



## PROQR THERAPEUTICS N.V.

# COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

## I. Introduction

The Compensation, Nominating and Corporate Governance Committee established by the Supervisory Board (the "CNC Committee") of **ProQR Therapeutics N.V.** (the "Company"), has been allocated certain tasks, duties and powers in connection with (i) the compensation of the members of the Company's Management Board (the "Managing Directors"), the members of the Company's Supervisory Board and the Company's officers, as defined in Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 16a 1 promulgated thereunder, but for the purpose of this Charter excluding the Managing Directors and the members of the Supervisory Board (the "Officers"), and (ii) the selection and recommendation of nominees for appointment to the Management Board, the Supervisory Board, or committees established by the Supervisory Board (the "Committees"), as well as the development and recommendation of a set of corporate governance guidelines applicable to the Company. This Charter specifies the tasks, duties and powers of, as well as the composition of and decision-making by, the CNC Committee.

This Charter shall be posted on the Company's website.

## II. Composition

The members of the CNC Committee shall consist of Supervisory Board members and shall be appointed by the Supervisory Board on the basis of a recommendation by the CNC Committee, subject to the provisions below.

The number of individuals serving on the CNC Committee shall be fixed by the Supervisory Board from time to time but shall consist of no fewer than three members. All members of the CNC Committee shall satisfy the independence standards established pursuant to Rule 5605(a)(2) of the Market Rules of the NASDAQ Stock Market LLC, subject to any applicable exceptions contained in those NASDAQ Rules. More than half of the members of the CNC Committee shall be independent within the meaning of the Dutch Corporate Governance Code.

In appointing the members of the CNC Committee, the Supervisory Board will consider whether the candidates qualify as "non-employee directors" as defined in Rule 16b-3 under the Exchange Act, and as "outside directors" as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended. The Supervisory Board shall strive to achieve a situation in which no more than one member of the CNC Committee is a member of the management board of another Dutch listed company.

The Supervisory Board may replace or remove any member of the CNC Committee at any time, with or without cause. Resignation, suspension or removal of a member of the Supervisory Board who is also a member of the CNC Committee shall automatically constitute his or her resignation, suspension or removal, as applicable, from the CNC Committee. Any vacancy on the CNC Committee, occurring for whatever reason, may be filled only by the Supervisory Board.

The Supervisory Board shall designate one member of the CNC Committee to serve as Chairman of the CNC Committee. The Supervisory Board shall strive to achieve a situation in which the Chairman of the CNC Committee is not (a) the Chairman of the Supervisory Board, (b) a former Managing Director or (c) a member of the Supervisory Board who is a member of the management board of another listed company.

### III. Meetings and Decision-Making

The CNC Committee shall meet as often as it determines is appropriate to carry out its responsibilities, but not less frequently than annually. These meetings may be in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, provided that none of the members of the CNC Committee object to this decision-making process. The CNC Committee may pass all resolutions by simple majority of the votes cast. In lieu of a meeting, the CNC Committee may pass resolutions in writing, by simple majority, provided that all members of the CNC Committee are familiar with the resolutions to be passed in this manner and that none of them objects to this decision-making process. Only members who satisfy the independence standards pursuant to Rule 5605(a)(2) of the Market Rules of the NASDAQ Stock Market LLC shall participate in decision-making with respect to nomination topics.

The Chairman of the CNC Committee, in consultation with the other committee members, may determine the frequency and length of the committee meetings and may set meeting agendas consistent with this Charter. Meetings of the CNC Committee shall be convened by the Chairman of the CNC Committee, at his or her own initiative or at the request of one or more other members of the CNC Committee, with due observance of a reasonable notice period.

The CNC Committee shall have the authority to request that any Managing Director, member of the Supervisory Board, Officer or employee of the Company or its subsidiaries, the Company's outside legal counsel, the Company's independent or internal auditors, or any other professional retained by the Company to render advice to the Company, attend a meeting of the CNC Committee or meet with any members of or advisers to the CNC Committee.

