



**2016 ANNUAL GENERAL MEETING
OF SHAREHOLDERS
PROQR THERAPEUTICS N.V.
-
MINUTES**



Date: 21 June 2016
Location: Apollolaan 15, 1077 AB Amsterdam (Allen & Overy LLP offices)

1. Opening of the AGM and welcoming of the shareholders

Chairman of the Supervisory Board of ProQR, Dinko Valerio, opened the General Meeting and welcomed all attendees.

The chairman informed the meeting that the following members of the Management team were present:

- Daniel de Boer, Chief Executive Officer
- Rene Beukema, Chief Corporate Development Officer and General Counsel
- Smital Shah, Chief Financial Officer
- Gerard Platenburg, Chief Innovation Officer

And after that the chairman welcomed the other members of the Supervisory Board present at the meeting:

- Henri Termeer
- Antoine Papiernik
- Alison Lawton
- Paul Baart
- And member-elect James Shannon

The chairman then welcomed Sophie Roozendaal, the company's civil law notary from Allen & Overy and appointed her as secretary of the meeting. Finally, the chairman noted that Mr Pieter van der Goor, accounting partner at Deloitte, is present and welcomed him.

Subsequently the chairman went through the formal and procedural points of the meeting and in that respect noted that the meeting has been convened taking into account all applicable legal and statutory provisions. The chairman also informed the meeting that the total number of shares outstanding as per the record date amounted to 24,520,814 ordinary shares. According to the attendance list, 15,111,252 ordinary shares are present or represented at this meeting. Each share entitles the holder to one vote. And all resolutions on this meeting may be passed by an absolute majority of the votes cast.

No questions were asked about the formalities. The chairman then proceeded with the next item of the agenda.

2. Report of the Management Board for the financial year 2015 (discussion item)

The chairman introduced agenda item 2 and gave the floor to the Company's CEO Daniel de Boer, to highlight the Company's performance in 2015.

Daniel de Boer explained that ProQR Therapeutics started 4 years ago, in May of 2012. The company has offices in Leiden, the Netherlands and Palo Alto, California. The company has a



program for dF508 cystic fibrosis, for which IP is sourced out of MGH in Boston. Over the last few years the company took this program from a single paper in PNAS to a full development program. In 2014 it was decided to take the company public on Nasdaq bringing the total capital raised to almost 200M dollar to date. In the same year our program for LCA type 10 was initiated, the most common form of genetic blindness in kids. Kids that suffer from this disease typically lose sight before they turn 6 years old. QR-110 for LCA type 10 is progressing towards clinical studies.

In 2015 2 global clinical studies were initiated for our QR-010 program for dF508 cystic fibrosis. Across these 2 studies the company is enrolling 80 CF patients in 27 different hospitals.

In the innovation unit the company continues to build the pipeline. About third of the company is working on the pipeline and at the R&D day we announced a number of exciting new programs targeting severe genetic diseases with a high unmet medical need.

Daniel de Boer noted that to execute the company's strategy and get all this work done the team has been expanded over the course of 2015 from 70 to 115 driven and passionate ProQRians with a team consisting of 57% female, an average age of 36 years and 27 different nationalities.

Daniel de Boer then continued to discuss the CF program QR-010. QR-010 is a single stranded chemically modified RNA oligonucleotide that was first described by Paul Zamecnik. Zamecnik was a renowned RNA scientist that for example invented Antisense and exon skipping. In 2004 he published a paper on a molecule that could target the F508 mRNA and restore the sequence and the function of the CFTR protein. We were able to pick up the license and use this technology to form QR-010. The company is currently doing a lot of basic research to figure out exactly how QR-010 works. And in previous publications the company has shown that QR-010 can restore significant CFTR function in relevant in vitro and in vivo models – which would then hydrate the mucus in the lungs of these patients taking away the cause of the disease.

The two studies are conducted in a total of 27 sites, 14 of which are in North America.

Preliminary data from the single dose cohorts is expected to be released during the North American CF conference in October this year.

During the NACF conference the company will provide an update on the enrollment of the multiple dose cohorts.

NPD has strong predictive value for clinical benefit. The company considers the NPD a very important efficacy study to proof the activity of QR-010 in CF patients.

Daniel de Boer then continued to note that the company is glad to announce that the data for this NPD proof of concept study will also be released during the NACF conference in October. This data is a very important step for the program as it is a clean read out of the effect of QR-010 on CFTR activity and therefore it can tell us at this early stage about the efficacy of QR-010.

