

Corporate Governance

Corporate governance at Crucell

Corporate governance is concerned with the relationship between the Management and the shareholders, and more generally the stakeholders, of the Company. It is the formal codification of the manner in which the Company is governed, of the accountability of its Management and its supervision, of the manner in which stakeholders, and more particularly shareholders, are able to gain an insight into the state of affairs within the Company, and finally, of the way in which they can influence the decision-making process. With regard to this final issue, voting rights and the manner in which the vote can be exercised, play an important role.

As a Dutch corporation, Crucell is subject to Dutch Corporate Governance regulations. As a foreign private issuer whose ADSs trade on Nasdaq Global Select Market ('Nasdaq'), we are also subject to U.S. securities laws (including the provisions of the Sarbanes-Oxley Act of 2002) and the Nasdaq rules.

As a foreign private issuer Crucell may follow its home country practice in lieu of the requirements of the rules of Nasdaq but we disclose in our Annual Reports each requirement it does not follow and describe the home country practice we do follow. See 'Exemptions from certain Nasdaq Corporate Governance Rules' in this section.

Because Crucell has a secondary listing on the SWX Swiss Exchange, under the rules of the SWX Swiss Exchange it is allowed to apply the Dutch corporate governance code (the 'Code').

Corporate governance developments

We monitor and assess applicable corporate governance rules, including recommendations and initiatives regarding principles of corporate governance. These include those that have been developed in the U.S., both by the Nasdaq and by the SEC pursuant to the Sarbanes-Oxley Act of 2002 and the Dutch corporate governance code, which came into effect as of the financial year starting on or after January 1, 2004.

Dutch Corporate Governance Code

The Code has been instituted by government decree. According to Dutch law, a public company should include in its Annual Report a statement about the compliance with the principles and best practice provisions of the Code that regard the Management Board and Supervisory Board. If a corporation does not, or does not intend to comply with any of the principles and best-practice provisions, it must explain its motivation in the Annual Report. Substantial amendments to the existing corporate governance structure and compliance with the Code have to be submitted for discussion to the General Meeting of Shareholders.

Important principles of the Code are:

- Strengthening the role of the Supervisory Board and its committees and increasing its independence, quality and expertise;
- Strengthening the role of the shareholders with respect to control of the functioning of the Management Board and the Supervisory Board, as well as with respect to nomination and remuneration of members of the Management Board and the Supervisory Board;
- Facilitating and stimulating shareholders to use their voting power and to actively participate in the General Meeting of shareholders;
- Defining the role of the external auditor vis-à-vis the Supervisory Board as its principal contact; and
- Maintaining an appropriate internal risk and control system.

For an overview of Crucell's conformity with the Code, please refer to our website (www.crucell.com), where the following documents can be consulted:

- Corporate governance at Crucell
- By-laws Management Board
- Remuneration policy Management Board
- By-laws Supervisory Board
- Code of Conduct (Crucell's company code) including whistle-blower policy

During 2003, we adopted a code of business conduct and ethics that applies to all employees of the Company, including our principal executive officer and principal financial officer. The code of business conduct and ethics was filed as an exhibit to our Form 20 F for the fiscal year ended December 31, 2003. No amendments or waivers of the code of ethics were made or granted during 2007.

Compliance with the Code

In June 2005, the Annual General Meeting of Shareholders approved our current corporate governance structure. Except for three provisions of the Code, CruCell has fully implemented the recommendations as laid down in the Code and incorporated them into our corporate governance policy.

One of the requirements of the Code is that all members of the Supervisory Board are able to act critically and independently of one another and of the Management Board and any particular interests. The Supervisory Board explicitly declares that this requirement of the Code is complied with.

Exceptions to compliance with Code

CruCell complies with all of the best practice provisions of the Code, except for the following items:

Remuneration of Management Board members

Under the Code, the maximum severance pay for a Management Board member should be no more than one year's salary, unless this is manifestly unreasonable. We do not apply this principle in the event of a dismissal arising from an unwanted change of control for Management Board members that were appointed before 2005.