A person shall only be allowed to be present during the voting or deliberations by the CNC Committee on matters concerning his or her compensation, if so requested by the CNC Committee.

### IV. Purpose and Responsibilities

The CNC Committee's purpose and responsibilities shall be to do the following:

#### A. Review of Charter

- The CNC Committee shall review and reassess the adequacy of this Charter annually and recommend to the Supervisory Board any amendments or modifications to the Charter that the CNC Committee deems appropriate.

#### B. Performance Evaluation of the CNC Committee

- Periodically, the CNC Committee shall evaluate its own performance and report the results of such evaluation to the Supervisory Board.

**C. Compensation Policy**

- The CNC Committee shall review and reassess periodically the adequacy of the Company's compensation policy (the "Compensation Policy") to be pursued and submit proposals relating to the Compensation Policy to the Supervisory Board.

**D. Compensation of Managing Directors, members of the Supervisory Board and Officers**

- The CNC Committee shall review and reassess periodically the Company's processes and procedures for the consideration and determination of the compensation of Managing Directors, members of the Supervisory Board and Officers, as well as the amount, structure, components and other aspects of such compensation. The CNC Committee shall submit recommendations and proposals relating to the foregoing to (a) the Supervisory Board if it concerns compensation of Managing Directors or members of the Supervisory Board or (b) the Supervisory Board and the Management Board if it concerns compensation of Officers.
- Any recommendation or proposal relating to the compensation of Managing Directors or members of the Supervisory Board shall, in any event, deal with:
  - the compensation structure; and
  - the amount of the fixed compensation, the shares and/or options to be granted and/or other variable compensation components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application.
- The CNC Committee shall review and discuss with the Supervisory Board and the Management Board any description of the above-mentioned processes, procedures, recommendations and proposals to be included in the Company's annual report on Form 20-F.

**E. Compensation Report**

- The CNC Committee shall prepare the compensation report of the Supervisory Board, which shall contain an account of the manner in which the Compensation Policy has been implemented in the previous financial year, as well as an overview of the Compensation Policy as it is envisaged to be in the upcoming financial years. The compensation report shall explain how the Compensation Policy contributes to the achievement of the long-term objectives of the Company and its business in keeping with the risk profile, and shall include such further particulars as required by applicable law and, to the extent possible and appropriate, as recommended by the Dutch Corporate Governance Code.

**F. Incentive-Compensation and Equity-Based Plans**

- Without prejudice to the terms and conditions of the Company's Stock Option Plans, the CNC Committee shall review and approve grants and awards under incentive-based compensation plans and equity-based plans, in each case consistent with the terms of such plans.
- The CNC Committee shall review and make such recommendations and proposals to the Supervisory Board and the Management Board, as appropriate, as the CNC Committee deems advisable with regard to policies and procedures for the grant of equity-based awards by the Company.

- The CNC Committee shall carry out such further tasks and duties as are allocated to it under or pursuant to the Company's Stock Option Plans.

#### **G. Matters Related to Compensation of the Company's Chief Executive Officer**

- Without prejudice to the generality of the foregoing, the CNC Committee shall review and make recommendations and proposals for the corporate goals and objectives that may be relevant to the compensation of the Company's Chief Executive Officer (the "CEO").
- The CNC Committee shall evaluate the CEO's performance in light of the goals and objectives that were set for the CEO and shall review and make recommendations and proposals for the CEO's compensation based on such evaluation. In connection with determining the long-term incentive component of the CEO's compensation, the CNC Committee may consider the Company's performance, the value of similar incentive awards given to chief executive officers at companies listed on the NASDAQ Stock Market (or which are comparable to the Company in any other way), and the awards given to the CEO in past years.
- The CEO may not be present during voting or deliberations concerning his or her compensation.