The company is very excited that the first clinical data readouts are coming up – a big event in building the company and a potential important inflexion point.

In the company's two ongoing global clinical studies there are 27 sites participating across the two studies, divided over Europe and North America. After a range of measures the company took on the clinical operations late last year. The company expects preliminary data can be released from the single dose cohorts at the NACF conference. Given that outcome of the NPD study and the



completion of the single dose cohorts will influence enrollment rates the company will also provide an update on the enrollment of the multiple dose cohorts at the time.

At the North American CF conference the company will also release data from our Nasal potential difference study. This important proof-of-concept study is designed to assess the activity of QR-010 on CFTR activity and will be the key data point to watch.

Beyond Cystic Fibrosis the company is working hard on expanding the pipeline. To do so the company started the innovation unit 2 years ago. Today the company has about 25% of the business dedicated to leveraging the extensive IP estate to discover novel RNA therapeutics for severe genetic disorders. In all these programs the company looks for well understood causality, where the company understands how the genetic defect leads to the disease manifestations, and how a single stranded chemically modified RNA oligo's can modulate that.

Daniel de Boer continued to explain that the company focuses on therapeutic areas where there is a feasible delivery path. Typically through local delivery, for example inhalation for the lung in CF, topical administration to the skin for EB and intravitreal administration for the eye. He also informed the meeting that the company is building the pipeline of RNA therapeutics in 5 therapeutic areas. Respiratory, Ophthalmology, Dermatology, CNS and Neuromuscular. All areas where the company can deliver therapeutics to the organs of interest to serve great unmet medical needs. At the R&D day in New York in March of this year some of our programs were discussed in more detail. The company is excited to see the broad pipeline of RNA based therapeutics maturing. Most advanced is obviously the CF program QR-010 for which the company is expecting clinical data soon.

At the R&D day also the Dystrophic Epidermolysis Bullosa was discussed. This is a program for a terrible disease where kids basically lose their skin and have open wounds over their entire body. Another area discussed during the R&D day is ophthalmology. The company is excited about the ophthalmology space for oligonucleotides for a number of reasons. There are a bunch of approved oligo's for the eye, there is very limited systemic exposure after ivt administration, very efficient distribution to different cell types in the eye and this class of molecules has a very long half-life in the eye. Because of all these reasons we decided to build a dedicated ophthalmology group.

The company expects to be able to push other Ophthalmic programs forward many of the learnings from LCA can be applied to these other programs.

Daniel de Boer at last informed the meeting that the company is very much looking forward to the upcoming data release at the time of NACFC. Where the company will release data from the NPD study, the single dose cohorts from the phase 1b study and provide an update on the enrollment for the multiple dose cohorts. The company is also moving QR-110 towards the clinic this year. In 2017 the company expects to release the data from the multiple dose cohorts of the Phase 1b study and continue to mature the pipeline of promising drug candidates for severe genetic diseases.

Looking forward the company has concluded that due to conservative budgeting and careful spending the company can adjust the financial guidance to an extended cash runway. The current cash – last reported 85,5M euro- finances the company into mid-2018.

Daniel de Boer then gave the floor to Smital Shah to explain the financials.

Smital Shah walked the meeting through the key highlights of the 2015 financials. She noted that the key item on the balance sheet is the cash as of 31 December 2015 which ended on 94.9 million

euros and which was a 17.9 million euros decrease compared to the previous year. Smital Shah explained that this primarily driven by the increase of the operating expenses.

Smital Shah continued to explain that the other current liabilities increased and went up to 4.2 million euros and that this was a result of the increased R&D expenses. She also noted that the borrowings increased with an amount of around 2 million euros compared to last year and this was a result of the innovation credit the company obtained of the Dutch government.

Smital Shah then continued with informing the meeting about the P/L. She noted that the other income increased and went up to 3.2 million euros and that was primarily driven by the two grants the company obtained to fund the QR-010 program. She continued explaining increase in the operating expenses of 30.2 million euros, which increase was a result of the R&D programs.

No questions were asked about this agenda item. The chairman then proceeded with the next item of the agenda.

3. Disclosure of remuneration in the annual accounts for the financial year 2015 (discussion item)

The chairman noted that this item concerns the report on the remuneration of the Management Board and Supervisory Board in 2015.

