

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Release of Security Interest
CONVEYING PARTY DATA	
Name	Execution Date
King George Holdings Luxembourg IIA S.a.R.L.	10/18/2007
RECEIVING PARTY DATA	
Name:	Pharming Intellectual Property B.V.
Street Address:	PO Box 451
City:	Leiden
State/Country:	NETHERLANDS
Postal Code:	2300 AL
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	5304489
Patent Number:	5994616
Patent Number:	5633076
CORRESPONDENCE DATA	
Fax Number:	(415)576-0300
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	650-326-2400
Email:	nmhettig@townsend.com
Correspondent Name:	Rosemarie L. Celli
Address Line 1:	Two Embarcadero Center, Eighth Floor
Address Line 4:	San Francisco, CALIFORNIA 94111-3834
ATTORNEY DOCKET NUMBER:	016994-000010US
NAME OF SUBMITTER:	Rosemarie L. Celli
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INTERNET www.loyensloeff.com

To whom it may concern

REFERENCE 6295126
DATE 25 January 2010

RE Release of pledge on intellectual property rights of Pharming

Dear Sirs,

On behalf of the Pharming entities listed below, I hereby inform you as follows:

By deed dated 2 February 2006, Pharming Group N.V. (the "Company"), Pharming Intellectual Property B.V. and Pharming Technologies B.V. (jointly, "Pharming"), established a right of pledge on intellectual property rights (the "Rights of Pledge") in favour of King George Holding Luxembourg IIA S.a.R.L. (the "Pledgee"). Please find attached a copy of the relevant deed.

By letter of 18 October 2007, the Pledgee released the Rights of Pledge subject to completion of the offering by the Company of unsecured convertible bonds due 2012 (the "Bonds") in the amount of EUR 70 million on or before 31 October 2007 (the "Offering") and subject to certain payments in favour of the Pledgee within 5 business days after completion of the Offering. Attached is a copy of the letter. Reference is made to the clauses on page 2 and 3 under the heading Agreement, and more specifically clause 4. I also attach the first page of the Listing Particulars relating to the Bonds and indicating that closing of the Offering took place on 31 October 2007. Finally, I attach the relevant explanatory notes in the consolidated accounts 2008 of the Company describing the settlement of the agreement with the Pledgee.

I hereby confirm that the above conditions have been fulfilled as per 31 October 2007 and that the Rights of Pledge have been released as per that date, which is supported by the attached documents. The Pledgee has appointed the Company as its attorney-in-fact, with full power of substitution, to do all acts and things necessary to effectuate the release of the Rights of Pledge (see clause 4 of the attached letter).

The public limited company Loyens & Loeff N.V. is established in Rotterdam and is registered with the Trade Register of the Chamber of Commerce and Industry under number 24370566. Solely Loyens & Loeff N.V. shall operate as contracting agent. All its services shall be governed by its General Terms and Conditions, including, inter alia, a limitation of liability and a nomination of competent jurisdiction. These General Terms and Conditions have been printed on the reverse side of this page and may also be consulted via www.loyensloeff.com. The conditions were deposited with the Registry of the Rotterdam District Court on 1 July 2009 under number 43/2009.

AMSTERDAM • ARNHEM • BRUSSELS • EINDHOVEN • LUXEMBOURG • ROTTERDAM • ARUBA
CURACAO • DUBAI • FRANKFURT • GENEVA • LONDON • NEW YORK • PARIS • SINGAPORE • TOKYO • ZURICH

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On behalf of Pharming and the Pledgee, I hereby request you to deregister the Rights of Pledge and send confirmation of the same to the Company, attn. Mr Guus Hateboer, Darwinweg 24, 2333 CR Leiden, the Netherlands.

Yours sincerely,

Loyens & Loeff N.V.

Nelleke Krol

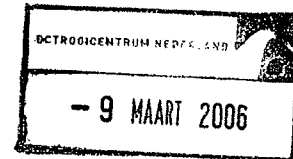


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Execution copy

**PLEDGE AGREEMENT
INTELLECTUAL PROPERTY RIGHTS**

between



PHARMING INTELLECTUAL PROPERTY B.V.

PHARMING GROUP N.V.

and

PHARMING TECHNOLOGIES B.V.

each as Pledgor

and

KING GEORGE HOLDINGS LUXEMBOURG IIA S.a.R.L.

as Pledgee

dated February 2, 2006

● **NautaDutilh**

Strawinskylaan 1999

1077 XV Amsterdam

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**PATENT
REEL: 023985 FRAME: 0229**

THIS PLEDGE AGREEMENT is dated February 2, 2006 and made between:

1. **Pharming Intellectual Property B.V.**, a company organised under the laws of the Netherlands, having its registered office at Leiden;
2. **Pharming Group N.V.**, a company organised under the laws of the Netherlands, having its registered office at Leiden; and
3. **Pharming Technologies B.V.**, a company organised under the laws of the Netherlands, having its registered office at Leiden,

(together the "**Pledgors**" and each a "**Pledgor**"); and

4. **King George Holdings Luxembourg IIA S.a.R.L.**, a company organised under the laws of the grand duchy of Luxembourg, having its registered office at Luxembourg (the "**Pledgee**"),

THE PARTIES AGREE AS FOLLOWS:

1. **Definitions and Interpretation**

- (1) Except where the context otherwise requires or when otherwise defined herein, words and expressions used in this pledge agreement including its recitals have the same meanings as defined in the Licensing and Strategic Partnering Agreement.

