

Code of Conduct
Pharming Group N.V.
Updated: February 2019

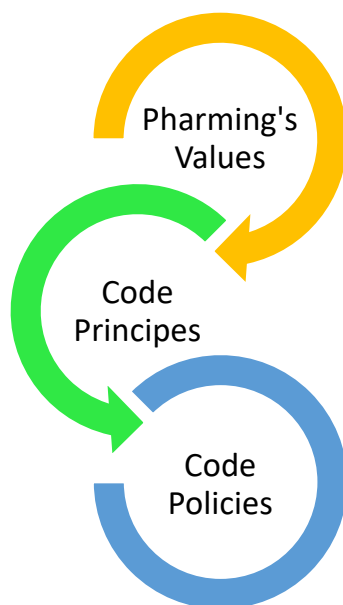


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Our Framework

Pharming is committed to maintaining the highest standard of ethical conduct. The Framework for our Code of Conduct is set out below.



Our Values of **Respect, Responsibility, Passion and Innovation** is the basis for everything we do.

Our Code Principles are derived from our values. The Principles set out the issues that are important in our operation. Our Principles are:

1. Pharming's Standard of Conduct;
2. Countering Corruption;
3. Respecting People; and
4. Safeguarding Information.

Our Code Policies define the ethical behavior that we all need to demonstrate when working at Pharming. While these are for internal use, we also publish them externally for transparency

Our Code Principles and Policies

Principle 1: Pharming's Standard of Conduct

Pharming is committed to maintaining the highest standards of ethical conduct with a strong focus on the rights and interests of our employees and society in general.

In order to achieve our high standards, The Board of Supervisory Directors, the Board of Management and all Pharming (and its subsidiaries) employees must comply with the policies in this Code of Conduct.

The Code intends to remind Pharming's Board of Supervisory Directors, Board of Management and employees of the responsibilities we have to all of our stakeholders, both internal and external, and the importance of building these relationships.

The Company expects its Board Members and Employees to carefully read this Code of Conduct as well as any future updates, on a regular basis. Each Pharming Board Member and Employee has the responsibility to comply with the Code and report a violation in accordance with its reporting procedures set out in this document.

Principle 2: Countering Corruption

Pharming and our employees are required to comply with the laws and regulations of the countries in which we operate.

Avoiding Conflicts of Interest

Conflicts of interest can have a significant negative impact on the reputation and effectiveness of Pharming, its business and its people. Conflicts of interest generally arise when an employee's own, or family interest, may influence the way he or she handles company business.

Pharming expects all Board Members and Employees not to carry out any personal activities and/or have any financial interests which are or could conflict with their responsibilities towards the Company.

Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none"> • Tell the Compliance Officer immediately if they believe any of their personal, financial or political activities create an actual, perceived or potential, conflict of interest with their role at Pharming. • Notify the Compliance Officer if: <ul style="list-style-type: none"> - They have a family member or close personal contact who is a public official; - Family members or a close personal contact works for or provides services to actual or potential competitors, customers or suppliers. • Notify the Compliance Officer if they (or a family member): <ul style="list-style-type: none"> - Hold investments that represent substantial interests in a Pharming competitor, supplier or customer; - Hold any interests in a supplier if they, or one of their team, are involved in selecting or assessing the supplier or negotiating with them. • Employees interested in taking a proposed directorship or another organization must secure prior approval from the Board of Management and the Compliance Officer and: <ul style="list-style-type: none"> - Must take steps before accepting, to ensure the role will not create an actual, perceived or potential conflict of interest, or take up excessive time; - Ensure they will not have access to commercially sensitive information. 	<ul style="list-style-type: none"> • Take, or divert to others, any business opportunities that arise in the course of doing their job at Pharming that could be of interest to Pharming. • Allow their personal, financial or political activities to affect or be perceived to affect the way they do their job at Pharming. • Appropriate to themselves, or to any other person or organization, the benefit of any business venture, opportunity or potential opportunity that was learned about in the course of the Board Membership or Employment, and that is in Pharming's line of business, without first obtaining consent from Pharming's entire Board of Management or, for the members of that body, the entire Board of Supervisory Directors. • Board members shall not accept any additional employment in a position of responsibility (such as consultant or director) with any third party without the prior approval of the Board of Supervisory Directors.

Pharming expects all Board Members and Employees to notify the Compliance Officer immediately if they believe any of their personal, financial, or political activities create an actual, perceived or potential conflict of interest with their role at Pharming.

