



Notice and agenda of the extraordinary general meeting of shareholders ("Meeting") of Kiadis Pharma N.V. ("Kiadis Pharma") to be held on Tuesday 4 April 2017 at 10:00 CEST at the Amsterdam Stock Exchange (Euronext), Beursplein 5, 1012 JW Amsterdam, The Netherlands.

Agenda

1. Opening and announcements
2. Remuneration Policy for the Management Board which includes the granting of options and stock appreciation rights (**voting item**)
3. Appointment of Mr. A. Lahr as a member of the Management Board (**voting item**)
4. Any other business
5. Closing

The notice, agenda and explanatory notes to the agenda are available for inspection as of the date hereof. These items can be obtained free of charge at the Kiadis Pharma office at Entrada 231-234, 1114 AA Amsterdam-Duivendrecht, The Netherlands, at the Kiadis Pharma website: www.kiadis.com and at the office of F. van Lanschot Bankiers N.V. at Beethovenstraat 300, 1077 WZ Amsterdam, The Netherlands.

Record Time and relevant register

For this Meeting, those entitled to vote and/or attend the Meeting are those who:

- (i) on Tuesday 7 March 2017, after processing of all debit entries and transfers (the "Record Time"), are registered in Kiadis Pharma's shareholders register or in the administration of the Intermediaries of Euroclear Nederland (the "Intermediaries") within the meaning of the Securities Giro Act (*Wet Giraal Effectenverkeer*); and
- (ii) have duly registered for participation in the Meeting.

Participation in the Meeting

A shareholder holding shares registered in Kiadis Pharma's shareholders register will be informed directly by Kiadis Pharma about how they can participate in the Meeting.

A shareholder holding shares in the administration of the Intermediaries and who chooses to participate in the Meeting may apply via his/her bank in writing until 15:00 Central European Summer Time (CEST) on Tuesday 28 March 2017 to F. van Lanschot Bankiers N.V., Beethovenstraat 300, 1077 WZ Amsterdam, The Netherlands (telefax number: +31 (0)20 348 9549 or e-mail address: proxyvoting@kempen.nl) at which application a confirmation must be submitted from the Intermediaries that the shares concerned were registered in the name of that holder on the Record Time and indicating the number of shares held on the Record Time by that holder. The acknowledgement of receipt provided by F. van Lanschot Bankiers

N.V. will be valid as an attendance card to the Meeting and must be presented when registering for the Meeting. F. van Lanschot Bankiers N.V. shall arrange for deposit of these applications at Kiadis Pharma's office address.

Proxy and instruction to vote

A shareholder who chooses to have himself represented at the Meeting by a third party must – in addition to the application requirements stated above – provide Kiadis Pharma with a proxy to that effect. For the granting of a proxy, shareholders are required to use a form, which can be obtained via F. van Lanschot Bankiers N.V. (telefax number: +31 (0)20 348 9549 or e-mail address: proxyvoting@kempen.nl) or from Kiadis Pharma (telephone number: +31 (0)20 314 0250; telefax number: +31 (0)20 314 0251) and which can also be downloaded from Kiadis Pharma's website (www.kiadis.com). The form, duly completed by the shareholder, must have been received by F. van Lanschot Bankiers N.V. or by Kiadis Pharma by 15:00 CEST on Tuesday 28 March 2017 ultimately. Receipt of proxy forms can be rejected after this time deadline.

Registration at the Meeting

Registration for admission to the Meeting will take place on Tuesday 4 April 2017 from thirty minutes prior to the start of the Meeting until the commencement of the Meeting at 10:00 CEST. After this time registration is no longer possible.

Participation in the Meeting can be made dependent on identification of the participants. Participants are therefore requested to bring a valid proof of identity with them.

On the date of the notice for this Meeting, Kiadis Pharma had 13,966,501 shares issued, each representing one vote.

Amsterdam-Duivendrecht, The Netherlands, 20 February 2017

Management Board of Kiadis Pharma N.V.



Explanatory notes to the agenda of the extraordinary general meeting of shareholders ("Meeting") of Kiadis Pharma N.V. ("Kiadis Pharma") to be held on Tuesday 4 April 2017 at 10:00 CEST at the Amsterdam Stock Exchange (Euronext), Beursplein 5, 1012 JW Amsterdam, The Netherlands.

