

SUPERVISORY BOARD RULES

These rules (the *Supervisory Board Rules*) of the supervisory board (the *Supervisory Board*) have been established by the Supervisory Board pursuant to article 21 paragraph 2 of the articles of association (the *Articles of Association*) of NOXXON Pharma N.V. (the *Company*). These Supervisory Board Rules are supplementary to the provisions concerning the Supervisory Board as set forth in applicable rules and regulations and the Articles of Association.

These Board Rules were adopted by the Supervisory Board on 27 September 2016.

CHAPTER 1 PRINCIPLES AND BEST PRACTICES

The board of directors of the Company (the *Board of Directors*) and the Supervisory Board are responsible for the corporate governance structure of the Company and compliance with relevant rules in that regard. The broad outline of Company's corporate governance structure will be explained in a separate corporate governance statement and be available on the Company's corporate website. The Board of Directors and the Supervisory Board will be accountable to the general meeting of shareholders (the *General Meeting*) in this regard.

The Company supports the principles of the Netherlands Corporate Governance Code dated 10 December 2008 (the *Dutch Code*). The Company will apply the best practice provisions of the Dutch Code. To the extent application (wholly or partly) of individual provisions of the Dutch Code would in the opinion of the Board of Directors and the Supervisory Board be in conflict with other corporate governance principles or practices considered relevant and appropriate, it can resolve that the Company shall divert from such individual principles or best practice provisions. Such non-application shall be described and explained in a separate chapter of the Company's annual report.

Any substantial change in the corporate governance structure of the Company and in the application of the Dutch Code shall be submitted for discussion to the General Meeting as a separate agenda item. The Board of Directors together with the Supervisory Board will provide sound reasons with a motivation for any non-application of the individual principles or best practice provisions.

CHAPTER 2 TASKS AND RESPONSIBILITIES. COMPOSITION

2.1 Duties and responsibilities.

The role of the supervisory directors of the Supervisory Board (the *Supervisory Directors* and each a *Supervisory Director*) is to supervise the policies of the Board of Directors and the general course of affairs in the Company, its subsidiaries and their businesses, as well as to assist the Board of Directors by providing advice. In performing his/her duties, each Supervisory Director shall be guided by the interests of the Company and its subsidiaries and all their businesses, taking into consideration the interests of the Company's stakeholders. The Supervisory Board shall also have due regard for corporate social responsibility issues that are relevant to the business of the Company. The Supervisory Directors are responsible for the quality of their own performance.

2.2 Collective functioning.

The Supervisory Directors shall act collectively with shared responsibility and will function through resolutions. The Supervisory Directors may authorise individual members to take such further actions as they shall deem necessary and in the interest of the Company. The specific role of the chairperson of the Supervisory Board (the *Chairperson*) shall be determined by the provisions of these Supervisory Board Rules and by other applicable corporate governance codes and provisions.

2.3 Committees.

In addition to the audit committee, the compensation committee and the nomination and corporate governance committee, the Supervisory Board may delegate certain of its other powers and responsibilities to other committees formed among the Supervisory Directors which shall report on their findings to the Supervisory Board (see below). The constitution and the charters of all committees of the Supervisory Board shall be determined by the Supervisory Board.

Even though any committee of the Supervisory Board acts on the basis of delegation of certain responsibilities of the Supervisory Board, the Supervisory Board shall remain fully responsible for the actions undertaken by such committee.

2.4 Commitment and absence.

Each Supervisory Director shall procure that it will have sufficient time for the proper fulfilment of their role, functions and responsibilities. This will be monitored by the Chairperson.

The Supervisory Directors who are frequently absent shall be called to account for this. The annual reports and accounts shall state which Supervisory Directors have been frequently absent from meetings.