Loans to the Company's management

We do not apply the provision in the Code that no personal loans shall be granted to a company's management board members because, prior to the Code's development and passage of similar legislation in the U.S., loans were made to Management Board members and one such loan remains outstanding. Reference is made to note 5.23 'Related parties' in the financial statements. We have not granted additional loans to Management Board members since 2002.

Remuneration of Supervisory Board members

We do not apply the principle that the remuneration of the members of the Supervisory Board does not include share grants. CruCell deems this form of remuneration adequate because this is customary among internationally operating biotechnology companies, and helps attract excellently qualified supervisory directors with specific expertise in biotechnology and international business fields.

Exemptions from certain Nasdaq corporate governance rules

Nasdaq rules provide that Nasdaq may provide exemptions from the Nasdaq corporate governance standards to a foreign issuer when those standards are contrary to a law, rule or regulation of any public authority exercising jurisdiction over such issuer or contrary to generally accepted business practices in the issuer's country of domicile. We have received from Nasdaq exemptions from certain Nasdaq corporate governance standards that are contrary to the laws, rules, regulations or generally accepted business practices of the Netherlands. These exemptions and the practices followed by our company are described below:

- We are exempt from Nasdaq's quorum requirements applicable to meetings of shareholders. In keeping with Dutch law and the Netherlands generally accepted business practice, our articles of association provide that there are no quorum requirements generally applicable to general meetings of shareholders.
- We are exempt from Nasdaq's requirements regarding the solicitation of proxies and provision of proxy statements for meetings of shareholders. We inform shareholders of meetings in a public notice, but we do not solicit proxies for general meetings of shareholders. Dutch law does not have a regulatory regime for the solicitation of proxies and the solicitation of proxies is not a generally accepted business practice in the Netherlands. In connection with our American Depositary Shares ('ADSs'), the Bank of New York, as depositary under our depositary agreement relating to our ADSs, distributes proxy materials to holders of our ADSs.

- We are exempt from Nasdaq's requirements regarding shareholder approval. In keeping with Dutch law and Netherlands generally accepted business practices, our articles of association do not include a shareholder approval requirement. Our articles of association provide that the General Meeting of shareholders may resolve to amend our articles of association, or dissolve, merge or demerge the Company, if our Supervisory Board first proposes the measure. In addition the shareholder approval requirements with respect to equity compensation plans under Dutch Law and the Code differ from those applicable to U.S. companies that are subject to the Nasdaq's listing standards. Under Dutch Company Law and the Code shareholder approval is only required for equity compensation plans (or changes thereto) for members of the Executive Board and Supervisory Board, and not for equity compensation plans for other groups of employees.
- We do not distribute Annual Reports to all of our shareholders in accordance with Nasdaq rules. As our shares are bearer shares according to Dutch law, we are not able to distribute to shareholders copies of annual and interim reports. Copies of such reports are available to shareholders at our corporate headquarters, and are filed with Nasdaq and the Bank of New York as depositary under our depositary agreement relating to our ADSs. Under the terms of the depositary agreement, the Bank of New York distributes our Annual Reports to holders of our ADSs.
- The Company has a two-tiered board structure, in contrast to the one-tier board structure used by most U.S. companies. In the Netherlands, a public limited liability company has an Executive Board as its management body and a Supervisory Board which advises and supervises the Executive Board. In general, Executive Board members are employees of the company while members of the Supervisory Board are often former state or business leaders and sometimes former members of the Executive Board. Members of the Executive Board and other officers and employees cannot simultaneously act as member of the Supervisory Board. The Supervisory Board must approve specified decisions of the Executive Board. Under the Code all members of the Supervisory Board with the exception of not more than one person, must be independent.

The definitions of independence under the Code however, differ in their details from the definitions of independence under the Nasdaq listing standards. In some cases the Dutch requirements are stricter and in other cases the Nasdaq listing standards are the stricter of the two.

- In contrast to the Sarbanes-Oxley Act of 2002, the Code contains a 'comply-or-explain' principle, offering the possibility to deviate from the Code as long as any such deviations are explained.
- Dutch law requires that the external auditors be appointed at the General Meeting of Shareholders and not by the Audit committee.