Re. 2. - Remuneration Policy for the Management Board which includes the granting of options and stock appreciation rights (voting item)

With reference to article 13.7 of Kiadis' articles of association and Section 2:135(1) and (5) of the Dutch Civil Code, it is proposed to the Meeting to adopt an amended Remuneration Policy for the Management Board to include stock appreciation rights as a possible remuneration.

The Remuneration Policy includes the granting of options and stock appreciation rights to the Management Board and the Policy sets out the maximum number of options and stock appreciation rights that may be granted to the Management Board, the conditions for granting such options and stock appreciation rights and possible amendments thereto.

The proposed amended Remuneration Policy is available as Appendix I to this agenda and a version reflecting all changes when compared to the existing Remuneration Policy is attached as Appendix II to this agenda.

Re 3. - Appointment of Mr. A. Lahr as a member of the Management Board (voting item)

In accordance with article 13.2 of Kiadis Pharma's articles of association, the Supervisory Board nominates Mr. Lahr for appointment as a member of the Management Board of Kiadis Pharma.

The proposed remuneration for Mr. Lahr shall be in accordance with the Remuneration Policy for the Management Board as set out in Appendix I. Mr. Lahr's CV, an explanation of the reasons for his nomination as well as the main elements of the service agreement entered into between Mr. Lahr and Kiadis Pharma can be found in Appendix III to this agenda.

It is proposed that the Meeting appoints Mr. Lahr as a member of the Management Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from the date of the Meeting, ending by close of the annual general meeting to be held in 2021.



Appendix I – Remuneration Policy for the Management Board of Kiadis Pharma N.V.

Introduction

The current Remuneration Policy for the Management Board of Kiadis Pharma was approved by the General Meeting on 28 June 2016. The Supervisory Board of Kiadis Pharma is now recommending amending this Remuneration Policy to include stock appreciation rights as a possible remuneration for the Management Board. In addition to including stock appreciation rights, certain other (technical) changes and clarifications have also been made. The amended Remuneration Policy as proposed by the Supervisory Board is set out below. If adopted by the extraordinary General Meeting of 4 April 2017, this amended Remuneration Policy shall be effective from that date.

I. General principles and objectives

The general principles and objectives of this Remuneration Policy are the following:

- (a) competitive compensation so as to enable Kiadis Pharma to recruit, motivate and retain qualified and expert individuals that Kiadis Pharma needs in order to achieve its strategic and operational objectives;
- (b) focus management on the creation of sustainable added value, taking into account the interests of all stakeholders, by having total compensation significantly driven by variable performance dependent income components;
- (c) variable income consisting of short-term (cash bonus) and long-term incentives (share options and stock appreciation rights), whereby the distribution between short-term and long-term incentives aims to achieve a proper balance between short-term results and long-term value creation;
- (d) align the economic interest of the Management Board as related to long-term incentives with the economic interest of the Kiadis Pharma shareholders.

II. Main items of this Remuneration Policy

The remuneration of the Management Board consists of:

- (a) a fixed annual salary;
- (b) an annual bonus in cash;
- (c) share options and stock appreciation rights;
- (d) pension; and
- (e) severance pay.

III. Fixed annual salary for the Management Board

The level of the base salary of the Management Board is determined by the Supervisory Board based upon:

- (a) peer analysis against the base salaries of management board members of companies listed on Euronext Amsterdam in the Amsterdam Small Cap Index (AscX);
- (b) remuneration reports;
- (c) the pay ratios within the Kiadis Pharma group of companies; and
- (d) the anticipated cost of replacing a member of the Management Board.

The Supervisory Board will consider on a yearly basis the appropriateness of any change of the base salary in the context of the market environment as well as the salary adjustments for other Kiadis Pharma employees

Adjustment of the base salary is at the discretion of the Supervisory Board, taking into account the general principles and objectives of this Remuneration Policy.

IV. Annual bonus in cash for the Management Board

The Management Board shall be entitled to an annual cash bonus of up to 30% of the annual base salary based on achieving certain performance targets. The part of the bonus that is related to Kiadis Pharma targets accounts for 50% of this bonus and the other 50% of the bonus relates to individual targets.

