shall apply to the terms of the issue and pre-emptive rights.

**Article 9. Payment on shares.**

1. On subscription for each ordinary share payment thereon shall be made of the full amount of the par value and, if the share is subscribed for at a higher amount, of the difference between such amounts.
2. Persons who are professionally engaged in the placing of shares for their own account may be permitted, by agreement, to pay less than the nominal amount for the shares subscribed by them, provided that not less than ninety-four percent (94%) of such amount is paid in cash, at the latest on subscription for the shares.

**Article 10. Payment in cash.**

1. Payment on ordinary shares shall be made in cash, unless another contribution has been agreed on.
2. Payment in foreign currency may only be made with the company's approval.

**Article 11. Contributions in kind.**

The management board shall with the prior approval of the supervisory board be authorised, without the prior approval of the general meeting, to perform legal acts relating to non-cash contributions on ordinary shares and the other legal acts referred to in Section 2:94 of the Dutch Civil Code.

**CHAPTER V. OWN SHARES AND DEPOSITORY RECEIPTS FOR THOSE SHARES.**

**Article 12. Own shares and depository receipts for those shares.**

1. The company may acquire fully paid up shares in its own capital, but only for no consideration or if:
  - a. the distributable equity is at least equal to the purchase price; and
  - b. the nominal value of the shares in its capital or depository receipts thereof which the company acquires, holds or holds on lien or which are held by a subsidiary does not exceed one-tenth of the issued capital.
2. The management board shall require the authorisation of the general meeting for an acquisition for valuable consideration. This authorisation shall be valid for a maximum period of eighteen months. The general meeting shall determine in the authorisation how many shares may be acquired, how they may be acquired and between what limits the price must lie.
3. The company may acquire shares in its own capital in order to transfer these, pursuant to a regulation in force for them, to employees of the company or of a group company.
4. Shares in the company's own capital shall be acquired or disposed of pursuant to a resolution of the management board. The resolution shall be subject to the approval of the supervisory board, without prejudice to the provisions in paragraph 2.
5. Moreover, sections 2:89a, 2:95, 2:98 up to and including 2:98d and 2:118 of the Dutch Civil Code shall apply to shares in the company's own capital.
6. The company shall not co-operate to the issue of depository receipts for shares.
7. In calculating the amount of any distribution on the shares, the shares held by the company in its own capital, shall not be taken into account.

**CHAPTER VI. REDUCTION OF CAPITAL.**

**Article 13. Reduction of capital.**

1. The general meeting may, but only at the proposal of the management board and subject to the approval of the supervisory board, resolve to reduce the issued capital:
  - a. by cancelling shares; or
  - b. by reducing the amount of the shares by an amendment to the articles of association.

A resolution of the general meeting to reduce the issued capital shall designate the shares to which the resolution relates and provide for the implementation of the resolution.

2. A resolution to cancel may only concern shares held by the company in its own capital.
3. Any reduction of the nominal amount of shares without repayment and without a release of the obligation to pay up, must be made pro rata to all the shares. Such pro rata requirement may be waived if all shareholders concerned so agree.
4. Partial repayment on shares or release from the obligation to pay up shall only be

permitted in furtherance of a resolution to reduce the amount of the shares. Such a repayment or release must be made in respect of all shares.

Any partial repayment on shares or release from the obligation to pay up shall be made pro rata to all shares concerned.