2.5 Information gathering.

Even though the Board of Directors has the obligation to supply the Supervisory Board with all information it may require for the performance of its task, the Supervisory

Board and each individual Supervisory Director have their own responsibility for obtaining all information from the Board of Directors and the external auditor which they may require in order to properly perform their role and function and responsibilities. If the Supervisory Directors consider it necessary, they may obtain information from (executive) officers and external advisers of the Company. The Company shall provide the necessary means for this purpose. The Supervisory Directors may require that relevant officers and external advisers attend its meetings.

2.6 Composition. Number of Supervisory Directors. Term.

The Supervisory Directors shall be appointed and removed by the General Meeting upon a binding nomination of the Supervisory Board and with due observance of the provisions of the Articles of Association. The Supervisory Board aims for a diverse composition in terms of such factors as gender and age. Appointments shall furthermore take into account the profile for the Supervisory Directors established by the Supervisory Board (see below).

The Supervisory Board shall consist of at least three members.

A Supervisory Director will serve for a maximum term of two years. A Supervisory Director shall retire in accordance with the rotation schedule (see below) and in any event not later than on the day on which the first General Meeting is held following lapse of two years since his or her appointment. Supervisory Directors may be re-appointed for no more than six two-year terms.

2.7 Profile.

The Supervisory Board shall prepare a profile (*profielschets*) for its size and composition taking into account the nature of Company's business, the Supervisory Board's activities and the desired expertise and background of the Supervisory Directors. This profile shall be re-considered and be updated from time to time with due regard for the operational and strategic developments within the Company.

2.8 Qualifications and consistency of appointments with profile.

Any nomination for (re-)appointment of Supervisory Directors will be checked for consistency with and motivated in the context of the then current profile. A Supervisory Director shall be nominated by the Supervisory Board for re-appointment only after careful consideration. Any nomination for re-appointment will be considered in the absence of the individual concerned on the basis of his functioning during his/her previous term.

Each Supervisory Director must be capable of assessing the broad outline of the Company's overall policy. Each Supervisory Director must have the specific expertise required for the fulfilment of the duties assigned to him/her within the framework of the profile for Supervisory Directors. The composition of the Supervisory Board shall be such that they are able to carry out their duties properly.

2.9 Rotation schedule.

The Supervisory Board shall adopt a rotation schedule for the Supervisory Directors with due observance of the provisions of the Articles of Association. They will retire in accordance with the rotation schedule. The rotation schedule shall to the extent possible avoid that many Supervisory Directors retire simultaneously. A Supervisory Director shall retire early in the event of inadequate performance, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board.

2.10 Outside positions.

A Supervisory Director shall restrict its memberships of the supervisory boards and non-executive positions on one-tier boards of directors of large Netherlands companies to such a number that the proper fulfilment of his duties as a Supervisory Director shall be safeguarded. He/she shall not be a member of supervisory boards or hold a non-executive position on a one-tier board of five (5) or more large Netherlands companies, whereby the chairpersonship of a supervisory board or the chairpersonship of a one-tier board shall count double.

2.11 Attendance of General Meetings.

The Supervisory Directors shall attend the General Meetings, except if prevented by reasons beyond their control or if they shall have obtained permission from the Chairperson not to attend.

2.12 Limitation of responsibilities and diversity policy.

For so long as the Company does not qualify as a large company for the purposes of the provisions of Sections 2:132a, 2:142a and 2:166 of the Dutch Civil Code, the Board of Directors and Supervisory Board shall nevertheless endeavour to voluntarily, if possible, comply with the rules give in those sections if any seats on the Board of Directors or Supervisory Board become available and persons are nominated for appointment.

2.13 Remuneration.

The remuneration of the Supervisory Directors shall be determined by the General Meeting upon proposal of the Supervisory Board. In the event a Supervisory Director is a member of a committee of the Supervisory Board (see below), such Supervisory Director will be entitled to an additional cash compensation.