The Kiadis Pharma targets and individual targets are determined each year by the Supervisory Board based on historical performance, the operational and strategic outlook of Kiadis Pharma in the short-term and expectations of Kiadis Pharma's management and stakeholders, among other things. The performance targets shall contribute to the realization of the objective of long-term value creation for Kiadis Pharma. Kiadis Pharma does not disclose the actual targets, as they qualify as commercially sensitive information.

The amount of the bonus shall be determined by the Supervisory Board through comparing actual performance against the set targets.

V. Share options and stock appreciation rights for the Management Board

The Management Board may be granted (i) options to ordinary Kiadis Pharma shares in accordance with Kiadis Pharma's share option plan and (ii) stock appreciation rights in accordance with Kiadis Pharma's stock appreciation right plan.

Kiadis Pharma share option plan

The main elements of the Kiadis Pharma share option plan are the following:

- (a) The options are options to acquire ordinary Kiadis Pharma shares, whereby one option gives the right to acquire one ordinary share.
- (b) The option exercise price shall be the closing sales price at which ordinary Kiadis Pharma shares are traded on the day prior to the day the option is granted.
- (c) Two days per year (January 1 and July 1) have been identified as possible option grant dates to prevent insider issues. For a new member of the Management Board, options may in addition be granted on the day (as approved by the (extraordinary) General Meeting) as per which that person shall commence as a member of the Management Board. Should any of the days referenced above be in a so-called closed period according to Kiadis Pharma's Insider Trading Policy, the granting date shall be amended for such occasion to be the 15th day after the closed period has terminated.

- (d) Vesting of options may take place on one date or in part over time.
- (e) It may be determined that options which have vested may nevertheless not be exercised for a certain period of time after their grant date.
- (f) It may be determined that Kiadis Pharma shares that shall be received upon the exercise of options shall be subject to a lock-up for a certain period of time.
- (g) A so-called good leaver (continued ill health, death, retirement, dismissal without cause, giving notice) shall remain entitled to vested options with the non-vested options lapsing. Vested options are to be exercised within one year. The Supervisory Board may however, if this rule would produce an unfair result for a good leaver leaving due to continued ill health, death, retirement or dismissal without cause, determine otherwise.
- (h) A so-called bad leaver (immediate termination for cause) shall lose all options, whether vested or not.
- (i) There shall be accelerated vesting of non-vested options amongst other in case of a change of control of Kiadis Pharma.
- (j) Options for the Management Board may be settled in cash.
- (k) The number of shares in respect of which options may be granted under the option plan on any grant date when added to:
 - the number of shares comprised in outstanding options granted pursuant to the option plan; and
 - the number of shares which have been issued on the exercise of options that have been granted pursuant to the option plan;
 shall not exceed 3.5% of the number of ordinary shares in issue immediately prior to such grant date.
- (l) Options may be granted under the option plan up till the tenth anniversary of the adoption of the plan by the Supervisory Board and the Management Board.

The Supervisory Board shall in its discretion determine whether options shall be granted to the members of the Management Board and determine the number of options to be granted to the relevant member. Within the option pool of 3.5% as set out above, the Management Board may in total be granted options to at most 2% of Kiadis Pharma's outstanding ordinary share capital from time to time.

Options granted to the Management Board shall vest in three equal parts:

- one third of the number of options granted shall vest on the first anniversary of the date the options are granted;
- one third of the number of options granted shall vest on the second anniversary of the date the options are granted; and
- one third of the number of options granted shall vest on the third anniversary of the date the options are granted.

If the Dutch Corporate Governance Code so provides, the Management Board may not exercise any options which have vested within the first three years after the date the options were granted.

The number of options that may be granted to the Management Board shall be related to the performance targets set out above under paragraph (IV) "Annual bonus in cash for the Management Board" as the achievement of these targets shall contribute not only to short-term Kiadis Pharma results but also to long-term value creation for Kiadis Pharma.