- (2) In this pledge agreement the following terms shall have the following meanings:

"**Agreement**" means this pledge agreement including all annexes and schedules hereto;

"**Article**" means an article of this Agreement;

"**Collateral**" means the Current Collateral and the Future Collateral jointly or, where the context implies, individually.

"**Copyrights**" means, with respect to a Pledgor, copyrights in any and all 'works' within the meaning of the Netherlands Copyright Act 1912

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that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (a) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
- (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement),

including but not limited to the copyrights listed in schedule 3.12 (a) to the Licensing and Strategic Partnering Agreement;

"Current Collateral" means collectively or, where the context permits, individually, the Copyrights, Database Rights, Internet Domain Names, Licensee Rights, Models and Designs, Patents, Trade Marks and Trade Names, which are acquired, owned, held by, registered and/or applied for by, or in the name of, a Pledgor before or on the date of this Agreement;

"Database Rights" means, with respect to a Pledgor, any and all of its rights in a database ("databank") as defined in the Netherlands Database Act ("Databankenwet") that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (a) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
- (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement),

including but not limited to the rights in a database listed in schedule 3.12 (a) to the Licensing and Strategic Partnering Agreement;

"DCC" means Dutch Civil Code;

"Enforcement Event" means the occurrence of an event of default by the Pledgor which constitutes a default (*verzuim*) in the fulfilment of the Secured Obligations within the meaning of Article 3:248 DCC;

"Future Collateral" means collectively or, where the context permits, individually, the Copyrights, Database Rights, Internet Domain Names, Licensee Rights, Models and Designs, Patents, Trade Marks

and Trade Names, which are acquired, owned, held by, registered, applied for by, or in the name of, a Pledgor after the date of signing of this Agreement;

"Internet Domain Names" means, with respect to a Pledgor, any and all <.nl> domain names registered in its name that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (a) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
- (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement),

including but not limited to the domain names listed in schedule 3.12

- (a) to the Licensing and Strategic Partnering Agreement;

"Licensee Rights" means any and all permissions of any kind whatsoever from any person or legal entity to a Pledgor, whether or not registered or in writing, entitling such Pledgor to use intellectual property or related rights owned by that person or legal entity in the course of such Pledgor's business, whether or not in return for a financial reimbursement, that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (a) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
- (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement),

including but not limited to the licensee rights listed in schedule 3.12

- (a) to the Licensing and Strategic Partnering Agreement;

"Licensing and Strategic Partnering Agreement" means the licensing and strategic partnering agreement dated on or about the date hereof and made between Pharming Intellectual Property B.V., Pharming Group N.V. and Pharming Technologies B.V. as company and King George Holdings Luxembourg IIA S.a.R.L. as investor;

"Models and Designs" means, with respect to a Pledgor, any and all models and designs, whether registered in its name or unregistered community designs, with validity in the Benelux, including community designs, including any applications for the same, that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (a) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
- (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement);

including but not limited to the models and designs listed in schedule 3.12 (a) to the Licensing and Strategic Partnering Agreement;

"Patents" means, with respect to a Pledgor, any and all patents registered in its name with validity in the Netherlands, including all applications for the same, that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (a) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
- (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement);

including but not limited to the patents listed in schedule 3.12 (a) to the Licensing and Strategic Partnering Agreement;

"Pledge Confirmation" has the meaning as defined in Article 4.1 of this Agreement;

"Schedule" means each schedule to this Agreement;

"Secured Obligations" means the Obligations as defined in the Licensing and Strategic Partnering Agreement to the extent these consist of monetary payment obligations (*verbintenissen tot betalen van een geldsom*) towards the Pledgee;

"Trade Marks" means, with respect to a Pledgor, any and all trade marks registered in its name with validity in the Benelux, including

community trademarks, including all applications for the same, that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (a) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
 - (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement);
- including but not limited to the trademarks and applications listed in schedule 3.12 (a) to the Licensing and Strategic Partnering Agreement;

"Trade Names" means, with respect to a Pledgor, any and all of the names under which it conducts its business in The Netherlands, regardless of whether these names are registered trade names, that relate to the research, development, manufacturing, marketing, sale or other exploitation of:

- (b) C1-Specific Assets (as defined in the Licensing and Strategic Partnering Agreement); or
- (b) Shared Assets (as defined in the Licensing and Strategic Partnering Agreement);

including but not limited to the trade names listed in schedule 3.12 (a) to the Licensing and Strategic Partnering Agreement.

- (3) Words denoting the singular include the plural and vice versa. Words denoting one gender include the other gender.
- (4) The words "include", "included" or "including" are used to indicate that the matters listed are not a complete enumeration of all matters covered.
- (5) No provision of this Agreement is to be interpreted adversely against a Party solely because that Party was responsible for drafting that particular provision.
- (6) English language words used in this Agreement intend to describe Netherlands legal concepts only and the consequences of the use of those words in English law or any other foreign law are to be

disregarded, except that the Agreement as expressed in English is understood to be binding and to be given full force and effect in the equivalent language in any country to which the Agreement applies.