CHAPTER 3 THE CHAIRPERSON AND THE COMPANY SECRETARY

3.1 Appointment and principal role Chairperson.

The Supervisory Board shall designate one of the Supervisory Directors as the Chairperson and may appoint one or more deputy chairpersons from among the Supervisory Directors.

The Chairperson is responsible for the proper functioning of the Supervisory Board and its committees and shall communicate on behalf of the Supervisory Board. The Chairperson shall act on behalf of the Supervisory Board as the main contact for the Board of Directors and for shareholders regarding the functioning of the members of the Board of Directors and the Supervisory Directors. The Chairperson shall have such further duties and authorities as are set out below and as shall be determined by the Supervisory Board.

The Chairperson determines the agenda of the Supervisory Board, chairs the meetings of the Supervisory Board, monitors the proper functioning of the Board, the Supervisory Board and of the committees. He/she ensures, as chairperson, the orderly and efficient conduct of the General Meeting.

3.2 Specific responsibilities.

The Chairperson shall specifically see to it that:

- a. the Supervisory Board is duly composed and functions properly;
- b. an induction programme and a permanent education programme are available for the Supervisory Directors and the Supervisory Directors follow their induction and education or training programme;
- c. the Supervisory Directors receive in good time all information which is necessary for the proper performance of their duties;
- d. there is sufficient time for consultation and decision-making by the Supervisory Directors;
- e. the committees function properly;
- f. the performance of the members of the Board of Directors and the Supervisory Directors is assessed at least once a year;
- g. the Supervisory Board appoints a deputy chairperson of the Supervisory Board if and when the appointment of a deputy chairperson is considered appropriate; and
- h. the Supervisory Directors have proper contact with the Board of Directors.

3.3 Independence.

The Chairperson shall not be a former member of the Board of Directors, nor a person who is or has been otherwise responsible for the Company's duly affairs.

3.4 Further powers.

The Supervisory Board may delegate further powers to the Chairperson, it being understood that the Chairperson shall not hold any executive powers.

3.5 Role company secretary.

The chairperson may be assisted in his role by the company secretary of the Board of Directors, who may be appointed, if and when needed, by the Board of Directors, after the approval of the Supervisory Board has been obtained. The company secretary shall

ensure that correct procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations and its obligations under the Articles of Association and the Supervisory Board Rules.

The company secretary shall ensure that correct procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations and its obligations under the Articles of Association and the Supervisory Board Rules. He/she shall assist the Chairperson in the actual organisation of the affairs of the Supervisory Board (information, agenda, evaluation, training programme, etc.).

The Supervisory Board may delegate further powers to the company secretary.

CHAPTER 4 MEETINGS OF THE SUPERVISORY BOARD

4.1 Frequency.

As a rule, the Supervisory Board shall meet at least once every quarter and in principle, the Supervisory Directors shall meet in a joint meeting with the Managing Directors.

The Supervisory Board shall discuss at least once a year the strategy and the main risks associated with the business, the results of the assessment by the Board of Directors of the structure and operation of the internal risk management and control systems, including potential significant changes to such systems. The fact that such discussions took place should be noted in the annual reports and financial statements.

Other meetings of the Supervisory Board shall be held as often as any Supervisory Director, or the Board deems such necessary stating the object of discussion. Meetings of the Supervisory Board must be held if required for the welfare of the Company.

4.2 Meetings without the Board of Directors being present.

The Supervisory Board shall discuss at least once a year on its own, i.e. without the Board of Directors being present, both its own functioning as a whole and that of the Supervisory Directors individually, and the conclusions that are drawn on the basis thereof. The desired profile, composition and competence of the Supervisory Directors shall also be discussed. Reference to these discussions shall be made in the report of the Supervisory Directors.

At least once a year the Supervisory Board shall, without the Board of Directors being present, assess both the functioning and the performance of the Board of Directors as an organ of the Company and the performance of its individual members, and the resulting conclusions that are drawn from such assessment. The report of the Supervisory Board shall state how the evaluation of the functioning of the Supervisory Board, the separate committees and the individual Supervisory Directors has been carried out.