Kiadis Pharma stock appreciation right plan

The main elements of the Kiadis Pharma stock appreciation right plan are the following:

- (a) A stock appreciation right provides the right to receive a cash payment equal to the excess of the exercise price over the initial price, multiplied by the number of ordinary Kiadis Pharma shares with respect to which the stock appreciation right is exercised.
- (b) The initial price shall be the closing sales price at which ordinary Kiadis Pharma shares are traded on the day prior to the day the stock appreciation right is granted and the exercise price shall be the closing sales price at which ordinary Kiadis Pharma shares are traded on the day prior to the day the stock appreciation right is exercised.
- (c) Two days per year (January 1 and July 1) have been identified as possible stock appreciation right grant dates to prevent insider issues. For a new member of the Management Board, a stock appreciation right may in addition be granted on the day (as approved by the (extraordinary) General Meeting) as per which that person shall commence as a member of the Management Board. Should any of the days referenced above be in a so-called closed period according to Kiadis Pharma's Insider Trading Policy, the granting date shall be amended for such occasion to be the 15th day after the closed period has terminated.
- (d) Vesting of a stock appreciation right may take place on one date or in part over time.
- (e) It may be determined that a stock appreciation right which has vested may nevertheless not be exercised for a certain period of time after its grant date.
- (f) A so-called good leaver (continued ill health, death, retirement, dismissal without cause, giving notice) shall remain entitled to the vested part of his stock appreciation right with the non-vested part lapsing. The vested part of the stock appreciation right is to be exercised within one year. The Supervisory Board may however, if this rule would produce an unfair result for a good leaver leaving due to continued ill health, death, retirement or dismissal without cause, determine otherwise.
- (g) A so-called bad leaver (immediate termination for cause) shall lose his stock appreciation right, whether vested (in part) or not.
- (h) There shall be accelerated vesting of the non-vested part of a stock appreciation right amongst other in case of a change of control of Kiadis Pharma.
- (i) The number of shares in respect of which stock appreciation rights may be granted under the stock appreciation right plan on any grant date, when added to:
 - the number of shares in respect of which stock appreciation rights granted pursuant to the stock appreciation right plan are outstanding; and
 - the number of shares in respect of which stock appreciation rights have been exercised pursuant to the stock appreciation right plan;
 shall not exceed 3% of the number of ordinary shares in issue immediately prior to such grant date.
- (j) Stock appreciation rights may be granted under the stock appreciation right plan up till the tenth anniversary of the adoption of the plan by the Supervisory Board and the Management Board.

The Supervisory Board shall in its discretion determine whether stock appreciation rights shall be granted to the members of the Management Board and determine the number of shares in respect of which a stock appreciation right will be granted to the relevant member.

A stock appreciation right granted to the Management Board shall vest in three equal parts:

- one third shall vest on the first anniversary of the date the stock appreciation right is granted;
- one third shall vest on the second anniversary of the date the stock appreciation right is granted; and
- one third shall vest on the third anniversary of the date the stock appreciation right is granted.

The number of shares in respect of which stock appreciation rights may be granted to the Management Board shall be related to the performance targets set out above under paragraph (IV) "Annual bonus in cash for the Management Board" as the achievement of these targets shall

contribute not only to short-term Kiadis Pharma results but also to long-term value creation for Kiadis Pharma.

VI. Pension for the Management Board

The Management Board participates in the Dutch pension scheme for Kiadis Pharma.

VII. Severance pay for the Management Board

The remuneration in the event of dismissal of a member of the Management Board shall not exceed one year of the fixed annual base salary. Severance pay is not awarded if the agreement with the member of the Management Board is terminated early at the initiative of the Management Board member or is terminated due to gross negligence or willful misconduct on the part of the Management Board member.

VIII. Loans for the Management Board

Kiadis Pharma does not provide any loans to the Management Board.



Appendix II – Compare of existing Remuneration Policy for the Management Board of Kiadis Pharma N.V. with new Remuneration Policy for the Management Board of Kiadis Pharma N.V.