Directors, senior management and Board practices

Crucell has a so-called 'two-tier' governance, in which executive and supervisory responsibilities are clearly separated. Our Management Board is responsible for managing the Company's daily affairs and business and, as such, is responsible for achieving Crucell's goals, strategy, policy, and results.

The Supervisory Board, which consists of only of independent directors, supervises the Management Board. In the execution of their duties, the members of the Supervisory Board must be guided by the best interest of Crucell and its stakeholders.

The Supervisory Board reports to the General Meeting of Shareholders with regard to the corporate governance of Crucell, its structure and the compliance with applicable internal and external rules and regulations.

Supervisory Board

The principal duty of the Supervisory Board is to supervise the policies of the Management Board and to provide advice. More generally, the Supervisory Board oversees the corporate strategy and the risks inherent in the Company's activities, the structure and operation of the internal risk management and control systems, the financial reporting process and the Company's compliance with relevant legislation and regulations.

Our Supervisory Board must approve certain resolutions of our Management Board, which are specified in our articles of association. In addition, our Supervisory Board may give our Management Board written notice of other corporate actions that it wishes to approve. The division of duties and the procedures within the Supervisory Board are set forth in the by-laws of the Supervisory Board and can be found on Crucell's website (www.crucell.com).

Our articles of association provide that at least three Supervisory Board members must serve on our Supervisory Board. We must fill any vacancies on the Supervisory Board as soon as possible, but until they are filled the remaining members of our Supervisory Board constitute a competent board. Under Dutch law, Supervisory Board members cannot serve as members of our Management Board.

The members of our Supervisory Board are appointed for terms ending on the date of the first annual meeting of shareholders that is held four years after the date of their appointment. They may be reappointed for two consecutive terms of four years. Our Supervisory Board nominates its members. To be binding, there must be at least two nominees for each vacancy on the Supervisory Board. The general meeting of shareholders can override these binding nominations by a vote of an absolute majority of the votes cast. This vote must represent more than one third of our issued share capital. If the Supervisory Board does not make any nominations within three months after the vacancy has occurred, our general meeting of shareholders can fill Supervisory Board vacancies. If the Supervisory Board made a non binding nomination, then an appointment in deviation with the nomination is only possible by a resolution of the general meeting of shareholders taken by an absolute majority of the votes cast, representing at least one third of our issued capital. The Supervisory Board members retire according to a rotation plan that the Supervisory Board establishes.

Our Supervisory Board appoints its own chairman and must adopt rules for its own internal governance and establish committees. The Supervisory Board must, in any event, establish an Audit committee, a Remuneration committee and a Nomination committee. Passing Supervisory Board decisions requires a majority of the votes cast at a meeting of our Supervisory Board, unless otherwise provided for in the articles of association or the by-laws of the Supervisory Board. The company secretary assists the Supervisory Board.

A Supervisory Board member can be suspended or dismissed at any time by a resolution of our general meeting of shareholders passed by an absolute majority of the votes cast. This vote must represent more than one third of our issued share capital if the resolution to suspend or dismiss a Supervisory Board member is not proposed by our Supervisory Board. Within three months after a suspension, our general meeting of shareholders must dismiss the Supervisory Board member, terminate the suspension or extend it. The total suspension may not exceed three months.

The general meeting of shareholders determines the Supervisory Board members' compensation. In contrast to the provisions of the Dutch corporate governance code, until the end of our 2004 fiscal

year we paid our Supervisory Board members in options on our ordinary shares as well as cash, and as of the beginning of our 2005 fiscal year in ordinary shares and cash, or cash only, at the member's discretion and reimburse them for their expenses. The remuneration policy is intended to be able to attract and retain qualified and expert Supervisory Board members. It is in line with what is customary in the U.S. biotechnology industry and is in line, as much as possible, with the best practice provisions of the Code.

According to the best practice provisions of the Code, an individual may hold a maximum of five Supervisory Board memberships in Dutch listed companies, with the chairmanship of a Supervisory Board counting as two. All members of our Supervisory Board comply with this provision.

All members of the Supervisory Board comply with the criteria for independence as set out in the Code and are also independent in accordance with the requirements of applicable EU and Swiss rules.