At least once every four years, the Supervisory Board and the audit committee of the Company (the *Audit Committee*) shall conduct a thorough assessment of the functioning of the external auditor in the different capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the General Meeting for the purposes of assessing the nomination for the appointment of the external auditor.

The provisions of Chapter 4 shall apply *mutatis mutandis* to meetings referred to in this paragraph.

4.3 Convocation. Notice.

Both joint meetings with the Board of Directors as well as meetings of the Supervisory Directors only are called by the Chairperson. Unless otherwise agreed by the Supervisory Directors (and the Managing Directors if applicable), notice of each meeting, confirming the venue, the time and date, any dial-in details and the agenda as well as the necessary documents related to the items of the agenda shall be delivered to all invitees three business days before the meeting at the latest, unless the urgency of the matters to be discussed demands a shorter period. With due observance of the convocation period, each Supervisory Director (or Managing Director as applicable) may furthermore demand that an object is included in the agenda of a meeting.

4.4 Chair. Order.

The meetings are chaired by the Chairperson or in his absence the deputy Chairman – or in the event of their absence by another Supervisory Director after their voting among each other. The chairperson of the meeting determines the order in which the items of the agenda are treated and the nature and sequence of the voting. The chairperson of the meeting may demand that the resolution on an individual item of the agenda is adjourned.

4.5 Quorum.

The Supervisory Board shall constitute a quorum if all members have been invited and at least the majority of the Supervisory Directors in office are present in the meeting. Absent members may vote in writing, by fax or telephone. Votes cast by telephone must be confirmed in writing. The absent members shall be informed immediately on the resolutions adopted in their absence. Except in emergencies, matters of the field of responsibility of an absent member shall only be discussed and decided on after the absent member has been contacted.

4.6 Decision-making.

The Supervisory Directors shall endeavour that, insofar as is possible, resolutions are adopted unanimously in a meeting at which all Supervisory Directors in office and in respect of whom no Conflict of Interest (as defined below) exists, are present or represented. Where unanimity cannot be reached, all resolutions by the Supervisory Board are adopted by the favorable vote of a majority of the Supervisory Directors present or represented at the meeting. In case of a tie in any vote, the Chairperson shall have the casting vote.

4.5 Minutes.

Minutes shall be established for each meeting and will state the time and place of the meeting, list the persons attending the meeting, state the existence of any conflict of interest, summarize matters discussed and the wording of the resolutions. The minutes shall be signed by the chairperson of the meeting and a copy shall be forwarded to all

Supervisory Directors (and all Managing Directors as applicable). The minutes are deemed approved if no Supervisory Director (or Managing Director as applicable) raises objections during the next meeting following the receipt of the minutes. Resolutions of the Supervisory Board adopted outside a meeting must be recorded separately or included in the minutes of the next Supervisory Board meeting.

CHAPTER 5 CONFLICTS OF INTERESTS

5.1 General principles.

Supervisory Directors shall:

- a. not enter into competition with the Company;
- b. not demand or accept (substantial) gifts from the Company for himself/herself or for his/her spouse, registered partner or other partner, foster child or relative by blood or marriage up to the second degree as defined under Dutch law;
- c. not provide unjustified advantages to third parties to the detriment of the Company; and
- d. not take advantage of business opportunities to which the Company is entitled for himself/herself or for his/her spouse, registered partner or other partner, foster child or relative by blood or marriage up to the second degree as defined under Dutch law.

Supervisory Directors shall immediately report any (potential) direct or indirect personal interest in a matter which is conflicting with the interests of the Company and the business connected with it (for the purposes of this Chapter 5, a *Conflict of Interest*) to the Chairperson and shall provide all relevant information, including information concerning his/her spouse, registered partner or other partner, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law.

The Chairperson shall immediately report any Conflict of Interest to the other Supervisory Directors.