5. Moreover, the provisions of Sections 2:99 and 2:100 of the Dutch Civil Code shall apply to the reduction of capital.

## **CHAPTER VII. TRANSFER OF SHARES. USUFRUCT. PLEDGE**

### **Article 14. Transfer of shares. Usufruct. Pledge.**

1. In the event Section 2:86c paragraph 1 of the Dutch Civil Code applies, a transfer of a registered ordinary share or of a right of usufruct or pledge thereon shall require a deed of transfer and, except in the event the company itself is party to that legal act, acknowledgement in writing by the company of the transfer. The acknowledgement shall be given in the deed, or by a dated statement embodying such acknowledgement on the deed, or on a copy or extract thereof duly authenticated by a civil law notary or by the transferor. Service of such deed, copy or extract upon the company shall be deemed to be equal to acknowledgement. In any other event, a transfer of a registered ordinary share or of a right of usufruct or pledge thereon shall be effected in accordance with Sections 2:86, 2:86a and 2:86b of the Dutch Civil Code.
2. In the event Section 2:86c paragraph 1 of the Dutch Civil Code applies, a pledge may also be established on a share without acknowledgement by or service upon the company. In such cases, Section 3:239 of the Dutch Civil Code shall equally apply, whereby the notification of pledge by a shareholder as referred to in subsection 3 of that Section, shall be replaced by acknowledgement by or service upon the company. In all other events a pledge shall be established in accordance with Sections 2:86, 2:86a and 2:86b of the Dutch Civil Code.
3. In the event Section 2:86c paragraph 1 of the Dutch Civil Code applies, the acknowledgement shall be signed by a member of the management board and a member of the supervisory board, or by a person designated by the management board.
4. The provisions of paragraphs 1, 2 and 3 shall equally apply to the allotment of shares by distribution of any community.
5. Upon the establishment of a usufruct or a pledge on a share, the right to vote may not be vested in the usufructuary or the pledgee. The latter shall not have the rights conferred by law upon the holders of depository receipts.
6. The shareholder shall have the rights attached to the share on which a right of usufruct has been vested with respect to the acquisition of shares, provided that the shareholder reimburses the usufructuary for the value of these rights to the extent that such rights are vested in the latter pursuant to his right of usufruct.
7. In deviation of the stipulations of this article 14, the transfer of ordinary registered or bearer shares in a collective depot or a girodepot, or the creation of a right of usufruct or pledge thereon, shall take place in the manner as stipulated in the GSTA.

## **CHAPTER VIII. MANAGEMENT.**

### **Article 15. Management.**

1. The company has a management board consisting of one or more members. The number of management board members shall be determined by the supervisory board. In the event two or more members of the management board are in office, the supervisory board may attribute titles to the individual management board members, including those of "Chief Executive Officer", "Chief Financial Officer" and "Chief Operating Officer".
2. Management board members shall be appointed or re-appointed by the general meeting. At the appointment or re-appointment it may be determined that the management board member to be appointed will be appointed for a period not exceeding the day on which the first general meeting is held after four years have elapsed since his appointment or re-appointment.
3. The appointment shall take place from a list of candidates to be drawn up by the supervisory board. A nomination shall be binding.  
The nomination shall be drawn up within one month from the day on which the management board issued the invitation thereto.  
The general meeting shall be free to make the appointment if the supervisory board has either not made a nomination, or has not done so in time.  
The general meeting may reject a nomination with a majority of the votes cast representing at least one third of the issued capital. If the nomination is rejected by the majority of the votes cast, but such majority does not represent at least one third of the issued capital, a new meeting may be convened in which the nomination may be rejected with a majority of the votes cast. In that event, the supervisory board shall draw up a new nomination.
4. Each management board member may be suspended or dismissed by the general meeting at any time by a resolution adopted with a majority of the votes cast, representing at least one third of the issued capital. If the majority of the votes cast are in favour of the proposal to suspend or dismiss a management board member, but such majority does not represent at least one third of the issued capital, a new meeting may be convened in which the management board member concerned may be suspended or dismissed with a majority of the votes cast.  
A management board member may also be suspended by the supervisory board. A suspension by the supervisory board may be terminated at any time by the general meeting. Any suspension may be extended one or more times, but may not last longer than three months in the aggregate.
5. The general meeting shall adopt the remuneration policy in respect of remuneration of the management board.
6. The remuneration for management board members shall be adopted by the supervisory board taking into account the policy referred to in Article 15 paragraph 5, provided that arrangements in the form of shares or rights to subscribe for shares are subject to the approval of the general meeting. The request for approval shall at least state the number of shares or rights to subscribe for shares that may be granted to the management board members and which criteria apply to the granting or amendment thereof.
7. The absence of approval of the general meeting shall not affect the authority of the



supervisory board pursuant to Article 15 paragraph 6.

**Article 16. Management duties. Decision-making. Assignment of duties. Conflict of interest.**

1. Subject to the restrictions imposed by these articles of association, the management board shall be entrusted with the management of the company.
2. The management board may lay down rules regarding its own decision making process. The rules shall require the approval of the supervisory board.
3. The management board may determine the duties with which each member of the management board will be charged in particular. The allocation of duties shall require the approval of the supervisory board.
4. A director does not participate in the deliberations and decision-making if he has a direct or indirect personal interest therein that is contrary to the interests of the company and the enterprises connected therewith. If, as a result, no board resolution can be passed, the resolution shall be passed by the supervisory board.