The business address of each Supervisory Board member is the address of our principal executive office in Leiden, the Netherlands. As of April 25, 2008 our Supervisory Board members held an aggregate of 0.15% of our ordinary shares.

At of December 31, 2007 the Supervisory Board of Crucell consisted of:

Name	Age	Position	Service period according to rotation scheme
Jan Oosterveld	63	Chairman	2010
Phillip Satow	65	Member	2009
Claes Wilhelmsson	68	Member	2011
Seán Lance	59	Member	2011
Arnold Hoevenaars	58	Member	2009
Dominik Koechlin ⁽¹⁾	48	Member	2010
Jürg Witmer ⁽²⁾	58		
Claude Thomann ⁽²⁾	55		
Steve Davis ⁽³⁾	50		

⁽¹⁾ Mr. Koechlin will resign as a member of the Supervisory Board at the company's Annual General Meeting of Shareholders on May 30, 2008.

⁽²⁾ Mr. Witmer and Mr. Thomann resigned from the Supervisory Board on June 1, 2007.

⁽³⁾ Mr. Davis was nominated in January 2008 to join the Supervisory Board of Crucell. The Supervisory Board will propose to Crucell's shareholders to appoint Mr. Davis as member of the Supervisory Board at the company's Annual General Meeting of Shareholders on May 30, 2008.

Jan Oosterveld has served as chairman of our Supervisory Board since June 2006. He retired from Royal Philips Electronics N.V. on April 1, 2004, after an international career of 32 years. At his retirement he was responsible for Corporate Strategy, Corporate Alliances and the joint ventures with LGE on Cathode Ray Tubes (CRTs) and Liquid Crystal Displays (LCDs). In the latter responsibility he was the chairman of the board of LG Philips Ltd, which went public in April 2004, and vice-chairman of the board of LG Philips Displays BV. He was also the CEO of Philips Asia Pacific.

He graduated as a mechanical engineer from the Technical University Eindhoven, and holds an MBA from the Instituto de Estudios Superiores de la Empresa (IESE) in Barcelona. He was appointed Professor at IESE in 2003. Mr. Oosterveld has served as a member of our Supervisory Board since his appointment at the annual general meeting of shareholders on June 3, 2004. He is also a member of the board of Barco, Kortrijk, Belgium, Atos Origin, Paris, France, Cookson Electronics Group, London, UK and Continental, Hannover, Germany. Mr. Oosterveld is a Dutch citizen.

Phillip Satow has served as a member of our Supervisory Board since our incorporation. He spent 14 years at Pfizer, Inc. where his last position was vice president, Pfizer Europe. From 1985 to 1997, he was executive vice president of marketing at Forest Laboratories, Inc. From 1998 to 1999 he was president of Forest Pharmaceuticals, and executive vice president of Forest Laboratories Inc. In addition to the Forest Laboratories Board which he served on from 1999 to 2005, Mr. Satow was formerly a member of the board of Eyetech Pharmaceuticals Inc. Mr. Satow is currently a member of the Board of Directors of Noven Inc. Mr. Satow is an American citizen.

Claes Wilhelmsson has served as a member of our Supervisory Board since May 2003. He was previously the executive director of research and development of AstraZeneca plc from 1999 to July 2002, where he was responsible for AstraZeneca's global R&D. He joined Astra in 1985 and held various positions until the company merged with Zeneca in 1999. Prior to working for Astra, he was a lecturer and researcher at the University of Göteborg in Sweden, where he also completed his medical education and PhD. He currently serves on the boards of a number of biotechnology and start-up

companies. Dr. Wilhelmsson previously served on the board of AstraZeneca plc. Mr. Wilhelmsson is a Swedish citizen.

Seán Lance has served as a member of our Supervisory Board since January 2004. Mr. Lance is the past chairman of Chiron Corporation. He joined Chiron as president and Chief Executive Officer in 1998. From 1985 to 1998 he was employed at Glaxo Holdings where his last position was group Chief Operating Officer and CEO designate. He is a past president of the International Federation of Pharmaceutical Manufacturers Association. Mr. Lance is a chartered company secretary and administrator and he also holds a post-graduate qualification in Advanced Financial Management. Mr. Lance is a South African citizen.