#### **H. Matters Related to Compensation of the Managing Directors and Officers Other Than the Chief Executive Officer**

- Recommend the compensation of all Managing Directors and Officers of the Company other than the CEO.

#### **I. Selection, Proposal and Recommendation**

- The CNC Committee shall recommend to the Supervisory Board criteria for appointment to the Management Board or the Supervisory Board or to any of the Committees, which shall include a description of any specific, minimum qualifications that the CNC Committee believes must be met by a CNC Committee-recommended nominee, and a description of any specific competences, qualities and skills which the CNC Committee believes the various members of the Management Board and the Supervisory Board and the Committees should have in order to achieve a balanced and appropriate composition of those bodies and Committees, and shall annually reassess the adequacy of such criteria and submit any proposed changes to the Supervisory Board for approval. If possible and appropriate, the CNC Committee shall prepare a proposal for a composition profile of the Supervisory Board, taking into account the criteria referred to in the previous sentence.
- The CNC Committee shall establish procedures to be followed by the Supervisory Board (1) for making a (binding) nomination to the Company's general meeting of shareholders for the appointment or reappointment of a member of the Management Board or a member of the Supervisory Board, and (2) for the appointment by the Supervisory Board of the members of the Committees.
- The CNC Committee shall also establish a process for identifying and evaluating nominees for the Management Board or the Supervisory Board. The current process for identifying and evaluating such nominees is as follows:

1. The CNC Committee may solicit recommendations from any or all of the following sources: the Company's Chief Executive Officer, other members of the Management Board, other officers, third-party search firms, or any other source it deems appropriate.
  2. The CNC Committee will review and evaluate the qualifications of any such proposed candidate, and conduct inquiries it deems appropriate.
  3. The CNC Committee will evaluate all such proposed candidates in the same manner, with no regard to the source of the initial recommendation of such proposed candidate.
  4. In identifying and evaluating proposed candidates, the CNC Committee may consider, in addition to the minimum qualifications and other criteria for Management Board or Supervisory Board membership, as the case may be, approved by the Supervisory Board from time to time, all facts and circumstances that it deems appropriate or advisable, including, among other things, the competences and skills of the proposed candidate, his or her depth and breadth of business experience or other background characteristics, his or her independence and the needs of the Management Board or Supervisory Board, as the case may be.
  5. Proposed candidates are evaluated and, if thought fit, nominated by the CNC Committee on the basis of the principle of "best man or woman for the job".
  6. To the extent possible and appropriate, the CNC Committee shall take into account any applicable gender equality rules which may apply to the Company, whether on the basis of a comply-or-explain principle or otherwise.
- The CNC Committee shall recommend to the Supervisory Board the individuals to be proposed for appointment or reappointment as member of the Management Board or as member of the Supervisory Board at each annual general meeting of shareholders (or, if relevant, at an extraordinary general meeting of shareholders); provided that, if the Company is legally required by contract or otherwise to provide third parties with the ability to nominate individuals for appointment as a member of the Management Board or as member of the Supervisory Board, the selection, nomination and/or recommendation as described above shall be governed by such contract or other arrangement and shall not be the responsibility of the CNC Committee.
  - When performing its tasks and duties under this Charter, the CNC Committee shall observe the rotation schedules of the Management Board and the Supervisory Board.
  - The CNC Committee shall consider recommendations in light of the requirement that a majority of the Supervisory Board be comprised of members who meet the independence requirements set forth in Rule 5605(a)(2) of the NASDAQ Rules and shall observe the independence criteria and requirements under the Dutch Corporate Governance Code as well as the Company's internal rules and charters applicable the Supervisory Board and the Committees.
  - The CNC Committee shall make recommendation to the Supervisory Board concerning the appointment of the members of the Committees.
  - The CNC Committee shall supervise the policy of the Management Board on the selection criteria and appointment procedures for officers and senior management.