- (7) The headings in this Agreement are for construction purposes as well as for reference.
- (8) References in this Agreement to the Licensing and Strategic Partnering Agreement will be deemed to include references to those agreements as they may be varied, amended, modified, novated or restated from time to time (including by way of increase of the facilities made available under them or accession or retirement of the parties to these agreements). Similarly, references in this Agreement to Secured Obligations will be deemed to include any obligations which any Pledgor may have under or in connection with the Licensing and Strategic Partnering Agreement or any other Transaction Document (as defined in the Licensing and Strategic Partnering Agreement) as they may be so varied, amended, modified, novated or restated from time to time.
- (9) Any Schedule and Annex forms an integral and inseparable part of this Agreement.

2. Creation of the right of pledge

- (1) As security for the payment when due of the Secured Obligations and as required by section 5.08 of the Licensing and Strategic Partnering Agreement, each Pledgor hereby pledges its Current Collateral and hereby pledges in advance ("bij voorbaat") its Future Collateral in favour of the Pledgee. The Pledgee accepts these rights of pledge, where appropriate in advance.
- (2) To the extent the pledge on the Future Collateral purported to be created pursuant to this Agreement would not be validly and enforceably created, each Pledgor hereby undertakes to pledge the Future Collateral to the Pledgee under the same terms and conditions

set forth in this Agreement and the rights related thereto as soon as such Future Collateral shall be capable of being so pledged, as long as the Secured Obligations are outstanding.

- (3) The Current and Future Collateral are pledged, to the extent permitted by law, to the Pledgee, with all rights connected therewith, including but not limited to rights of prior use in connection with the Trade Marks. In so far as necessary, each Pledgor hereby irrevocably authorises and gives power of attorney to the Pledgee to exercise such rights on behalf of such Pledgor on or following the occurrence of an Enforcement Event.

3. Validity of the right of pledge

- (1) The right of pledge on the Collateral created hereby or to be created hereunder or pursuant to article 2.2 of this Agreement is effected by the fact that the parties hereto sign this Agreement.

4. Creation of third party effect

- (1) The right of pledge on the Trade Marks created pursuant hereto has in any event effect against third parties upon the registration of the right of pledge in the relevant registers.

5. Registration of the right of pledge/power of attorney

- (1) Upon the signing of this Agreement the Pledgee, at each Pledgor's expense, shall have the Pledge Confirmation in the form of Schedule 1 hereto (or, if so required, the integral Agreement) registered or recorded in the relevant registers and/or with the relevant tax authorities.
- (2) At or prior to the time of delivery of the Quarterly Report (as defined in the Licensing and Strategic Partnering Agreement) to the Pledgee in accordance with section 5.06 of the Licensing and Strategic Partnering Agreement each Pledgor shall notify the Pledgee of the

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acquisition of Future Collateral in writing and shall also have, at its own expense, a Pledge Confirmation(s) (or, if so required, the integral Agreement) registered in the relevant register and/or with the relevant tax authorities, confirming that the acquired rights are included in the right of pledge created hereunder on behalf of the Pledgee.

- (3) Without prejudice to the Pledgor's obligations pursuant to this Agreement, each Pledgor hereby authorises the Pledgee (such authorisation not meaning that the Pledgee is required to take any of the following actions), and for the purposes thereof each Pledgor hereby gives full and irrevocable power of attorney to the Pledgee and any person nominated by the Pledgee, to take in such Pledgor's name and on such Pledgor's behalf and expense, if a default (*tekortkoming*) occurs with respect to any Secured Obligations of such Pledgor or if the Pledgee has good grounds to believe that such default will occur or in the event a Pledgor shall fail to do so within ten Business Days following notification of the Pledgee, all actions reasonably deemed necessary by the Pledgee to fully protect the Collateral and to fully protect or perfect the rights of pledge granted thereon, including but not limited to timely renewing the Collateral in the registers, registering a Pledge Confirmation and/or the integral Agreement, paying the fees of registration and instituting legal proceedings and the signing, at any time, on its behalf of Pledge Confirmations. In connection with the power of attorney contained in this article, each Pledgor waives its rights pursuant to Article 3:68 DCC, which waiver the Pledgee hereby accepts.
- (4) If and when the Pledgee, at any time and at the Pledgee's sole discretion, determines that a valid security right on the Collateral must be established in the form of a mortgage on such rights, each Pledgor shall authorise the Pledgee (such authorisation not meaning that the Pledgee is required to take any of the following actions) and for the purposes thereof execute a notarial deed pertaining to the granting of a power of attorney to the Pledgee substantially in the form of the power of attorney attached as Annex A, to create on behalf of such Pledgor a first ranking right of mortgage on the Collateral in favour of

the Pledgee. Section 3:68 DCC shall not apply.

