

**Audit Committee
Charter of
Pharming Group N.V.**

INTRODUCTION

Article 1. Introduction

- 1.1 This charter, together with the relevant provisions of the Board Rules, govern the organization, decision-making and other internal matters of the Committee. In performing their duties, the Committee Members shall comply with this charter and the relevant provisions of the Board Rules.
- 1.2 This charter shall be posted on the Website.

Article 2. Definitions and Interpretation

- 2.1 Unless otherwise defined in this charter, capitalized terms shall have the meanings ascribed to them in the Board Rules.
- 2.2 Without prejudice to Article 2.1, the following definitions shall apply in this charter:
- **Article:** an article of this charter;
 - **Board:** the Company's board of directors;
 - **Board Rules:** the internal rules of the Board;
 - **CFO:** the Company's chief financial officer;
 - **Committee:** the Company's audit committee;
 - **Committee Chairperson:** the chairperson of the Committee;
 - **Committee Member:** a member of the Committee;
 - **Company:** Pharming Group N.V.;
 - **Exchange Act:** the United States Securities Exchange Act of 1934, as amended;
 - **Internal Audit Function:** the Company's internal audit function, if and when established;
 - **Internal Controls:** the Company's internal risk management and control systems;
 - **Regulation S-K:** Regulation S-K promulgated under the Securities Act;
 - **SEC:** the United States Securities and Exchange Commission;
 - **Securities Act:** the United States Securities Act of 1933, as amended.
- 2.3 Terms that are defined in the singular have a corresponding meaning in the plural.
- 2.4 Words denoting a gender include each other gender.

CHAPTER I. COMMITTEE CHARTER

Article 3. Composition

- 3.1 The Committee consists of at least three Non-Executive Directors.
- 3.2 The Committee Members shall be appointed and dismissed by the Board.
- 3.3 More than half of all Committee Members, including the Chairperson, shall be independent within the meaning of the Dutch Corporate Governance Code.
- 3.4 All Committee Members shall be independent within the meaning of Nasdaq Rule 5605(a)(2) and shall meet the criteria for independence set forth in Rule 10A-3(b)(1) of the Exchange Act, subject to the applicable exceptions provided in Rule 10A-3(c) of the Exchange Act.
- 3.5 At least one Committee Member must have competence in accounting and/or auditing.
- 3.6 Subject to any available exceptions under applicable law and stock exchange requirements:

- a. each Committee Member must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement and may not have participated in the preparation of the financial statements of the Company or any of its subsidiaries in the last three years; and
 - b. at least one Committee Member shall be an audit committee financial expert under Item 407(d)(5)(ii) and (iii) of Regulation S-K.
- 3.7** The Committee shall elect a Committee Member to be the Committee Chairperson. The Committee may dismiss the Committee Chairperson, provided that the Committee Member so dismissed shall subsequently continue his/her term of office as a Committee Member without having the title of Committee Chairperson.
- 3.8** The Committee Chairperson shall not be the Chairperson or a former Executive Director.

Article 4. Duties and Organization

- 4.1** The Board may allocate from time to time certain of its tasks and duties to the Committee pursuant to a resolution to that effect. The Committee can validly pass resolutions in respect of matters which fall under the tasks and duties allocated to the Committee.
- 4.2** The Committee is charged with, and shall be able to present recommendations to the Board and, to the extent applicable, pass resolutions relating to, the following matters:
- a. monitoring the Board with respect to :
 - i. the relations with, and the compliance with recommendations and follow-up of comments made by, the Internal Audit Function and the External Auditor;
 - ii. the Company's funding;
 - iii. the application of information and communication technology by the Company, including risks relating to cybersecurity; and
 - iv. the Company's tax policy;
 - b. the Company's compliance with applicable legal and regulatory requirements;
 - c. the operation of the Company's code of business conduct and ethics and its other internal policies;
 - d. issuing recommendations concerning the appointment and the dismissal of the head of the Internal Audit Function, as relevant, and reviewing and discussing the performance of the Internal Audit Function;
 - e. reviewing and discussing the Company's audit plan, including with the Internal Audit Function and the External Auditor;
 - f. providing the external audit results in relation to the Company's annual accounts and annual report to the Board, indicating how the audit has contributed to the integrity of such financial reporting and which role the Committee had in that process;
 - g. reviewing and discussing the essence of the audit results, also with the Internal Audit Function, including:
 - i. flaws in the effectiveness of the Internal Controls;
 - ii. findings and observations with a material impact on the Company's risk profile;and

- and report financial information and fraud involving the Company's management or other employees with a significant role in the design or operation of the Internal Controls; and
- ii. material changes made to, and material improvements planned for, the Internal Controls;
- o. assisting the Company in preparing the disclosure to be included in the Company's applicable filings as required by the Securities Act, the Exchange Act and their related rules;
 - p. reviewing and monitoring the independence of the External Auditor, also considering any non-audit services rendered by the External Auditor to the extent permitted under applicable law;
 - q. determining the procedure for selecting the External Auditor and for proposing the appointment of the External Auditor to the General Meeting;
 - r. evaluating annually the External Auditor's performance;
 - s. advising the Board regarding the External Auditor's nomination for (re)appointment or dismissal (including confirmation and evaluation on the rotation of the audit partners on the audit engagement team as required by applicable law and stock exchange requirements) and preparing the selection of the External Auditor for such purpose, as relevant;
 - t. reviewing and discussing the terms of engagement of the External Auditor to audit the Company's financial statements, to prepare or issue an audit report, or to perform other audit, review or attest services, submitting proposals to the Board concerning the External Auditor's engagement to audit the Company's financial statements, in each case including the scope of the audit, the materiality standard to be applied and the External Auditor's compensation and causing the Company, without further action, to pay the compensation of the External Auditor as approved by the Committee;
 - u. engagement of such independent legal, accounting and other advisors as the Committee deems necessary or appropriate to carry out its responsibilities, including causing the Company, without further action, to pay the reasonable compensation of such advisors as approved by the Committee;
 - v. causing the Company to pay, without further action, the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its responsibilities;
 - w. preparing the Committee report that the SEC rules require to be included in the Company's annual proxy statement (if and when the Company would become subject to those rules);
 - x. establishing policies for the Company's hiring of current or former employees of the External Auditor;
 - y. establishing procedures for:
 - i. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - ii. the confidential, anonymous submission by employees of the Company of

Internal Audit Function has been established.

- 5.3** If and for as long as there is no Internal Audit Function, the Committee shall make recommendations to the Board in order for the Board to assess at least annually whether:
- a. adequate alternative measures have been taken; and
 - b. it is necessary or desirable to establish an Internal Audit Function.

CHAPTER II. OTHER PROVISIONS

Article 6. Amendments and Deviations

Pursuant to a resolution to that effect, the Board may amend or supplement this charter and allow temporary deviations from this charter, subject to ongoing compliance with applicable law and stock exchange requirements.

Article 7. Governing law and Jurisdiction

This charter shall be governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute arising in connection with this charter shall be submitted to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.