**J. Corporate Governance Guidelines**

- The CNC Committee shall develop and recommend to the Supervisory Board a set of corporate governance guidelines applicable to the Company that satisfy the standards set forth in Rule 5605 of the NASDAQ Rules.
- The CNC Committee shall review and reassess the adequacy of these corporate governance guidelines annually and shall recommend any proposed changes to the Supervisory Board for approval.

**K. Evaluation of the Management Board and the Supervisory Board**

- The CNC Committee shall periodically assess the functioning of individual members of the Management Board and the Supervisory Board, and shall report on this to the Supervisory Board.
- The CNC Committee shall periodically assess the size and composition of the Management Board and the Supervisory Board.

**L. Matters Relating to Retention and Termination of Search Firms to Identify Candidates**

- The CNC Committee shall exercise sole authority to retain and terminate the retention of any search firm that is to be used by the Company to assist in identifying candidates for appointment as members of the Management Board or as members of the Supervisory Board, and shall supervise the retention or the termination of the retention of any such firm that is to be used by the Company to assist in identifying candidates for appointment to senior management. The CNC Committee shall also have sole authority to approve any such search firm's compensation, fees and other retention terms.

**V. Compensation Consulting Firms or Other Outside Advisers**

The CNC Committee is authorized to retain or obtain the advice of compensation consultants, search firms, legal counsel, accountants and/or other advisers (an "Adviser") in connection with carrying out its responsibilities, in accordance with the rules set out below.

The CNC Committee is authorized to, and will, have direct responsibility for the appointment, compensation and oversight of the work of any Adviser retained by the CNC Committee and shall have sole authority to approve any such adviser's compensation, fees and other retention terms. The Company must provide for appropriate funding, as determined by the CNC Committee, for payment of reasonable compensation or fees to any such Adviser.

Before the CNC Committee selects, or accepts advice from, any Adviser (other than (1) in-house legal counsel or (2) any Adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K promulgated under the Securities Act of 1933, as amended (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Officers or Managing Directors, and that is available generally to all salaried employees or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the Adviser and about which the Adviser does not provide advice), the CNC Committee shall take into consideration the following factors (to the extent known to the CNC Committee):

- the provision of other services to the Company, to Managing Directors or to members of the Supervisory Board, by the Adviser or his or her employer;
- the amount of fees received from the Company by the Adviser or his or her employer, as a percentage of the total revenue of that Adviser or his or her employer;
- the policies and procedures of the Adviser or his or her employer that are designed to prevent conflicts of interest;
- any business or personal relationship of the Adviser or his or her employer with a member of the CNC Committee, another member of the Supervisory Board, a Managing Director and/or an Officer;
- any shares in, securities issued by, or financial instruments relating to, the Company owned by the Adviser or his or her employer;
- any business or personal relationship of the Adviser or his or her employer with a Managing Director or an Officer; and
- to the extent possible and appropriate, the CNC Committee shall not make use of the services of a compensation consultant which provides advice to the Managing Directors.

## VI. General

The CNC Committee may establish and delegate tasks, duties and powers to one or more subcommittees consisting of one or more of its members, when the CNC Committee deems it appropriate to do so in order to carry out its responsibilities.

In carrying out its responsibilities, subject to its general fiduciary duties under applicable law, the CNC Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with Supervisory Board members, Managing Directors, Officers and such Advisers with whom the CNC Committee may consult.

The CNC Committee may perform such other functions as may be requested by the Supervisory Board from time to time.

The CNC Committee is authorized to incur such ordinary administrative expenses as are necessary or appropriate in carrying out its duties, which shall be paid by the Company.

Subject to mandatory provisions of applicable law, the CNC Committee may deviate (temporarily) from the provisions of this Charter with the prior approval of the Supervisory Board.

Any changes to this Charter shall be resolved upon by the Supervisory Board, irrespective of whether such changes are proposed by the CNC Committee.

**ADOPTED BY THE SUPERVISORY BOARD: November 18, 2020.**