6. Representations relating to the Collateral

- (1) Each Pledgor acknowledges that the Pledgee has entered into this Agreement in full reliance on the following statements and represents and warrants to the Pledgee that upon the signing of this Agreement and upon the signing of any Pledge Confirmation and as long as this Agreement remains in force:
- a. Status: the Current Collateral is and the Future Collateral, upon the Pledgor's acquirement thereof, and with regard to the Licensee Rights to the extent permitted in the agreements creating such Licensee Rights, shall be capable of being pledged and they are not and shall not be subject to any restrictions preventing them from being pledged;
 - b. Limited rights: the Current Collateral is not, and Future Collateral, if any, shall not be, subject to any limited rights ("*beperkte rechten*"), charges, liens, encumbrances or other rights for the benefit of third parties, nor has the Pledgor prior to this Agreement created or undertaken to create limited rights, charges, liens, encumbrances or other rights on or against the Collateral, nor has the Pledgor made or will the Pledgor make any promise or any undertaking to that effect, nor has any attachment ("*beslag*") been levied to date on any of the Current Collateral, and, therefore, the right of pledge created pursuant to this Agreement is a first ranking right of pledge.

8. Covenants

- (1) Each Pledgor hereby covenants, at any time and from time to time after the date hereof, to:
- (a) Signing/completing documents: at the Pledgee's first request (i) execute such other instruments, deeds, forms or agreements (ii) choose domicile, (iii) make or cause to be made such further recordings, registrations or filings, or (iii) take or cause to be taken

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such further action as the Pledgee will deem reasonably necessary or advisable to (further) perfect or protect the rights of pledge of the Collateral created hereby in all countries where the Collateral is registered or effective from time to time.

- (b) Costs: bear all costs and expenses arising in connection with the perfection and enforcement (or attempted perfection or enforcement) of the rights granted to the Pledgee under this Agreement;
- (c) Limited rights: not create or permit to exist any other pledge, charge, lien, encumbrance or security right or any other limited right ("*beperkt recht*") whatsoever on or with respect to any Collateral, except in favour of the Pledgee pursuant to this Agreement;
- (d) Maintenance: maintain all Collateral at his own expense, in particular to effect all necessary actions, including notifications, registrations, confirmations or payments of fees with any relevant register, necessary to effect the validity of the Collateral and facilitate the enforcement or realisation of the pledge created under this Agreement;
- (e) No similar signs or marks: not, whether directly or indirectly, in the Benelux use, apply for or register any sign as a trade mark that, in the reasonable opinion of the Pledgee, is identical or similar to the Trade Marks pledged hereunder, with the exclusion of the Pledgor's right to use the Trade Marks in the normal course of its business and timely maintain and renew these Trade Marks;
- (f) Transfer of Collateral: save as permitted under the Licensing and Strategic Partnering Agreement, not sell, transfer, lend, lease or otherwise dispose of or grant any right in relation to any of the Collateral without the Pledgee's prior written consent (for the avoidance of doubt, this provision does not affect the authority of a Pledgor to enter into license agreements as permitted under the Licensing and Strategic Partnering Agreement);
- (h) Information: supply to the Pledgee at its first request all evidence and documents relating to the Collateral and all information and assistance which the Pledgee may deem necessary for the exercise of its rights pursuant hereto;

- (i) Notice to Pledgee: forthwith inform the Pledgee of any fact which could have a material adverse effect on either the pledge created under this Agreement or the Pledgee's interests, including but not limited to any infringement of and/or claim with regard to or attachment on the Collateral and/or the occurrence of a Bankruptcy Event (as defined in the Licensing and Strategic Partnering Agreement) or a Pledgor being unable to fully pay its debts in respect of taxes of social security premiums or planning to notify the relevant authorities thereof;
- (j) Notice to third parties: forthwith notify any third party seeking recourse on the Collateral if that recourse would have a material adverse effect on the right of pledge created under this Agreement or the value of the Collateral. The Pledgee may also give this notice;
- (k) No adverse effect: in general, not do or cause or permit to be done anything which will, or could be reasonably expected to, materially adversely affect the pledge over the Collateral or the rights of the Pledgee hereunder or which in any way is materially inconsistent with or materially depreciates, jeopardises or otherwise prejudices the right of pledge regarding the Collateral;
- (l) Use of Trade Marks: make normal and commercial adequate use of the Trade Marks in exact conformity with the registration thereof;
- (m) Safeguarding: use its reasonable endeavours including the commencement of legal proceedings, as may be reasonably necessary, to safeguard and maintain the validity or subsistence registration of the Collateral;
- (n) Evidence of use: retain, for the duration of this Agreement, evidence of the genuine use made of the Trade marks. This evidence includes, but is not limited to, samples of product packaging, promotional material and copies of invoices to customers with the Trade Mark. The Pledgor shall provide the Pledgee with this evidence of use upon the Pledgee's first request;
- (o) Pledge on intellectual property rights in other jurisdictions: at the Pledgee's first request create a valid first-ranking right of pledge in favour of the Pledgee on those intellectual property rights and in those jurisdictions as requested by the Pledgee. If the law of the

relevant jurisdiction does not permit the creation a right of pledge the Pledgor shall create a similar right in favour of the Pledgee;

- (p) Licensee Rights: to use its best efforts to the extent commercially reasonable to procure that the Licensee Rights are capable to be encumbered with a right of pledge as purported to be created under or in connection with this Agreement.