Introduction

The ~~general principles of the~~ current Remuneration Policy for the Management Board of Kiadis ~~were approved by the general meeting in June 2015. These general principles entail an annual fixed salary according to industry standards and a variable salary linked to milestones/performance objectives to be set annually by Kiadis' Supervisory Board, whereby the variable salary could have two components: (a) an annual cash bonus payment according to industry standards; and/or (b) granting of share options and/or performance share awards in accordance with an employee incentive plan to be adopted by Kiadis.~~ Pharma was approved by the General Meeting on 28 June 2016. The Supervisory Board of Kiadis Pharma is now recommending to amend the amending this Remuneration Policy that was approved in 2015 to give it more substance, taking into account evolving market practices and reinforcing a performance-oriented culture focused on criteria relevant to Kiadis' strategy to include stock appreciation rights as a possible remuneration for the Management Board. In addition to including stock appreciation rights, certain other (technical) changes and clarifications have also been made. The amended Remuneration Policy as proposed by the Supervisory Board is set out below. If adopted by the extraordinary General Meeting, of 4 April 2017, this amended Remuneration Policy shall be effective from 1 July 2016.~~that date.~~

I. General principles and objectives

The general principles and objectives of this Remuneration Policy are the following:

- (a) competitive compensation so as to enable Kiadis Pharma to recruit, motivate and retain qualified and expert individuals that Kiadis Pharma needs in order to achieve its strategic and operational objectives;
- (b) focus management on the creation of sustainable added value, taking into account the interests of all stakeholders, by having total compensation significantly driven by variable performance dependent income components;
- (c) variable income consisting of short-term (cash bonus) and long-term incentives (share options and stock appreciation rights), whereby the distribution between short-term and long-term incentives aims to achieve a proper balance between short-term results and long-term value creation-;
- (d) align the economic interest of the Management Board as related to long-term incentives with the economic interest of the Kiadis Pharma shareholders.

II. Main items of this Remuneration Policy

The remuneration of the Management Board consists of:

- (a) a fixed annual salary;
- (b) an annual bonus in cash;

- (c) share options [and stock appreciation rights](#);
- (d) pension; and
- (e) severance pay.

III. Fixed annual salary for the Management Board

The level of the base salary of the Management Board is determined by the Supervisory Board based upon:

- (a) peer analysis against the base salaries of management board members of companies listed on Euronext Amsterdam in the Amsterdam Small Cap Index (AscX);
- [\(b\) remuneration reports;](#)
- [\(c\) the pay ratios within the Kiadis Pharma group of companies; and](#)
- [\(d\) the anticipated cost of replacing a member of the Management Board.](#)

The Supervisory Board will consider on a yearly basis the appropriateness of any change of the base salary in the context of the market environment as well as the salary adjustments for other [Kiadis Pharma](#) employees

Adjustment of the base salary is at the discretion of the Supervisory Board, taking into account the general principles and objectives of this Remuneration Policy.

IV. Annual bonus in cash for the Management Board

The Management Board shall be entitled to an annual cash bonus of up to 30% of the annual base salary based on achieving certain performance targets. The part of the bonus that is related to [Kiadis Pharma](#) targets accounts for 50% of this bonus and the other 50% of the bonus relates to individual targets.

The [Kiadis Pharma](#) targets and individual targets are determined each year by the Supervisory Board based on historical performance, the operational and strategic outlook of [Kiadis Pharma](#) in the short-term and expectations of [Kiadis Pharma's](#) management and stakeholders, among other things. The performance targets [shall](#) contribute to the realization of the objective of long-term value creation for [Kiadis Pharma](#). [Kiadis Pharma](#) does not disclose the actual targets, as they qualify as commercially sensitive information.

The amount of the bonus shall be determined by the Supervisory Board through comparing actual performance against the set targets.

V. Share options [and stock appreciation rights](#) for the Management Board

The Management Board may be granted [\(i\) options to ordinary Kiadis ~~shares~~Pharma shares in accordance with Kiadis Pharma's share option plan and \(ii\) stock appreciation rights](#) in accordance with [Kiadis' Pharma's stock appreciation right plan](#).

[Kiadis Pharma share option plan](#), ~~the~~

[The](#) main elements of ~~which~~[the Kiadis Pharma share option plan](#) are the following:

- (a) The options are options to acquire ordinary [Kiadis Pharma](#) shares, whereby one option gives the right to acquire one ordinary share.