Arnold Hoevenaars has served as a member of our Supervisory Board since June 2005 and has been attending our Supervisory Board meetings as an observer since July 2004. Mr. Hoevenaars is a chartered accountant in the Netherlands, and his previous positions include, among others, chairman of the management board of the Achmea Group, chairman of the board of directors and chairman/CEO of the Executive Board of Eureka B.V. and member of the management board and CFO of Royal Boskalis Westminster N.V. Mr. Hoevenaars is a Dutch citizen.

Dominik Koechlin has served as a member of our Supervisory Board since February 2006 upon settlement of Crucell's exchange offer for Berna Biotech AG, where he was a member of the Board of Directors. His career began in 1986 as a financial analyst at Bank Sarasin & Cie in Basel. In 1990 he was a founding partner of Ellipson AG, a consultancy specialized in strategy, corporate finance and sustainability. In 1996 he became a member of the executive board of Telecom PTT, now known as Swisscom AG. In 1999 he took over responsibility for all of Swisscom's international participations. He has served on the boards of Debitel AG (Stuttgart), Bluewin AG, Swisscom, SAM and was chairman of the board of UTA (Vienna) and a member of the supervisory board of Cesky Telecom (Prague). He is currently a member of the supervisory boards and Audit committees of LGT Bank (Liechtenstein), EGL AG and Swissmetal AG, and a board member at M2, Corris AG, Avaloq and the University of Basel. Mr. Koechlin is a Swiss citizen.

Steve Davis has been nominated to join the Supervisory Board. Mr. Davis was CEO of Corbis Corporation until 2007 and now acts as a senior advisor to the company. He has held positions within the United Nations High Commissioner for Refugees and several refugee resettlement programs. Currently he is a member of the Board of Trustees and Chair of the Leadership Council for PATH, a non-profit organization focused on improving public health in the developing world. He is a member of the Board of Trustees for the Fred Hutchinson Cancer Research Center. He holds a board position in Intrepid Learning Solutions, Seattle Foundation, and PlanetOut Inc. Mr. Davis holds a Bachelor of Arts from Princeton University, a Master of Arts from the University of Washington and a Doctorate in Law from Columbia University School of Law.

Committees

The Supervisory Board appoints from its members an Audit committee, a Remuneration committee, a Nomination committee and a Scientific advisory committee. The function of the committees is to prepare the decision-making of the Supervisory Board.

Audit committee

Arnold Hoevenaars, chairman
Seán Lance
Dominik Koechlin

The Audit committee consists of three Supervisory Board members who are independent within the meaning of the Nasdaq listing rules. This committee is responsible for, among other things, reviewing our annual and interim reports and accounts and for securing and monitoring our auditors' involvement in that process. The Audit committee is the first point of address for the external auditor, when irregularities are found in the contents of the financial reports. The ultimate responsibility for reviewing our Annual Report and interim financial reporting lies with our Supervisory Board. At request of the Audit committee, the chairman of the Supervisory Board may be invited to attend the meetings of the Audit committee.

Our Audit committee is in compliance with all of the relevant rules and regulations of the Netherlands. We believe that the members of our Audit committee have sufficient financial and other

experience to perform their responsibilities on the committee. Mr. A. Hoevenaars is a 'financial expert' as defined in the rules promulgated under the Sarbanes-Oxley Act of 2002.

Remuneration committee

Phillip Satow, chairman
Claes Wilhelmsson
Jan Oosterveld

The Remuneration committee advises on policies and reviews and determines objectives relevant to the compensation of the members of the Management Board and members of the Management Committee. Remuneration consists of a fixed salary portion and a variable bonus portion that is linked to our overall performance and the achievement of set objectives. The Remuneration committee evaluates the performance of members of the Management Board and Management Committee in view of those objectives and advises on the fixed and variable compensation of members of the Management Board and the Management Committee. In advising on short and long term incentive compensation for members of the Management Board and Management Committee, the Remuneration committee considers, among other factors, our financial and commercial performance, scientific performance and progress and the increase in value. External compensation survey data available for the biotechnology industry are also used as another factor to benchmark the compensation levels. It is the aim of the Remuneration committee to position the remuneration packages for members of the Management Board and Management Committee at competitive levels. The bonus paid to the Management Board is paid in connection with achievement of certain objectives set by the Supervisory Board.