9. Enforcement Event/ Termination Rights

- (1) On or at any time after the occurrence of an Enforcement Event and for as long as such Enforcement Event is continuing the Pledgee shall be entitled to sell or cause the Collateral to be sold in the manner and on such terms and conditions as the Pledgee may, in its sole and absolute discretion, deem necessary and appropriate, subject, however, to mandatory provisions of Netherlands law and section 5.18 of the Licensing and Strategic Partnering Agreement.
- (3) Each Pledgor hereby waives its rights to apply to the President of the District Court for an order that the Collateral are to be sold in a manner different from that provided for in Article 3:250 DCC.
- (4) The Pledgee shall apply the proceeds from the sale of the Collateral, after deduction of all reasonable costs, to the settlement of the Secured Obligations, in such manner and such order to be determined by the Pledgee in its sole and absolute discretion, subject to the terms and conditions set out in the Licensing and Strategic Partnering Agreement.

10. Termination of right of pledge

- (1) The pledge created under this Agreement and all the related rights thereto shall terminate if (i) all obligations under the Secured Obligations towards the Pledgee have been duly fulfilled and (ii) any all obligations under the Secured Obligations have been otherwise terminated or cancelled, and the Pledgee has confirmed the same in writing.

11. No liability

- (1) The Pledgee shall not be liable for any shortfall in the proceeds of sale and/or any loss or damage resulting from any sale or disposal of Collateral (or any interest therein) or arising out of the exercise of or failure to exercise any of its powers under this Agreement or for any other loss of any nature whatsoever in connection with the Collateral, except for gross negligence or wilful misconduct (*opzet of grove schuld*) of the Pledgee toward such Pledgor.

12. No rescission

- (1) To the extent permitted by law, each Pledgor hereby waives its rights under Articles 6:265 up to and including 6:272 DCC to rescind (*ontbinden*) or demand in legal proceedings the rescission (*ontbinding*) of this Agreement.

13. Miscellaneous

- (1) The Pledgee may transfer its rights and obligations under this agreement in full or in part to any third party. On the occasion or preparation of any such transfer the Pledgee may disclose this agreement and any information received hereunder to the interested assignee, provided that prior to such disclosure the Pledgee has entered into a standard confidentiality agreement with such interested assignee.
- (2) No Pledgor shall be entitled to assign or transfer all or any part of its rights or benefits under this Agreement.
- (3) The Pledgee may charge costs and expenses in accordance with the Licensing and Strategic Partnering Agreement.
- (4) Except as otherwise provided for in this Agreement or to the extent mandated by law, the Pledgor shall keep this Agreement and all

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information received by it hereunder confidential.

- (5) Any notice or other communication under or in connection with this Agreement must be made in accordance with the Licensing and Strategic Partnering Agreement.
- (6) If there is a conflict between this Agreement and the Licensing and Strategic Partnering Agreement then (to the extent permitted by law) the provisions of the Licensing and Strategic Partnering Agreement will take priority over the provisions of this Agreement.
- (7) Any amendment to this agreement shall be made in writing.
- (8) This Agreement shall in all respects be governed by and construed in accordance with the laws of the Netherlands. Any disputes hereunder shall exclusively be submitted in the first instance to the District Court at Amsterdam, the Netherlands.
- (9) Should one or more provisions of this agreement be or become unenforceable or void in whole or in part, the remaining provisions of this Agreement shall remain in force. The unenforceable or void provision shall be substituted by a valid provision which accomplishes as far as legally possible the economic purposes of the unenforceable or void provision.

This Agreement has been signed in four counterparts, each of equal
tenor and validity, on **February 2,** 2006.

PHARMING INTELLECTUAL PROPERTY B.V.

Francis Pinto
By: **Francis Pinto**
Title: **Authorised Signatory**

PHARMING GROUP N.V.

Francis Pinto
By: **Francis Pinto**
Title: **Authorised Signatory**

PHARMING TECHNOLOGIES B.V.

Francis Pinto
By: **Francis Pinto**
Title: **Authorised Signatory**

KING GEORGE HOLDINGS LUXEMBOURG IIA S.a.R.L.

K. Macleod
By: **Ken Macleod**
Title: **Manager**

Issued for true copy

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From: Pharming Group NV

To: King George Holdings Luxembourg IIA S.A.R.L.

October 18, 2007

Dear Lionel

Binding letter of intent ("Letter")

Pursuant to a Licensing and Strategic Partnering Agreement, dated February 2, 2006 (the "LSPA"), among Pharming Intellectual Property B.V., Pharming Group N.V. and Pharming Technologies B.V. (for the purpose of this Letter collectively the "Company") and King George Holdings Luxembourg IIA S.A.R.L. (the "Investor"), the Investor agreed to make an investment in the Company subject to the terms and conditions of the LSPA.

The capitalized terms and expressions used in this Letter shall have the same meaning as in the LSPA and references to Articles and Sections in this Letter shall be to articles and sections of the LSPA.