**Article 17. Representation.**

1. The management board shall be authorised to represent the company. If the management board consists of two or more members, any two members of the management board acting jointly shall also be authorized to represent the company.
2. The management board may appoint staff members with general or limited power to represent the company. Each appointment may be revoked at any time. Each of these staff members shall represent the company with due observance of the restrictions of his authorisation. The management board shall determine their titles.

**Article 18. Approval of resolutions of the management board.**

1. Without prejudice to the other provisions of these Articles of Association as to that subject, the approval of the supervisory board shall be required for the resolutions of the management board relating to:
  - a. strategy issues, strategic long term policy plans and preconditions which are to be observed in respect of the strategy, for instance regarding the financial ratios;
  - b. the operational and financial objectives of the company;
  - c. the sale or disposition by the company of all, or an essential part of its assets;
  - d. the issuance and acquisition of shares and of debentures chargeable against the company or chargeable against a limited partnership (“commanditaire vennootschap”), or a general partnership (“vennootschap onder firma”) of which the company is the fully liable partner;
  - e. petition for quotation, or withdrawal of quotation from a price list of any stock exchange of the documents mentioned under d.;
  - f. entering into or terminating long term co-operation by the company or a dependent company with another legal entity, company, or with a limited partnership or general partnership of which the company is the fully liable partner, if subject co-operation or termination of co-operation is of major significance to the company;
  - g. participating by the company or a dependent company in the capital of another company for at least one fourth of the company's issued capital plus the reserves

- according to its balance sheet and explanatory notes, as well as the significant increase or decrease of such participation;
  - h. investments requiring an amount equal to at least one fourth of the company's issued capital plus reserves, according to its balance sheet and explanatory notes;
  - i. a proposal to amend the articles of association;
  - j. a proposal to dissolve the company;
  - k. filing a petition for bankruptcy ("faillissement") or for suspension of payments ("surseance van betaling");
  - l. the termination of the employment of a considerable number of the company's or a dependent company's employees simultaneously or within a short period of time;
  - m. a significant change in the employment conditions of a substantial number of the company's or a dependent company's employees;
  - n. a proposal to decrease the company's issued capital;
  - o. a proposal for a legal merger or a legal split-up, within the meaning of Title 7, Book 2 of the Dutch Civil Code.
2. The supervisory board is entitled to require further resolutions of the management board than those referred to in paragraph 1 to be subject to its approval. Such further resolutions must be clearly specified and notified to the management board in writing.
  3. With the exception of paragraph 1 sub o, the lack of approval by the supervisory board as referred to in this article does not affect the authority of the management board or its members to represent the company.

#### **Article 19. Absence or prevention.**

If a seat is vacant on the management board ('ontstentenis') or a management board member is unable to perform his duties ('belet'), the remaining management board members shall be temporarily entrusted with the management of the company, provided that at least two members of the management board are in office and able to perform their duties. If all seats are vacant on the management board or all members of the management board members are unable to perform their duties, the management of the company shall be temporarily entrusted to the supervisory board, with the authority to temporarily entrust the management of the company to one or more supervisory board members or one or more other persons appointed for that purpose. If all members of the management board, except one, are absent or unable to perform their duties, the remaining management board member shall be temporarily entrusted with the management of the company together with the supervisory board, with the authority of the supervisory board to delegate its management temporarily to one or more supervisory board members or one or more persons appointed for that purpose.

### **CHAPTER IX. SUPERVISORY BOARD**

#### **Article 20. Supervisory board.**

1. The company shall have a supervisory board, consisting of a number of individuals to be determined by the supervisory board. In the event of one or more vacancies, the supervisory board remains authorised.
2. The members of the supervisory board shall be appointed by the general meeting. The members of the supervisory board shall be appointed from a nomination drawn up by the

supervisory board. A nomination shall be binding. The nomination shall be drawn up within one month from the day on which the management board has issued the invitation thereto. The general meeting shall be free to make the appointment, if the supervisory board has either not made a nomination, or has not done so in time.

The general meeting may reject a nomination with a majority of the votes cast representing at least one third of the issued capital. If the nomination is rejected by the majority of the votes cast, but such majority does not represent at least one third of the issued capital, a new meeting may be convened in which the nomination may be rejected with a majority of the votes cast. In that event, the supervisory board shall draw up a new nomination.