- (b) The option exercise price shall be the closing sales price at which ordinary Kiadis [Pharma](#) shares are traded on the day prior to the day the option is granted.
- (c) Two days per year ([January 1 and July 1](#) ~~and January 1~~) have been identified as possible option grant dates to prevent insider issues. ~~In addition, solely for a newly employed or contracted person~~ [For a new member of the Management Board](#), options may [in addition](#) be granted on the ~~15th day of the month following the date in~~ [day \(as approved by the \(extraordinary\) General Meeting\) as per](#) which that person ~~commenced employment or services for Kiadis~~ [shall commence as a member of the Management Board](#). Should any of the days referenced above be in a so-called closed period according to Kiadis [Pharma's](#) Insider Trading Policy, the granting date shall be amended for such occasion to be the 15th day after ~~the closed period has terminated. Vesting of options may take place on one date or in part over time.~~ [the closed period has terminated.](#)
- (d) Vesting of options may take place on one date or in part over time.
- (e) It may be determined that options which have vested may nevertheless not be exercised for a certain period of time after their grant date.
- (f) It may be determined that Kiadis [Pharma](#) shares that shall be received upon the exercise of options shall be subject to a lock-up for a certain period of time.
- (g) A so-called good leaver (continued ill health, death, retirement, dismissal without cause, giving notice) shall remain entitled to vested options, ~~such with the non-vested options lapsing. Vested options are~~ to be exercised within one year. The Supervisory Board may however, if this rule would produce an unfair result for ~~the~~ [a](#) good leaver [leaving due to continued ill health, death, retirement or dismissal without cause](#), determine otherwise.
- (h) A so-called bad leaver ([immediate](#) termination ~~with~~[for](#) cause) shall lose all options, whether vested or not.
- (i) There shall be accelerated vesting of non-vested options amongst other in case of a change of control of Kiadis [Pharma](#).
- (j) Options for the Management Board may be settled in cash.
- (k) The number of shares in respect of which options may be granted under the option plan on any grant date when added to:
- the number of shares comprised in outstanding options granted pursuant to the option plan; and
 - the number of shares which have been issued on the exercise of options that have been granted pursuant to the option plan;
- shall not exceed 3.5% of the number of ordinary shares in issue immediately prior to such grant date.
- (l) ~~The option plan has a maximum duration of ten years.~~ [Options may be granted under the option plan up till the tenth anniversary of the adoption of the plan by the Supervisory Board and the Management Board.](#)

The Supervisory Board shall in its discretion determine whether options shall be granted to the members of the Management Board and determine the number of options to be granted to the relevant member. Within the option pool of 3.5% as set out above, the Management Board may in total be granted options to at most 2% of Kiadis [Pharma's](#) outstanding ordinary share capital from time to time.

Options granted to the Management Board shall vest in three equal parts:

- one third of the number of options granted shall vest ~~one year after~~ [on the first anniversary of the date the options are granted](#);
- one third of the number of options granted shall vest ~~two years after~~ [on the second anniversary of the date the options are granted](#); and
- one third of the number of options granted shall vest ~~three years after~~ [on the third anniversary of the date the options are granted](#).

If the Dutch Corporate Governance Code so provides, the Management Board may not exercise any options which have vested within the first three years after the date the options were granted.

The number of options that may be granted to the Management Board shall be related to the performance targets set out above under paragraph (IV) "Annual bonus in cash for the Management Board" as the achievement of these targets shall contribute not only to short-term Kiadis [Pharma](#) results but also to long-term value creation for Kiadis [Pharma](#).

[Kiadis Pharma stock appreciation right plan](#)

[The main elements of the Kiadis Pharma stock appreciation right plan are the following:](#)