Background

The LSPA contains (inter alia) the following terms (which for the avoidance of doubt are not modified by the recitation thereof in this Background):

- 1 The Investor to pay US\$15 million to the Company on the Closing Date. Such payment was made on the Closing Date.
- 2 Additional investment amounts, consisting of two payments of US\$5 million each, to be paid by the Investor to the Company pursuant to Section 2.02 in the event of the achievement of certain milestones. The milestones have not been achieved and such additional investment amounts are not payable as of the date hereof.
- 3 The Company is obliged to make payments to the Investor in accordance with Section 2.03 and pursuant thereto on July 6, 2007 the Company paid to the Investor US\$2 million. Section 2.03 provides (inter alia) that moneys received by the Company in the circumstances described therein are to be paid to the Investor or to a designated bank account.
- 4 Representations and warranties by the Company to the Investor and by the Investor to the Company, as set out in Article III and Article IV respectively.
- 5 Covenants of the Company regarding the grant in favor of the Investor of a continuing first preferred lien and security interest in the Collateral and restrictions on the Company's right to grant any security interests in any part of the Collateral to any party other than the Investor.
- 6 Section 5.10 requiring remission by the Company of moneys specified in the LSPA to a Reserved Royalties Pool Account pursuant to a License Account

Agreement to be entered into by the parties, which was to provide for the establishment of the Reserved Royalties Pool Account, a Joint Concentration Account, a Company Concentration Account and an Investor Concentration Account, over each of which the Investor was to have a security interest.

- 7 Section 5.16 providing for the appointment of an Investor designee as a director of Pharming Group N.V., pursuant to which Kenneth Macleod was so appointed.
- 8 Article VI regarding conditions for closing and funding.
- 9 Section 8.06 providing for indemnification.
- 10 Section 8.10 providing for amendments.

UBS Investment Bank ("UBS") has been engaged by the Company to assist the Company to raise the sum of €70 million by way of an issuance by the Company of Unsecured Convertible Bonds due 2012 (the "Offering"). The Offering provides that the proceeds will be used for general corporate purposes including sums to terminate and settle all rights, obligations and liabilities the Company may have under or pursuant to the LSPA and all agreements and rights that stem from the terms of the LSPA.

Agreement

Conditional upon the Offering being completed by October 31, 2007 and not less than €70 million being raised in the Offering (the "Condition") the Company and the Investor have agreed to terminate the LSPA as follows :

- 1 The Company will pay the Investor US\$13 million (the "Initial Payment") not later than five (5) Business Days after completion of the Offering;
- 2 Not later than five (5) Business Days after completion of the Offering, the Company shall cause US\$15 million (the "Second Payment") from the proceeds of the Offering to be placed into an escrow account held by UBS (the "Escrow Account"), pursuant to an escrow agreement based on a form to be provided by UBS, as escrow agent, which shall among other things provide that the Second Payment shall be paid to the Investor on January 31, 2008, and that payment of the Second Payment to the Investor shall not be subject to any other conditions precedent or receipt of instructions from the Company;
- 3 The terms of the warrants to purchase an aggregate of 700,000 of the Company's ordinary shares granted to the Investor pursuant to the LSPA will be amended so that the expiration date of such warrants shall be extended to February 2, 2011;
- 4 Upon receipt by the Investor of the Initial Payment and of evidence from UBS satisfactory to the Investor that the Second Payment has been placed in the Escrow Account, the LSPA will terminate with immediate effect; provided, that Section 5.05 (Confidentiality) shall survive such termination. Any interest that the Investor has or is entitled to in respect of a lien or any other form of security interest or charge in the Collateral or any other present or future assets or rights of the Company (including without limitation any rights of the Investor under the LSPA or any other security lien or charge document given pursuant to or in respect of the various accounts referred to in Section 5.10)

will be deemed released, discharged and terminated and shall cease with immediate effect. The Investor undertakes with the Company and hereby irrevocably appoints the Company as its attorney-in-fact, with full power of substitution to do all acts and things necessary to effectuate an effective release of its rights in each and every part of the Collateral; provided, that only expenses reasonably incurred and accounted for by the Company acting as attorney-in-fact on behalf of the Investor shall be reimbursed by the Investor;

- 5 The Initial Payment and the Second Payment shall constitute full and final settlement of all claims and rights either party has or may have against the other relating to the LSPA (including (but without limitation) the specific provisions referred to in this Letter and any obligation of the Investor to make any payments to the Company pursuant to Section 2.02) or any of its terms or any agreement referred to therein or created as a result of the LSPA or as a result of the investment by the Investor of US\$15 million on the Closing Date.
- 6 Each of the Company and the Investor agree not to make or cause or permit to be made any statement (whether of fact, belief or opinion) which directly or indirectly disparages, is critical or inimical to or derogatory of or damages the reputation or standing of the other or any of its businesses, subsidiaries, affiliates, officers, employees, agents, customers, suppliers, partners or shareholders. The Investor and the Company have agreed the form of a press release that will be issued by the parties after the signing of this Letter in the form annexed to this Letter.
- 7 If the Condition is not satisfied by October 31, 2007 then the agreement contained in this Letter will terminate and the LSPA will continue in accordance with its terms; provided, that the Investor shall have no obligation to make any further payments to the Company pursuant to Section 2.02.
- 8 This Letter creates a legally binding obligation upon the Company and the Investor and once signed by all parties the Company will use its good faith, efforts to complete the Offering and satisfy the Condition. The Company shall have no liability to the Investor if the Condition is not fulfilled.
- 9 Each party shall bear its own costs in connection with this Letter and its implementation. Section 8.04 (Notices), Section 8.13 (Counterparts; Effectiveness), Section 8.16 (Governing Law; Jurisdiction) and Section 8.17 (Waiver of Jury Trial) of the LSPA shall apply to this Letter as if set forth herein. Except as otherwise amended by this Letter, the LSPA shall continue in full force and effect until terminated in accordance with its terms or the terms hereof.