3. Each supervisory board member may be suspended or dismissed by the general meeting at any time by resolution adopted with a majority of the votes cast, representing at least one third of the issued capital. If the majority of the votes cast are in favour of the proposal to suspend or dismiss a supervisory board member, but such majority does not represent at least one third of the issued capital, a new meeting may be convened, in which the supervisory board member concerned may be suspended or dismissed with a majority of the votes cast.

Any suspension may be extended one or more times, but may not last longer than three months in the aggregate.

4. A member of the supervisory board shall resign at the latest at the first general meeting held after the moment that four years after his appointment have elapsed. The supervisory board members shall resign periodically in accordance with a roster to be determined by the supervisory board. Each member of the supervisory board can be re-appointed for not more than two times.

#### **Article 21. Remuneration.**

1. Article 15 paragraph 5 shall apply mutatis mutandis with respect to remuneration of the supervisory board.
2. With due observance of Article 21 paragraph 1, the general meeting shall determine the remuneration for each member of the supervisory board.

#### **Article 22. Duties and powers.**

1. It shall be the duty of the supervisory board to supervise the management of the management board and the general course of affairs of the company and the business connected with it. The supervisory board shall render advice to the management board. In performing their duties the supervisory board members shall act in accordance with the interests of the company and of the business connected with it.
2. The management board shall supply the supervisory board in due time with the information required for the performance of its duties.
3. The supervisory board shall have access to the buildings and premises of the company and shall be authorised to inspect the books and records of the company. The supervisory board may designate one or more persons from amongst its members or an expert to exercise these powers. The supervisory board may also in other instances be assisted by experts. The costs for these experts shall be for the account of the company.

**Article 23. Proceedings and decision making process. Conflict of interest.**

1. The supervisory board shall elect a chairman from amongst its members. It shall appoint a secretary whether or not from amongst its midst.
2. The supervisory board shall make arrangements for the substitution of the chairman and the secretary.
3. The supervisory board shall meet whenever the chairman determines, or at the request of one of the other supervisory board members or the management board.
4. The secretary shall keep minutes of the proceedings at meetings of the supervisory board. The minutes shall be adopted in the same meeting or in a following meeting of the supervisory board and shall be signed by the chairman and the secretary as evidence thereof.
5. All resolutions of the supervisory board shall be adopted by an absolute majority of the votes cast.
6. Resolutions of the supervisory board shall only be valid if passed at a meeting at which the majority of the supervisory board members are present or represented.
7. A supervisory board member may be represented by a co member of the supervisory board authorised in writing. A supervisory board member may not act as representative for more than one co-member.
8. The supervisory board may also adopt resolutions without holding a meeting, provided the proposal concerned is submitted to all supervisory board members and none of them objects to this manner of adopting resolutions. The secretary shall draw up a report regarding a resolution thus adopted and shall attach the replies received to the report, which shall be signed by the chairman and the secretary.
9. The supervisory board shall meet jointly with the management board as often as the supervisory board or management board requests.
10. The supervisory board may lay down rules regarding the manner of meeting and its own decision making process.
11. A supervisory board member does not participate in the deliberations and decision-making if he has a direct or indirect personal interest therein that is contrary to the interest of the company and the enterprises connected therewith. If, as a result, no supervisory board resolution can be passed, the resolution shall nevertheless be passed by the supervisory board.

**CHAPTER X. FINANCIAL YEAR. ANNUAL ACCOUNTS. DIRECTORS REPORT. DIVIDEND.**

**Article 24. Financial year. Annual accounts. Directors report.**

1. The financial year of the company shall be the calendar year.
2. Annually, within the term set in respect thereto by or pursuant to the law, the management board shall draw up annual accounts (consisting of the balance. the profit and loss account with explanatory notes and the consolidated accounts). The annual accounts shall be signed by all the members of the management board and the supervisory board. If the signature of one or more of them is lacking, this shall be stated and reasons given. The management board shall draw up an directors report within the aforementioned period of

time.