Anti-Bribery

Pharming's commitment to doing business with integrity requires consistently high global standards. We have a zero-tolerance approach towards bribery and corruption that applies to all Pharming operations, regardless of local business practices. If a Board Member or Employee considers that a bribe, improper advantage or

facilitation payment has been given or received, they must not conceal this or take any steps that could delay information being passed to the Compliance Officer.

Board Members and Employees must:	Board Members and Employees must not (directly or indirectly):
<ul style="list-style-type: none"> • Always make clear, internally and when dealing with third parties, that Pharming has a zero-tolerance approach to bribery and corruption and will not (directly or indirectly) offer, pay, seek or accept a payment, gift or favour to improperly influence a business outcome. • Immediately notify the Compliance Officer if they become aware of any suggested or actual payment or other transaction which has the potential to be in breach of this Code of Conduct. • Ensure that before employing or entering into contracts with any third parties to represent Pharming or its interests externally, relevant Pharming teams have undertaken due diligence checks to assess the third party's integrity. The outcome of such checks must be considered carefully before deciding whether to appoint a third party. Employees must inform the Compliance Officer of any concerns. 	<ul style="list-style-type: none"> • Offer or give bribes or improper advantages (including facilitation payments) to any public official or other individual or third party, which are, or give the impression that they are, intended to influence decisions by any person about Pharming. • Request or receive bribes or improper advantages from any third party, which may, or give the impression that they may be, intended to influence decisions about that third party.

Gifts and Hospitality

All of Pharming's relationships must reflect its ongoing commitment to doing business with integrity. Hospitality can play a positive role in building relationships with customers, suppliers and other third parties. Likewise, it is sometimes appropriate to offer gifts (i.e. in the context of promotional events or product launches). However, as accepting or receiving gifts and hospitality can be open to abuse or generate actual or perceived conflicts of interest, it should occur sparingly, and always be legitimate and proportionate in the context of Pharming's business activities.

Gifts

Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none"> • Ensure that any gifts received do not exceed a nominal value of €50.00. • Only offer gifts which are customarily given and are of a commemorative nature for special events or in the normal course of the Company's business. • Return any gifts of a higher value with a request not to repeat this in future. Any instance of repetition is taken seriously and could invite disciplinary action. 	<ul style="list-style-type: none"> • Offer or accept any gifts that are intended or might be seen to influence business decisions or create an obligation to do something in return. • Offer or accept any gifts that are a cash equivalent, such as lottery tickets, gift certificates, vouchers, loans, guarantees, or any other granting of credit, shares or options.

Hospitality:

Board Members and Employees must:	Board Members and Employees must not:
<p>Only accept hospitality if:</p> <ul style="list-style-type: none"> - There is a legitimate interest in doing so. - It is in the form of a locally hosted meal, attendance at, or participation in and organized teambuilding occasion, local cultural or sporting event, award ceremony or similar responsible activity. - Usual business contacts from Pharming are physically present. - It remains one-off or irregular in nature. 	<ul style="list-style-type: none"> • Offer or accept hospitality or any other favours which are intended or might be seen to influence business decisions or create an obligation to do something in return. • Offer or accept any hospitality involving overnight stays or foreign travel without prior consent of the Board of Management. • Offer or accept any hospitality that is not consistent with the Code of Conduct or may cause offence under local norms and customs.

Accurate records, reporting and accounting

The financial reports and other information that Pharming maintains internally and the financial information it provides to shareholders, regulators and other stakeholders must be accurate and complete. Pharming shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none"> • Record all transaction accurately completely and promptly. • Only perform transactions for which they are authorized. • Ensure transactions they approve are legitimate and based on valid documentation. • Notify the Compliance Officer or the Board of Management of any potential fraud, other misrepresentation of accounting. • Retain records that may be relevant to any ongoing audit, litigation, or regulatory investigation even if they exceed the normal retention period, if instructed to do so. • Cooperate fully, openly and honestly with internal/external auditors, tax authorities and other regulators. 	<ul style="list-style-type: none"> • Do anything to artificially inflate or shift sales or profit between reporting periods. • Create maintain or procure others to produce or maintain undisclosed or unrecorded accounts, funds, or assets. • Conceal alter or falsify company records, accounts and documents.

Protecting Pharming's assets and IP

Employees are responsible for ensuring Pharming's assets are protected. This Code of Conduct covers the protection of physical assets/property, financial assets and intellectual property. For information on Health and Safety risk management at Pharming see the Occupational Health and Safety section.