The relevant terms of such remuneration were shown in four slides and the chairman went through these slides.

No questions were asked about this agenda item. The chairman then proceeded with the next item of the agenda.

4. Adoption of the annual accounts, including the appropriation of net result, for the financial year 2015 (voting item)

The chairman proposed to the meeting to adopt ProQR's annual accounts for the financial year 2015.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

5. Release from liability of the members of the Management Board with respect to the performance of their management during the financial year 2015 (voting item)

The chairman proposed to the meeting to grant discharge from liability of the Management Board for the performance of their duties during 2015.



No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

Before moving on to the next agenda item, the chairman thanked the Management Board for the achievements in 2015. He noted that the Management Board has done a great job in building the company and developing QR-010, and other products as well. The chairman pointed out that given the extreme youth and very rapid growth of the company, the quality and professionalism of what has been achieved stands out. And for this achievement he thanked all ProQRians for their tremendous efforts in achieving this.

The chairman then proceeded with the next item of the agenda.

6. Release from liability of the members of the Supervisory Board with respect to the performance of their supervision during the financial year 2015 (voting item)

The chairman proposed to the meeting to grant discharge from liability of the Supervisory Board for the performance of their supervision during 2015.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

7. Amendment compensation policy Management Board (voting item)

The chairman noted that in line with the ProQR practice of regularly reviewing the Compensation Policy, the Compensation Committee has evaluated and reviewed the Compensation Policy. The Compensation Committee was assisted by independent external advisors in this process. For this, Towers Watson conducted a benchmark study.

Based on the benchmark study, the chairman explained to the meeting that the Compensation Committee established that the current compensation levels are significantly below the median of the market compensation levels. Therefore, the Supervisory Board proposes changes to the Compensation Policy, and recommends the General Meeting to adopt these amendments.

The compensation packages of the members of the Management Board will continue to consist of four components: one, the annual base salary, two, a Short Term Incentive – STI, three, a Long Term Incentive – LTI, and, four, pension.

The Compensation Policy aims to bring the sum of the annual base salary, the short term incentive and the long term incentive in line with the median of the market compensation levels within the compensation reference group.

In light of the maturity level of ProQR's business and taking into account the cash requirement of the compensation of the members of the Management Board, it was decided by the Supervisory Board not to make any increases to the cash related components of the compensation package. That means the annual base salary as well as the STI will be maintained at the current level and will not be increased, despite the disparity with the market in which we operate.

However, to ensure the members of the Management Board are rewarded fairly in line with the principles of the Compensation Policy principles, it is proposed to provide discretionary power to the Supervisory Board, to make grants of stock options as a long term incentive to the CEO up to a maximum value of 300% of his base salary and to the other member of the Management Board up to a maximum value of to 200% of his base salary.

The actual amount of stock options to be granted as an LTI to the members of the Management Board will be determined annually by the Supervisory Board on the basis of this new policy, and depending on the contribution to the strategy, the long term development of ProQR, the individual performance of the members of the Management Board.

No questions were asked about this agenda item.

The chairman proposed to the meeting to amend the compensation policy for the Management Board.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

8. Composition Supervisory Board

The chairman informed the meeting that this item of the agenda relates to the composition of the Supervisory Board. The chairman noted that the Supervisory Board has nominated a new member.

Furthermore, the chairman informed the meeting that the rotation schedule for the members of the Supervisory Board has been amended. The new rotation schedule was shown on a slide.

The chairman informed the meeting it is proposed to appoint or reappoint the members of the Supervisory accordingly in the next items to make sure that all appointments are in line with the new rotation schedule.

8i. Appointment James Shannon as new member of the Supervisory Board (voting item)

The chairman proposed to the meeting to appoint Mr James Shannon as a new member of the Supervisory Board, with effect from the date of this General Meeting for a term of four years.

Then Mr James Shannon introduced himself briefly.