Crucell maintains stock option plans whereby the Remuneration committee may grant options to employees and members of the Supervisory Board as well as non-employees in exchange for consulting services, subject to approval by the shareholders.

In addition, the Remuneration committee reviews the general compensation and benefit policies for our employees.

Nomination committee

The Nomination committee consists of all Supervisory Board members. This committee (a) draws up selection criteria and appointment procedures for members of the Supervisory Board and the Management Board, (b) periodically assesses the size and composition of the Supervisory Board and the Management Board and makes a proposal for a composition profile of the Supervisory Board, (c) periodically assesses the functioning of individual members of the Supervisory Board and the Management Board, and reports on this to the Supervisory Board and (d) supervises the policy of the Management Board on the selection criteria and appointment procedures for senior management. The committee also makes proposals for appointments of Management Board members to the Supervisory Board and for appointments of members to the Supervisory Board.

Scientific advisory committee

Claes Wilhelmsson, chairman

The Scientific advisory committee consists of one Supervisory Board member who is independent within the meaning of the Nasdaq listing rules. This committee is responsible for, among other things, reviewing progress in our research and development activities. The committee reports to the Supervisory Board on a regular basis.

Management Board

Our Management Board manages our general affairs and business, under the supervision of our Supervisory Board. Under our articles of association, the Management Board requires prior approval of the Supervisory Board to:

- Expand into a new, or cease an existing, line of business;
- Participate in, sell an interest in, or change its participation in, or otherwise take an interest in, or assume the management of another business enterprise;
- Enter into, terminate or amend any joint venture or pooling arrangement;
- Acquire fixed assets exceeding price limits set by the Supervisory Board; and
- Enter into financial commitments exceeding price limits set by the Supervisory Board or for longer than a year.

Under Dutch law, in certain circumstances, Management Board actions may require the approval of the general meeting of shareholders.

Our Supervisory Board determines the size of our Management Board after consultation with our Chief Executive Officer. Our general meeting of shareholders appoints the members of our Management Board from nominations made by our Supervisory Board. A member of the Management Board may be appointed or reappointed for a term of not more than four years at a time. To be binding, there must be at least two nominees for each vacancy on our Management Board. The general meeting of shareholders can override these binding nominations by a vote of an absolute majority of the votes cast. This vote must represent more than one third of our issued share capital. If our Supervisory Board does not nominate anyone for a specific position within three months after the vacancy has occurred, our general meeting of shareholders can appoint a replacement by an absolute majority of votes. If the Supervisory Board makes a non-binding nomination, then an appointment contrary to the nomination is only possible by a resolution of the general meeting of shareholders taken by an absolute majority of the votes cast, representing at least one third of our issued capital.

Our Management Board may establish rules governing its internal organization. Our Supervisory Board must approve the adoption of and any changes to these rules. Our Management Board may charge each member of the Management Board with particular duties. The allocation of duties requires the approval of the Supervisory Board. Resolutions of our Management Board require a majority of votes cast, unless provided otherwise in the by-laws of the Management Board. The Management Board may appoint a company secretary who will assist the Management Board. The appointment and removal of the company secretary requires the prior approval of the Supervisory Board.

A Management Board member can be suspended or dismissed and a suspension can be lifted by a resolution of an absolute majority of the votes cast at a shareholders meeting. This vote must represent

more than one third of the issued share capital if the resolution to suspend or dismiss a Management Board member is not proposed by our Supervisory Board. Our Supervisory Board may also suspend (but not dismiss) a member of our Management Board. We must hold a general meeting of shareholders within three months after a suspension to either terminate or extend it. The total suspension may not exceed three months.