The Chairperson shall decide whether there is a Conflict of Interest. In case of a (potential) direct or indirect personal interest in relation to the Chairperson, the other Supervisory Directors shall decide whether there is a conflict of interest.

A Conflict of Interest in relation to a Supervisory Director in any event exists, when the Company intends to enter into a transaction directly with the Supervisory Director concerned or if the Company intends to enter into a transaction with a legal entity:

- (i) in which such Supervisory Director personally has a material financial interest;
- (ii) which has an executive director or a member of the management board who is related under family law to such Supervisory Director, or
- (iii) in which such Supervisory Director has an executive or non-executive position.

Notwithstanding this Chapter 5, transactions between a Supervisory Director and the Company that would be within the scope of the Company's policy on related person transactions shall be reviewed and approved in accordance with that policy. Before

deciding upon or approving any matter concerning a Conflict of Interest, the Supervisory Board will ask the Audit Committee to review.

5.2 Handling by the Supervisory Board.

The Supervisory Board shall be responsible for the decision making in regard to the handling of Conflicts of Interests with individual members of the Board of Directors, Supervisory Directors, with persons holding a substantial shareholding in the Company and with the external auditors. The Supervisory Board may delegate their authorities and powers in this respect to the Chairperson or deputy chairperson of the Supervisory Board or to the Audit Committee, provided there shall be detailed accounting of the way in which the Conflict of Interest has been handled to the Board of Directors.

5.3 Resolution Supervisory Board required.

A Supervisory Director shall not participate in any discussions and decision making if he/she has a Conflict of Interest in the matter being discussed. If for this reason no resolution can be taken by the Supervisory Board, the Supervisory Board will resolve on the matter as if there were no conflict of interest.

5.4 Customary Terms.

All transactions in which there are Conflicts of Interest with Supervisory Directors shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are Conflicts of Interest with Supervisory Directors that are of material significance to the Company and/or to the relevant Supervisory Director require the approval of the Supervisory Board. Such transactions shall be published in the annual report, together with a statement of the conflict of interest and a declaration that best practice provisions III.6.1 to III.6.3 of the Dutch Code inclusive.

All transactions between the Company and legal or natural persons who hold at least ten per cent of the shares in the Company shall be agreed on terms that are customary in the sector in which the Company and its combined businesses are active. The Supervisory Board is required to approve such transactions that are of a material significance to the Company and/or to such persons. Transactions of this kind that are of material significance are published in the annual report, together with a statement that provision III.6.4 of the Dutch Code has been observed.

CHAPTER 6 AUDIT COMMITTEE

6.1 Role and function.

The Supervisory Board shall establish a permanent committee from its members called the Audit Committee, which shall be responsible for establishing methods and procedures for supervising, and where necessary requiring improvements of the financial reporting and organization of the Company for the purpose of making appropriate recommendations to the Supervisory Board in that regard.

The Audit Committee shall determine how the external auditor should be involved in the content and publication of financial reports other than the annual accounts. At least once every four years, the Supervisory Board and the Audit Committee shall conduct a thorough assessment of the functioning of the external auditor within the various entities and in the different capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the General Meeting for the purposes of enabling its assessment of the recommendation for the appointment of the external auditor.

6.2 Committee Charter.

The Audit Committee shall have such further duties and authorities as are set out in separate committee charter drawn up and updated from time to time by the Supervisory Board. The Audit Committee will report to the Supervisory Board or separately to the Supervisory Directors if and when so requested in individual cases by the Chairperson or by two Supervisory Directors. Functions or responsibilities of the Audit Committee may, if the Supervisory Board so determine, be performed by persons other than the Supervisory Directors.