- [\(a\) A stock appreciation right provides the right to receive a cash payment equal to the excess of the exercise price over the initial price, multiplied by the number of ordinary Kiadis Pharma shares with respect to which the stock appreciation right is exercised.](#)
- [\(b\) The initial price shall be the closing sales price at which ordinary Kiadis Pharma shares are traded on the day prior to the day the stock appreciation right is granted and the exercise price shall be the closing sales price at which ordinary Kiadis Pharma shares are traded on the day prior to the day the stock appreciation right is exercised.](#)
- [\(c\) Two days per year \(January 1 and July 1\) have been identified as possible stock appreciation right grant dates to prevent insider issues. For a new member of the Management Board, a stock appreciation right may in addition be granted on the day \(as approved by the \(extraordinary\) General Meeting\) as per which that person shall commence as a member of the Management Board. Should any of the days referenced above be in a so-called closed period according to Kiadis Pharma's Insider Trading Policy, the granting date shall be amended for such occasion to be the 15th day after the closed period has terminated.](#)
- [\(d\) Vesting of a stock appreciation right may take place on one date or in part over time.](#)
- [\(e\) It may be determined that a stock appreciation right which has vested may nevertheless not be exercised for a certain period of time after its grant date.](#)
- [\(f\) A so-called good leaver \(continued ill health, death, retirement, dismissal without cause, giving notice\) shall remain entitled to the vested part of his stock appreciation right with the non-vested part lapsing. The vested part of the stock appreciation right is to be exercised within one year. The Supervisory Board may however, if this rule would produce an unfair result for a good leaver leaving due to continued ill health, death, retirement or dismissal without cause, determine otherwise.](#)
- [\(g\) A so-called bad leaver \(immediate termination for cause\) shall lose his stock appreciation right, whether vested \(in part\) or not.](#)
- [\(h\) There shall be accelerated vesting of the non-vested part of a stock appreciation right amongst other in case of a change of control of Kiadis Pharma.](#)
- [\(i\) The number of shares in respect of which stock appreciation rights may be granted under the stock appreciation right plan on any grant date, when added to:
 - \[- the number of shares in respect of which stock appreciation rights granted pursuant to the stock appreciation right plan are outstanding; and\]\(#\)
 - \[- the number of shares in respect of which stock appreciation rights have been exercised pursuant to the stock appreciation right plan;\]\(#\)shall not exceed 3% of the number of ordinary shares in issue immediately prior to such grant date.](#)
- [\(j\) Stock appreciation rights may be granted under the stock appreciation right plan up till the tenth anniversary of the adoption of the plan by the Supervisory Board and the Management Board.](#)

The Supervisory Board shall in its discretion determine whether stock appreciation rights shall be granted to the members of the Management Board and determine the number of shares in respect of which a stock appreciation right will be granted to the relevant member.

A stock appreciation right granted to the Management Board shall vest in three equal parts:

- one third shall vest on the first anniversary of the date the stock appreciation right is granted;
- one third shall vest on the second anniversary of the date the stock appreciation right is granted;
and
- one third shall vest on the third anniversary of the date the stock appreciation right is granted.

The number of shares in respect of which stock appreciation rights may be granted to the Management Board shall be related to the performance targets set out above under paragraph (IV) “Annual bonus in cash for the Management Board” as the achievement of these targets shall contribute not only to short-term Kiadis Pharma results but also to long-term value creation for Kiadis Pharma.

VI. Pension for the Management Board

The Management Board participates in the Dutch pension scheme for Kiadis [Pharma](#).

VII. Severance pay for the Management Board

The ~~service contracts of the Management Board include an exit arrangement provision which is a sum equivalent to the fixed annual base salary.~~ remuneration in the event of dismissal of a member of the Management Board shall not exceed one year of the fixed annual base salary. Severance pay is not awarded if the agreement with the member of the Management Board is terminated early at the initiative of the Management Board member or is terminated due to gross negligence or willful misconduct on the part of the Management Board member.

VIII. Loans for the Management Board

Kiadis [Pharma](#) does not provide any loans to the Management Board.



Appendix III – CV/Reasons for nomination of Mr. Arthur Lahr/Main elements service agreement

Name:	Arthur K. Lahr
Year of birth:	1968
Nationality:	Dutch
Most important previous positions:	Chief Strategy Officer and member of the Management Committee at Crucell N.V. Consultant at McKinsey & Company
Current positions:	Member of the supervisory board of the Sanquin Blood Supply Foundation
Reasons for nomination:	Significant experience from within the healthcare sector in R&D, business development and commercialization of biopharmaceuticals

The main elements of the service agreement entered into between Mr. Lahr and Kiadis Pharma are the following:

- fixed base salary of EUR 310,000 gross per year;
- no fixed expenses;
- annual pension contribution of EUR 7,380;
- annual cash bonus of up to 30% of the annual base salary;
- a stock appreciation right in respect of 300,000 ordinary Kiadis Pharma shares;
- severance pay equal to the annual fixed base salary (including in case of a change of control).