Board Members and Employees must:	Board Members and Employees must not:
Physical assets/property	
<ul style="list-style-type: none"> • Take care to ensure that all Pharming physical assets/property they encounter while working is not damaged, misused or wasted. Physical assets/property includes laboratory equipment, Pharming products, computers and company motor vehicles. 	<ul style="list-style-type: none"> • Remove Pharming's physical assets/property from company premises without permission or use them for inappropriate purposes.
Financial assets	
<ul style="list-style-type: none"> • Protect pharming's financial assets, such as bank accounts, credit cards. Guarding against misuse, loss, fraud or theft. • Only authorize commitments, expenditure, borrowing or other financial transactions in line with their role and seniority as specified in local regional and or global financial and or treasury authority schedules. 	
Intellectual property	
<ul style="list-style-type: none"> • Report any suspected counterfeit products or any product, packaging, communication or marketing practice that are suspected of infringing Pharming copyright, trademarks, patents, design rights, domain names and other intellectual property rights. • When undertaking collaborative work with third parties, ensure a contract is in place with appropriate clauses to protect Pharming's intellectual property rights and ensure freedom to use results. • Keep all proprietary information confidential unless disclosure is authorized by Pharming or required by law. 	

Principle 3: Respecting People

People should be treated with dignity, honesty and fairness. Pharming and its employees celebrate the diversity of people. Pharming wants to foster a working environment that is fair and safe, where rights are respected, and everyone can achieve their full potential.

Occupational Health and Safety

Pharming is committed to providing healthy and safe working conditions. Employees and visitors to Pharming sites must work and behave safely. To create a safe working environment, Pharming has established an internal Health and Safety position. A professional dedicated staff member is working on Health and Safety policies and monitors their implementation. For more complex issues external advice is obtained. Safety is continuously monitored, and significant attention is paid to education and information.

Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none">• Comply with health and safety procedures and instructions relevant to their work and or about which they have been trained or notified.• Help ensure that those they work with including contractors and visitors are familiar with and follow applicable health and safety procedures and instructions.• Only undertake work that they are trained, competent, medically fit, sufficiently rested and alert enough to do.• Make sure they know what to do if an emergency occurs at their place of work or at a site they are visiting.• Promptly report to Pharming Human Resources any actual or near miss accident or injury, illness, unsafe or unhealthy condition, incident, spill or release of material to the environment, so that steps can be taken to correct, prevent or control those conditions immediately.	<ul style="list-style-type: none">• Undertake work or related activity such as driving, when under the influence of alcohol or drugs, or when using medication improperly.• Carry on with any work that becomes unsafe or unhealthy.• Assume someone else will report a risk or concern.

Animal welfare

Pharming's transgenic technology involves animals and thus animal safety and animal welfare are crucial. Pharming has an Animal Code of Conduct in place, which focuses on the strict regulatory control of transgenic materials and animals. It emphasizes the importance of carrying out its activities with transgenic animals in a consistent and safe manner and in conformity with the laws and regulations in force in the countries of operation. Special attention is given to the strict separation of transgenic and non-transgenic materials and animals. In addition, the Company follows strict procedures to prevent the prohibited release of transgenic animals, their semen or any other reproductive transgenic material into nature.

Pharming is largely dependent on its transgenic animals and highly values animal health and welfare. The Company has an Animal Welfare Policy which, amongst others, imposes that the Company will not develop products with unacceptable adverse effects on animal health and welfare. Pharming carefully and continuously monitors the health and welfare of its animals.

Respect dignity and fair treatment

Pharming is committed to ensuring that all employees work in an environment that promotes diversity and where there is mutual trust, respect for human rights, and equal opportunity, and no unlawful discrimination or victimization.

Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none"> • Respect the dignity and human rights of colleagues and all others they encounter as part of their jobs; • Treat everyone fairly and equally without discrimination on the grounds of race, age, role, gender, identity, colour, religion, country of origin, sexual orientation, marital status, dependents, disability, social class or political views. This includes consideration for recruitment, redundancy, promotion, reward and benefits, training or retirement which must be based on merit. 	<ul style="list-style-type: none"> • Engage in any direct behaviour that is offensive, intimidating, malicious, or insulting. This includes any form of sexual or other harassment or bullying, whether individual or collective and whether motivated by race, age, role, gender identity, colour, religion, country of origin, sexual orientation, marital status, dependents, disability, social class or political views. • Engage in any indirect behavior which could be construed as sexual or other harassment or bullying, such as making offensive or sexually explicit jokes or insults, displaying, emailing, texting, or otherwise distributing, offensive material or material of a sexual nature, misusing personal information, creating a hostile or intimidating environment isolating or not cooperating with a colleague, or spreading malicious or insulting rumors.