[SIGNATURE PAGE FOLLOWS]

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Please sign and return the attached duplicate of this Letter confirming your agreement to the above terms.

Yours sincerely

PHARMING INTELLECTUAL PROPERTY B.V.

By: Francis Pinto [Signature]
Name: Dr F. PINTO DR B. GIANETTI
Title: CEO COO
Date: 22.10.2007

PHARMING GROUP N.V.

By: Francis Pinto [Signature]
Name: Dr F. PINTO DR B. GIANETTI
Title: CEO COO
Date: 22.10.2007

PHARMING TECHNOLOGIES B.V.

By: Francis Pinto [Signature]
Name: DR F. PINTO DR B. GIANETTI
Title: CEO COO
Date: 22.10.2007

Agreed and accepted:

KING GEORGE HOLDINGS LUXEMBOURG IIA S.A.R.L.

By: [Signature]
Name: [Signature]
Title: Managing Director & Partner
Date: 10/24/07

Listing Particulars dated 3 December 2007

PHARMING

Pharming Group N.V.

(Incorporated in The Netherlands, with its official seat in Leiden, The Netherlands)

€70,000,000 6.875 per cent.

Convertible Bonds due 2012

Issue Price of the Bonds: 100 per cent.

The €70,000,000 6.875 per cent. Convertible Bonds due 2012 (the “Bonds”) of Pharming Group N.V. (“Pharming”, the “Issuer” or the “Company”, which shall, where the context so requires, including one or more of its subsidiaries) will be convertible into ordinary shares of the Company (the “Shares” or “Conversion Securities”) at an initial conversion price of €4.40 per Share, subject to adjustment in certain circumstances as described herein.

The Bonds were issued through a private placement to institutional investors only on 31 October 2007. Interest on the Bonds is payable at a rate of 6.875 per cent. per annum payable semi-annually in arrear on 30 April and 31 October in each year commencing on 30 April 2008. Payments on the Bonds shall be made in euro without any deduction or withholding for on account of any present or future taxes, duties, assessments or governmental charges of any Taxing Jurisdiction (as defined in the Terms and Conditions of the Bonds), unless required to be made by the Issuer.

Application has been made to admit the Bonds to the Official list of the Luxembourg Stock Exchange and application has been made to admit the Bonds to trading on the Luxembourg Stock Exchange's Euro MTF Market (the “Euro MTF Market”). The existing issued Shares are listed on Eurolist by Euronext Amsterdam N.V. (“Euronext Amsterdam”). The Issuer has agreed to use its best endeavours to ensure that the Shares issued upon conversion of any Bonds will be admitted to listing at the stock exchange where the Shares are listed at that time. The closing price of the Shares on Euronext Amsterdam on 31 October 2007 was €3.42 per Share.

Unless previously redeemed, converted or repurchased and cancelled, the Bonds will be redeemed at 100 per cent. of their principal amount on 31 October 2012.

The Issuer may redeem all but not some only of the Bonds at their principal amount, together with accrued interest (i) at any time on or after 14 November 2010, if the value of the Shares underlying one Bond (“Parity Value”) on each of at least 20 consecutive dealing days in any period of 30 consecutive dealing days ending not earlier than 7 days prior to the giving of the Optional Redemption Notice (as defined herein) shall have been at least €75,000; or (ii) at any time that the outstanding aggregate principal amount of Bonds shall represent 10 per cent. or less of the aggregate principal amount of Bonds originally issued.

Neither the Bonds, nor the Shares issuable upon conversion of the Bonds have been or will be registered under the United States Securities Act of 1933 (the “Securities Act”) or with any securities regulatory authority of any jurisdiction. The Bonds are being offered in offshore transactions outside the United States in reliance on Regulation S (“Regulation S”) under the Securities Act and, unless the Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, may not be offered, sold or delivered within the United States or to or for the benefit of U.S. persons.

The Bonds are issued in denominations of €50,000 and integral multiples of €50,000.

On 31 October 2007 (the “Closing Date”), the global certificate evidencing the Bonds was delivered to, and registered in the nominee name of, a common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). Investors may only hold interests in Bonds through Euroclear or Clearstream, Luxembourg or through participants in Euroclear or Clearstream, Luxembourg. Bondholders or any person claiming any beneficial interest in any Bond will only be entitled to receive Bonds in physical form in certain limited circumstances. See “Terms and Conditions of the Bonds — Securities Holding Structure”.

Investors should read “Risk Factors” beginning on page 5 for a discussion of certain factors which should be considered before buying the Bonds.