3. The general meeting shall appoint an accountant in order to audit the annual accounts as drawn up by the management board, and, if drawn up, the directors report, and to produce a report on his audit examinations to both the supervisory board and the management board. If the general meeting fails to do so, the appointment shall be made by the supervisory board, and if the latter fails to do so, the appointment shall be made by the management board.  
The accountant as mentioned in this paragraph may be questioned by the general meeting about his statement on the fairness of the annual accounts.
4. The company shall ensure that the annual accounts and if drawn up, the directors report, as well as the information to be added by virtue of Section 2:392 paragraph 1 of the Dutch Civil Code, are held at its office as from the day on which the general meeting at which the annual accounts are dealt with, is convened for inspection by those entitled to attend the meeting, who can obtain a copy thereof, free of charge.
5. The general meeting shall adopt the annual accounts.
6. A discharge from any liability for the members of the management board with respect to the conduct of its management activities and the members of the supervisory board for its supervision thereof, shall only relate to the management activities, insofar as such management activities are reflected in the annual accounts.
7. The company is obliged to make its annual accounts publicly available at the Trade Register with due observance of the relevant legal provisions to this effect.

#### **Article 25. Dividend. Reservations.**

1. The management board shall annually determine, subject to the approval of the supervisory board, the amount of the distributable profit - the surplus on the profit and loss account - to be reserved.
2. The part of the profit remaining after the reservation in accordance with paragraph 1 shall be distributed as dividend on the ordinary shares.
3. The general meeting may resolve on a proposal of the management board and subject to the approval of by the supervisory board to make payments to the holders of the ordinary shares out of the distributable equity.
4. The general meeting may resolve on a proposal of the management board and subject to the approval by the supervisory board that a dividend payment on ordinary shares shall in whole or in part not be made in cash, but in shares in the company.
5. The management board may resolve to distribute an interim dividend. Such a resolution shall be subject to the approval of the supervisory board.
6. Moreover, Sections 2:103, 2:104, and 2:105 of the Dutch Civil Code and article 12 paragraph 7 of these Articles of Association shall apply to distributions to shareholders.

#### **Article 26. Payment.**

Dividends and other distributions shall be payable ultimately fourteen days after the resolution to make the distribution. The date of payment shall be announced in accordance with Article 29.

### **CHAPTER XI. GENERAL MEETINGS; ANNUAL MEETINGS. RIGHTS AT MEETINGS. ADMITTANCE.**

**Article 27. General meetings. Annual meetings.**

1. The annual general meeting shall be held every year within six months after the end of the financial year, in which shall be discussed:
  - a. the directors report;
  - b. the adoption of the annual accounts;
  - c. discharge of the members of the management board and the members of the supervisory board;
  - d. notification of intended appointments of members of the supervisory board and members of the management board, and of anticipated vacancies in the supervisory board;
  - e. the appointment of an auditor in order to audit the annual accounts;
  - f. any other proposals put forward by the supervisory board or the management board, and announced in accordance with article 29, for example the designation of a company body competent to issue shares and the authorisation of the management board to cause the company to acquire shares in its own capital or depositary receipts thereof.
2. Extraordinary general meetings shall be held as often as the management board or the supervisory board deems such necessary, or upon the written request addressed to the management board and/or the supervisory board by those entitled to attend meetings, representing at least one tenth of the issued capital, which request sets out in detail the subjects to be discussed.
3. If shareholders representing at least one tenth of the issued capital, pursuant to the stipulations of paragraph 2 have requested the management board and/or the supervisory board to convene a general meeting, but the management board and/or the supervisory board have not taken the necessary measures so that the meeting can be held within eight weeks after receipt of the request, the requesting parties shall be authorised to convene such meeting themselves.
4. Shareholders who alone, or in the aggregate, represent at least three per cent (3%) of the Company's issued capital, or any other threshold from time to time applicable pursuant to the Dutch Civil Code, have the right to request the management board or the supervisory board to place items on the agenda of a general meeting. If such proposals are submitted to the management board or the supervisory board in time, such that the management board can put these on the agenda for the next meeting, or can announce them by means of a supplementary notice, with due observance of the period set for convening a meeting in the manner as laid down hereinafter, the management board or the supervisory board shall be obliged to do so, unless important considerations prevent this.
5. General meetings shall be held in Leiden, Amsterdam, Rotterdam, The Hague, Haarlemmermeer, Leiderdorp or Oegstgeest.
6. Without prejudice to the provisions in paragraph 3, the convocation of general meetings of registered shares shall be made by either the management board or the supervisory board in accordance with article 29.
7. The convocation notice shall state the subjects of the meeting. Announcements which

pursuant to the law or these Articles of Association, must be addressed to the general meeting, may be included either in the convocation notice or deposited at the offices of the company for inspection, provided that the convocation notice states subject deposition. The convocation notice shall furthermore state the requirement mentioned in Article 28 paragraph 2.