Pharming has a so-called working conditions policy or ARBO policy ('arbeidsomstandighedenbeleid') in place for the Dutch entities of Pharming and as such this ARBO policy, as amended from time to time, is an integral part of the Pharming collective bargaining agreement ('Regeling Arbeidsvoorwaarden').

Modern Slavery and Human Trafficking

Pharming is committed to complying with child labour laws, and laws prohibiting any form of forced, bonded or indentured labour. No employee should take unfair advantage of anyone through inappropriate manipulation or abuse of information. Pharming will not knowingly work with third parties who engage in any human trafficking or forced labour.

Principle 4: Safeguarding information

Information is essential to our success. It fuels our research keeps us in touch with consumer needs and helps us work effectively together. If used inappropriately, information can cause considerable damage to our business.

Protecting Pharming's information

Information is one of Pharming's most valuable business assets. Pharming is committed to safeguarding and protecting our information and any other information entrusted to us. Personal data relating to employees, patients, and other individuals is subject to specific laws and regulations in most countries and requires special handling. For additional information please see the Personal Data and Privacy section in this Code of Conduct.

Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none"> • Consider the nature and classification of the information, understand the handling requirements for information and take personal responsibility for the proper use, circulation, retention, protection and disposal of Pharming's information. • Only distribute or share Pharming's information on a need to know basis, ensuring that only Pharming employees or others working for Pharming, or authorized third parties, with a genuine business need, have access to the information. • Take care not to disclose Pharming's information in public places, including taking all necessary steps to protect documents and IT devices away from the workplace. • Comply with proper use of Pharming Information Technology and only share approved information in accordance with the Code of Conduct. 	<ul style="list-style-type: none"> • Disclose Pharming's information externally to third parties unless in approved to do so. • Use Pharming information for anything other than a legitimate business purpose or as required by law.

Preventing Insider Trading

Employees must not use inside information to buy or sell securities of Pharming Group N.V. or any other listed Pharming subsidiary. Securities include shares, equities, and related derivatives or spread bets. Trading or encouraging other to trade on insider information, or giving it to unauthorized parties, is a criminal offence in many countries. A breach of the applicable laws can lead to fines and/or imprisonment. Inside information means information that is not available to the public and that a reasonable investor would probably consider important in deciding whether to buy or sell a company's shares. For more information on inside information see the Insiders Policy on the Compliance Intranet Page.

Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none"> • If employees suspect or know that some inside information is not being managed as such, they must immediately advise the Compliance Officer. 	<ul style="list-style-type: none"> • Buy or sell securities of any listed company when in possession of inside information related to those securities, even if they believe they are not relying on it. This includes trading at times when there are market rumors that they know are false. • Encourage anyone to buy or sell securities of any listed companies when they have inside information related to those

	<p>securities, even if they do not profit from the arrangement.</p> <ul style="list-style-type: none"> • Pass inside information relating to Pharming to anyone within Pharming (unless they are on the relevant insider list) or outside Pharming including family members or friends. • Spread false information or engage in other activities to manipulate the price of publicly listed securities.
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Pharming maintains Insider lists that name all employees and external advisors who have authorized access to Pharming’s inside information. Individuals will be notified by the Compliance Department if they have insider status.

Personal Data and Privacy

Pharming respects the privacy of all individuals and the confidentiality of any Personal Data Pharming holds about them.

When collecting, using, or storing personal data, Board Members and Employees must:	Board Members and Employees must not:
<ul style="list-style-type: none"> • Follow all internal policies on the collection and processing of personal information. • Obtain from the individual the level of consent required by local laws, including where personal data is obtained from third parties. • Only collect data that is adequate, relevant and used solely for the purposes for which it is collected. • Use personal data in accordance with the relevant laws and regulations; • Keep personal data up to date. Inaccurate data must be corrected and records of any changes must be maintained; • Keep personal data confidential and secure with paper copies also stored securely. 	<ul style="list-style-type: none"> • Retain personal data for longer than necessary to achieve the business objective or meet minimum legal requirements (including data retention or national security laws); • Share it, internally or externally, unless this is relevant to the purpose for which personal data is collected. The individual must be made aware of any third-party access to the data which may include access from a location outside the country in which the personal data is collected; • Transfer data outside the country in which it is collected, even within Pharming, without advice from their Legal business partner, as there may be legal restrictions/requirements relating to the transfer (e.g. prior explicit consent may be required).