The chairman noted that the Supervisory Board believes that Mr Shannon's significant international experience in drug development and pharma provide him with the qualifications and skills to be a very valuable and complementary addition to the Supervisory Board.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

8(ii) Reappointment of Supervisory Board member Dinko Valerio (voting item)

The chairman proposed to the meeting to reappoint himself as a member of the Supervisory Board until the close of the AGM 2020.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

8(iii): Reappointment of Supervisory Board member Henri Termeer (voting item)

The chairman proposed to the meeting to reappoint Mr Henri Termeer as a member of the Supervisory Board until the close of the AGM 2020.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

8(iv): Reappointment of Supervisory Board member Antoine Papiernik (voting item)

The chairman proposed to the meeting to reappoint Antoine Papiernik as a member of the Supervisory Board until the close of the AGM 2017.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

8(v): Reappointment of Supervisory Board member Alison Lawton (voting item)

The chairman proposed to the meeting to reappoint Alison Lawton as a member of the Supervisory Board until the close of the AGM 2018.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

8(vi): Reappointment of Supervisory Board member Paul Baart (voting item)

The chairman proposed to the meeting to reappoint Paul Baart as a member of the Supervisory Board until the close of the AGM 2019.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

9: Amendment compensation principles Supervisory Board (voting item)

The chairman informed the meeting about the amendment of the compensation principles for the Supervisory Board.

First the chairman explained the current remuneration of the Supervisory Board. The fee levels of the members of the Supervisory Board are reviewed on an annual basis. Based on the outcomes of this review and upon the recommendation of the Compensation Committee, the Supervisory Board proposes to make two amendments to the compensation principles and recommends the General Meeting to adopt these amendments. For its review the Compensation Committee worked with the external advisor Towers Watson, who conducted a benchmark study.

The chairman continued to explain that further to the developments in the international Biotechnology and Pharma sector and in order to reflect the increased responsibilities of the Supervisory Board members and the related time spent, it is proposed to change the value of stock options to be granted to 110,000 US dollars per member of the Supervisory Board. For those members who elect to receive cash instead of stock options, the annual fixed fee in cash will be maintained at 50%.

The chairman also informed the meeting that it is proposed to apply a fair value approach to determine the number of stock options to be granted to members of the Supervisory Board instead of a face value approach, in order to align with the applied approach for the Management Board and common market practices.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

10: Amendment articles of association of the Company

The chairman proposed to the meeting to amend the articles of association of the Company to increase the number of locations where General meetings may be held and to amend the term

'annual report' to 'report of the Management Board' to comply with recent legislative changes. Adoption of this item will also authorize the executive director of the Company and the civil law notaries of Allen & Overy LLP to execute the amendment.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

11: Appointment Deloitte Accountants B.V. as the Company's external auditor for the financial year 2017 (voting item)

The chairman proposed to the meeting to appoint Deloitte Accountants B.V. as the Company's external auditor for the financial year 2017.

No questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

12. Authorization of the Management Board to acquire ordinary shares in the capital of the Company (voting item)

The chairman proposed to the meeting to authorize the Management Board to perform acquisitions by the Company of ordinary shares.

The chairman explained that this authorization concerns acquisitions of up to 10% of the issued share capital of the Company, plus, in case of a material reorganization of the capital structure of the Company an additional 10%. The acquisitions can take place by any means, for example through derivative products, purchases on any stock exchange, through any private purchase, or through a block trade. The price per share in case of such acquisitions must be between one US Dollar cent and an amount which is not higher than 110% of the average market price of such ordinary shares on NASDAQ. The authorization will be in effect for a period of eighteen (18) months as from today.

The chairman noted that the General Meeting has granted the same authorization in the AGM held in 2015.

Mr Van Grinsven asked whether it is correct that the authorization to purchase own shares in the agenda of last year AGM also included the possibility to do this in case of a material reorganization of the capital structure.

The chairman invited Mr Christiaan de Brauw, partner from Allen & Overy LLP, to answer this question.

Mr Christiaan de Brauw explained that this allows the company for strategic reasons to buy shares on the market in case of an issue of shares to a strategic party.

The chairman then noted that exact same text was included in the agenda of last year. And explained that in the biotech industry it is a common instrument and very useful for the management board and supervisory board to have the mandate to act properly on a potential transaction to take place.

Smital Shah explained that this mandate also allows the company to service stock option plans.

No further questions were asked about this agenda item.

The chairman put the proposal to a vote and informed the meeting that the proposal was adopted.

The chairman then proceeded with the next item of the agenda.

13. Questions

The chairman gave the floor to the persons present to ask questions.

Mr Schuurman asked about the situation of the company's leber's congenital amaurosis program given the patient population size.

Daniel de Boer explained that company can be meaningful for the 2,000 patients suffering from this disease despite the size of the patient population.

14. Closing

The chairman thanked all persons present for their participation and then declared the meeting closed.