8. Without prejudice to the stipulations of the second sentence of Section 2:111 paragraph 1 of the Dutch Civil Code, the convocation shall take place not later than on the forty-second day prior to the date of the meeting.
9. The general meetings shall be presided over by the chairman of the supervisory board and in his absence by one of the supervisory board members designated thereto by the supervisory board members present at the meeting and if only one supervisory board member is in office, by that member of the supervisory board. If no members of the supervisory board are present at the meeting, the meeting shall elect its own chairman. Until that moment one of the members of the management board present shall act as chairman.
10. The management board shall record the resolutions adopted.  
The records shall be deposited at the offices of the company for inspection by persons entitled to attend meetings.  
Upon request subject persons shall be provided with a copy or an extract of these records at actual cost.

**Article 28. Rights at meetings. Admittance. Voting.**

1. For each general meeting, the registration date as referred to in article 2:119 of the Dutch Civil Code will be set on the twenty-eight day prior to the date of the meeting, to determine who shall be entitled to vote at and/or attend the general meeting.
2. In the general meeting, rights may only be exercised, if the persons entitled to attend these meetings have announced to the management board in writing at least seven (7) days prior to the meeting, that they intend to attend the meeting personally, or that they shall be represented by proxy.
3. Those entitled to attend meetings shall be authorised to attend to address the general meetings, either in person or by proxy authorised in writing.
4. The accountant as mentioned in article 24 paragraph 3 shall be invited by the management board to attend the general meeting and shall be authorized to address that meeting.
5. In order to take part in the voting, those entitled to vote respectively their representatives must sign the attendance book, indicating the number of shares represented by them.
6. Each share confers the right to cast one vote.
7. No votes may be cast with respect to shares in the capital of the company held by the company or a subsidiary; nor with respect to shares for which any of them holds depositary receipts.
8. To determine the number of shareholders voting, present or represented, shares for which the law determines that no vote can be cast shall be disregarded.
9. Resolutions of the general meeting shall be adopted by an absolute majority of the votes cast, provided the law does not require a larger majority. Blank votes shall be considered

null and void.

10. Voting on matters of business shall take place by acclamation, unless the chairman of the general meeting decides otherwise.
11. In the event of a tie of votes on matters of business the proposal is rejected.
12. In the event of a tie of votes on persons, the decision shall be delegated to the supervisory board.
13. As long as the entire issued capital is represented at a general meeting valid resolutions can be adopted, even if the formalities for the convocation and holding of meetings have not been complied with, provided such resolutions are adopted unanimously.

## **CHAPTER XII. AMENDMENT OF THE ARTICLES OF ASSOCIATION.**

### **Article 29. Convocations and notifications.**

Without prejudice to the provisions of Section 2:96a paragraph 4 of the Dutch Civil Code, all convocation notices for general meetings, all announcements relating to dividends and other distributions and all other communications to shareholders shall be made in accordance with the relevant provisions thereon of the FSA and the Dutch Civil Code.

## **DISSOLUTION. LIQUIDATION.**

### **Article 30. Amendment of the articles of association. Dissolution.**

1. A resolution of the general meeting to amend the articles of association or to dissolve the company may only be adopted on a proposal of the management board which has been approved by the supervisory board.
2. If a proposal to amend the articles of association or to dissolve the company is put to the general meeting, this shall at all times be stated in the convocation notice of the general meeting and, in the event of an amendment of the articles of association, a copy of the proposal including the verbatim text of the proposed amendment shall be deposited simultaneously at the office of the company for inspection and made available free of charge to shareholders until the end of the meeting.

### **Article 31. Liquidation.**

1. In the event of dissolution of the company pursuant to a resolution of the general meeting, the members of the management board shall be charged with the liquidation of the business of the company and the supervisory board with the supervision thereof.
2. During liquidation, the provisions of these articles of association shall remain in force to the extent possible.
3. The balance remaining after settlement of debts, shall be transferred to the holders of ordinary shares, in proportion to the aggregate amount of their shareholdings.
4. The liquidation shall furthermore be subject to the provisions of Title 1, Book 2 of the Dutch Civil Code.