Pharming may, to the extent permitted by law, log, monitor, record, inspect and/or remove material to comply with legitimate requests to disclose such material to local law enforcement, regulatory agencies or judicial authorities.

Use of Information Technology

Information Technology (IT) – including desktops and laptops, mobile devices, networks, software, email, data, business applications and internet/intranet – are critical to Pharming’s operations. Employees must ensure the responsible and secure use of IT in Pharming, applying the same personal and professional standards as for any other business activity when using the internet, intranet, social media, messaging and email.

When using Pharming’s IT, Board Members and Employees must ensure that:	When using Pharming’s IT, Board Members and Employees must not:
<ul style="list-style-type: none">• Only use credentials allocated to them;• Keep passwords confidential;• Only use Pharming’s approved or provided hardware, software and other IT services (this may include personally owned devices as specifically authorised);• Ensure any additional software or storage is approved and appropriately licensed;• Obtain express permission from any employee before posting or publishing personal information about them (see the Code Policy on Personal Data and Privacy);• When using social media, they are clear about whether they are acting in a personal or professional capacity (see the Pharming Social Media Standard);• Immediately report any suspected or confirmed misuse of Pharming’s IT through correct internal channels.	<ul style="list-style-type: none">• Try to disable, defeat or circumvent standard security features;• Access, store, send, post or publish material that is pornographic, sexually explicit, indecent or obscene, or that promotes violence, hatred, terrorism or intolerance;• Defame, slander or lower the reputation of any person or entity or their goods or services;• Delete, destroy or modify existing systems, programs, information or data without appropriate authorisation;• Upload or transfer outside Pharming any application or data licensed to the company and/or for which Pharming owns the copyright.

Pharming may, to the extent permitted by law, log, monitor, record, inspect and/or remove material to comply with legitimate requests to disclose such material to local law enforcement, regulatory agencies or judicial authorities.

What to do if this Code of Conduct is violated (Reporting procedures)

Any significant (expected or threatened) violation of this Code or applicable law must be reported immediately. Whether a violation is 'significant' will depend on the circumstances at hand, such as whether the event or circumstances involve a criminal offense or economic offense, whether persons have been exposed to serious risks and what the potential consequences for Pharming and its stakeholders are or could have been.

Violation reports should always be made in good faith. A violation of the Code or of applicable laws is a serious matter and could have legal implications. Appropriate action will be taken against any person making intentional false allegations.

the Board of Management has assigned three individuals that can be contacted, either collectively or individually, being:

- Compliance Officer;
- General Counsel;
- Human Resources Director/Manager.

These three individuals can be consulted to discuss any actual or potential violation under the Code; they are strictly bound by confidentiality rules that prohibit them to discuss the (potential) violation with anyone else unless permission has been granted by the person contacting the officer(s).

Board members and employees expected to report, if necessary, anonymously, any violation of the Code. The full procedure has been incorporated in the 'Whistleblowers' procedure of Pharming Group N.V.', which document is an integral part of this Code of Conduct. For anonymous reporting the Compliance Hotline can be used.

The Board of Management of Pharming has delegated maintenance of the Code to the Company's Compliance Officer. Employees are encouraged to make suggestions for further improvement of this Code of Conduct; suggestions can be addressed in writing (letter and/or email) to the Company's Compliance Officer. The Compliance Officer will inform the Board of Supervisory Directors and the Board of Management of any developments as well as the improvements suggested by employees, which may require updating the Code.

New versions of this Code will be published on both the Company's website and intranet immediately after approval by the Board of Management and anyone within its scope will be informed in writing (letter and/or email) and, if necessary, a presentation will be provided to highlight the backgrounds and implications of the update.

The following documents issued by the Company are an integral part of this Code:

- Animal Code of Conduct;
- Animal Welfare Policy;
- Internal Code on Insider Information (available in both English and Dutch);
- Whistleblower's procedure; and
- Compliance Hotline.

Acknowledgement of receipt of Code of Conduct

I.....[insert name], hereby certify and acknowledge that:

I am a member of the Board of Supervisory Directors, a member of the Board of Management or (in accordance with the scope of this Code of Conduct) employee of the Company;

I have received, read, and understood the Code of Conduct of Pharming Group N.V. ('the Company');

Such Code has been and is applicable to my duties as a member of the Board of Supervisory Directors, a member of the Board of Management or employee.

Signed

Name

Job Title

Date