Sole Bookrunner and Manager

UBS Investment Bank

9. Restricted cash

The balance of non-current restricted cash at year-end 2007 and 2008 relates to banker's guarantees issued with respect to lease commitments of the Company's headquarters.

Following the settlement agreement with Paul Royalty Fund in 2007 as further explained in Note 15, the Company transferred an amount of US\$ 15.0 million to an escrow account to guarantee a final payment of such amount to Paul Royalty Fund. The balance, which converted at the €/US\$ exchange rate at December 31, 2007 amounted to € 10,180,000, has been fully settled in January 2008.

10. Inventories

Inventories include batches rhC1INH and skimmed milk available for production of rhC1INH.

THE COMPOSITION OF INVENTORIES AT YEAR-END 2007 AND 2008 WAS:

AMOUNTS IN € '000	2008	2007
Batches rhC1INH	10,895	11,416
Skimmed milk	76	304
BALANCE AT DECEMBER 31	10,971	11,720

Batches rhC1INH are comprised of therapeutic product available for multiple purposes, including sales upon market approval. In the event batches will not be used for commercial purposes, they can be used for clinical development and preclinical activities.

In 2008 the Company charged about € 1.1 million of inventories to research and development costs. Based on expected use of batches rhC1INH in future commercial, preclinical and clinical development and the approaching expiration dates of these inventories, finished product with a carrying value of € 1,254,000 was written down to the income statement and recognised as an impairment charge.

11. Other current assets

THE COMPOSITION OF OTHER CURRENT ASSETS AT DECEMBER 31, 2007 AND 2008 WAS:

AMOUNTS IN € '000	2008	2007
Value added tax	266	196
Prepaid expenses	717	264
Accrued interest	182	430
Other receivables	481	1,003
BALANCE AT DECEMBER 31	1,646	1,893

12. Marketable securities

MOVEMENT OF MARKETABLE SECURITIES FOR THE FINANCIAL YEARS 2007 AND 2008 WAS:

AMOUNTS IN € '000	2008	2007
Balance at January 1	3,956	4,995
Accrued interest	360	360
Interest received	(360)	(360)
Fair value adjustment	(208)	(1,039)
BALANCE AT DECEMBER 31	3,748	3,956



15. Paul Royalty Fund

On February 3, 2006, Pharming received a US\$ 15.0 million upfront payment in cash from Paul Royalty Fund under a license agreement entitling Paul Royalty Fund to receive royalties on revenues of rhC1INH and other Pharming products over the ten year term of the agreement. At the end of the agreement, a termination option would automatically be exercised by which the Company would have repurchased the investment rights for an amount not less than the higher of (i) two times the milestone payments and (ii) an amount that gives Paul Royalty Fund an internal rate of return of 20%. Pharming additionally issued 700,000 warrants with an exercise price of € 4.00 per share and an exercise period of two years to Paul Royalty Fund.

In view of the 20% internal rate of return guaranteed to Paul Royalty Fund, the Company at balance sheet dates had to take into account those facts and circumstances known. Given the absence in 2006 and 2007 of revenues qualifying for royalty payments to Paul Royalty Fund, the Company accrued for an amount in US\$ which at least equals the 20% internal rate of return, taking into account the lower value of the loan due to transaction fees paid and the fair value of the warrants issued which were both deducted from the upfront payment. At balance sheet dates the liability was translated to the reporting currency at the closing exchange rate with subsequent exchange rate differences recognized in the income statement.

In July 2007, the first contractual amount of US\$ 2.0 million or € 1,473,000 was repaid to Paul Royalty Fund. Effectively October 31, 2007 the Company and Paul Royalty Fund agreed to fully settle the original agreement through additional payment by Pharming of US\$ 28.0 million and a 3 year extension of the original warrant exercise period (valued at € 993,000). Of the US\$ 28.0 million repayment an amount of US\$ 13.0 million was paid in November 2007 (€ 8,996,000) whereas the remaining US\$ 15.0 million was transferred to an escrow account and paid in January 2008. At October 31, 2007 the € 8,132,000 difference between the carrying value of the liability before (€ 11,235,000) and after settlement (US\$ 28.0 million or € 19,367,000) was charged to the income statement; together with the fair value of the warrant extension (€ 993,000) a total settlement result of € 9,125,000 was recognised in the 2007 income statement.

THE MOVEMENT OF THE FINANCIAL LIABILITY IN 2007 AND 2008 WAS AS FOLLOWS:

AMOUNTS IN € '000	TOTAL
Balance at January 1, 2007	11,626
Interest expense	2,151
Exchange rate profit	(1,260)
Settlement loss (excluding fair value warrant extension)	8,132
Repayments (US\$ 13.0 million)	(10,469)
BALANCE AT DECEMBER 31, 2007 (US\$ 15.0 MILLION)	10,180
Exchange rate profit	(105)
Repayment (US\$ 15.0 million)	(10,075)
BALANCE AT DECEMBER 31, 2008	-

The repayment amount at year end 2007 of US\$ 15.0 million was held on an escrow account (see Note 9 on Restricted cash). As a result, exchange rate results on the liability after October 31, 2007 were fully offset with a similar effect on the restricted cash balance. Both foreign currency effects have been recognized in other foreign currency results in the income statement.

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PATENT