6.3 Membership.

The Supervisory Board shall appoint and dismiss the members of the Audit Committee. Only Supervisory Directors shall qualify for membership of the Audit Committee. The chairperson of the Audit Committee shall not be the Chairperson nor a former member of the Board of Directors. At least one member of the Audit Committee shall be a financial expert, in the sense that he/she has relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities. The members of the Audit Committee shall observe the applicable requirements for independence such as those set out in the Dutch Code. Other provisions regarding membership shall be contained in the committee charter of the Audit Committee.

6.4 Meetings with external auditor.

The Company's external auditor shall communicate with and report his findings to the Audit Committee, without prejudice to the authority of the Chairperson or any two Supervisory Directors to require that he/she shall also report to the Chairperson or the Supervisory Directors, verbally or in writing. A copy of the written report of the auditor in respect of the Company and of his opinion in respect of the Company shall be made available to the Supervisory Board and to the Board of Directors.

The external auditor may request the chairperson of the Audit Committee for permission to attend a meeting of the Audit Committee.

The external auditor shall attend the meeting of the Supervisory Board at which his report with respect to the audit of the annual accounts is discussed and at which annual accounts are to approved or adopted.

CHAPTER 7 NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

7.1 Role and function.

The Supervisory Board shall establish a permanent committee from its members called the nomination and corporate governance committee (the *Nomination and Corporate Governance Committee*), which shall be responsible for assisting the Supervisory Board in discharging the responsibilities of the Supervisory Directors regarding the identification of qualified candidates to be nominated for appointment as members of both the Board of Directors and the Supervisory Board by the General Meeting and the selection of candidates to fill any vacancies on any committee of the Supervisory Board.

In addition, the Nomination and Corporate Governance Committee is responsible for overseeing the corporate governance policies, its compliance with the Dutch Code, reporting and making recommendations to the Board of Directors and the Supervisory Board concerning governance matters and oversight of the evaluation of the Board of Directors and the Supervisory Board.

7.2 Committee Charter.

The Nomination and Corporate Governance Committee will have such further duties and authorities as are set out in a separate committee charter drawn up and updated from time to time by the Supervisory Board.

7.3 Membership.

The Supervisory Board shall appoint and dismiss the members of the Nomination and Corporate Governance Committee. Only Supervisory Directors shall qualify for membership of the Nomination and Corporate Governance Committee. Other provisions regarding membership shall be contained in the committee charter of the Nomination and Corporate Governance Committee.

CHAPTER 8 COMPENSATION COMMITTEE

8.1 Role and function.

The Supervisory Board shall establish a permanent committee from its members called the compensation committee (the *Compensation Committee*), which shall be responsible for preparing policies relating to the remuneration of the members of the Board of Directors, the Supervisory Directors and the compensation and benefits of officers and employees of the Company and its (in)direct subsidiaries.

In addition, the Compensation Committee is responsible for reviewing and supervising corporate goals and objectives relevant to the remuneration of the members of the Board of Directors, executive officers of the Company and the Supervisory Directors and for evaluating the performance of the members of the Board of Directors, executive officers of the Company and the Supervisory Directors in light of those goals and objectives.

8.2 Committee Charter.

The Compensation Committee will have such further duties and authorities as are set out in a separate committee charter drawn up and updated from time to time by the Supervisory Board.

8.3 Membership.

The Supervisory Board shall appoint and dismiss the members of the Compensation Committee. Only Supervisory Directors shall qualify for membership of the Compensation Committee. The chairperson of the Compensation Committee shall not be the Chairperson nor a former member of the Board of Directors or by a Supervisory Director who is a member of the management board of another listed company. The members of the Audit Committee shall observe the applicable requirements for independence such as those set out in the Dutch Code. Other provisions regarding membership shall be contained in the committee charter of the Compensation Committee.

CHAPTER 9 RELATIONSHIP WITH SHAREHOLDERS

The Supervisory Board shall provide the General Meeting with all reasonably requested information, unless this would be contrary to an overriding interest of the Company. If the Supervisory Board claims an overriding interest, it must substantiate this claim.