Our Supervisory Board determines the compensation and benefits of the members of our Management Board, on a proposal by the Remuneration committee, within the scope of the remuneration policy adopted by the general meeting of shareholders. The business address of the members of our Management Board is the same as the address of our principal executive office in Leiden, the Netherlands.

Pursuant to the Code, members of the Management Board are allowed to hold a maximum of two Supervisory Board positions in other listed companies. The members of the Management Board did not hold any such positions in 2007.

The name, date of appointment and position of the members of our Management Board are:

Name/Position	Date of appointment
Ronald Brus Chairman of the Management Board, President and Chief Executive Officer	January 26, 2004
Leonard Kruimer Chief Financial Officer	January 1, 2005
Jaap Goudsmit Chief Scientific Officer	January 26, 2004
Cees de Jong ⁽ⁱ⁾ Chief Operating Officer	Nominated

⁽ⁱ⁾ Mr. de Jong was nominated in February 2008 to join the Management Board of Crucell. This nomination will be proposed to the Company's shareholders at the company's Annual General Meeting of Shareholders on May 30, 2008.

Management Board service contracts

The contracts for the Management Board members have been entered into for an indefinite period and provide for a notice period of up to six months upon termination by us and a notice period of three months upon termination by the individual.

A dismissal arising from an unwanted change of control will result in a severance arrangement limited to two years' worth of base salaries for the Management Board members.

The contracts of the Management Board members contain non-compete provisions that would apply for a period of one year after the end of their employment with us.

Management Committee

For its day-to-day operations Crucell has established a Management Committee that is also responsible for the design, implementation and management of long- and short-term strategy under the final responsibility of the Management Board. The Management Board determines the number of members of the Management Committee. Members of the Management Committee are appointed and dismissed by the Management Board, with the approval of our Supervisory Board. The Management Committee generally meets once a month, and works closely with other members of our management team. Our Management Board may establish rules governing its relationship with our Management Committee. Our Supervisory Board must approve the adoption of and any changes to these rules.

The following table sets forth the name, age and position of each of the members of our Management Committee:

Name/position	Age
Ronald Brus Chairman of Management Board, President and Chief Executive Officer	44
Leonard Kruimer Chief Financial Officer	49
Jaap Goudsmit Chief Scientific Officer	56
René Beukema General Counsel and Corporate Secretary	44
Arthur Lahr Chief Strategy Officer & Executive Vice President Business Development	39
Cees de Jong Chief Operating Officer	47
Björn Sjöstrand Chief Business Officer	40

The following paragraphs contain brief biographies of the members of our Management Board and the members of our Management Committee:

Ronald Brus is chairman of the Management Board and president and Chief Executive Officer since January 2004, and has been a member of our Management Committee since our incorporation. He was executive vice president, business development at IntroGene from 1997 to 2000 and Chief Operating Officer at Crucell from March 2003 until his appointment as president and Chief Executive Officer. From 1994 to 1996, he was product-planning physician at Forest Laboratories (New York) and from 1990 to 1994 he was medical director for Zambon B.V. He holds a medical degree (MD) from the University of Groningen. Mr. Brus is a Dutch citizen.

Leonard Kruimer became a member of the Management Board in January 2005. He has been our Chief Financial Officer and a member of our Management Committee since our incorporation. He held the same position at IntroGene from 1998 to 2000. From 1996 to 1998 he was an independent consultant with companies such as Pepsico and Royal Boskalis Westminster N.V. From 1988 to 1995, he held senior executive positions at Continental Can Europe, GE Capital/TIP Europe and Kwik-Fit Europe B.V. He was a consultant at McKinsey & Co. and has worked with Price Waterhouse. He holds a Masters in Business Administration from Harvard Graduate School of Business Administration, a degree from the University of Massachusetts, Amherst, and is a CPA in New York State. Mr. Kruimer is a Dutch citizen.

Jaap Goudsmit is a member of the Management Board since January 2004. He was our senior vice president vaccine research from September 2001 until July 2002 and member of our Management Committee from July 2002 as executive vice president vaccine R&D. In September 2002 he was appointed Chief Scientific Officer and head of research and development. He chaired the Academic Medical Center of the University of Amsterdam, the Research Institute for Infectious Diseases and the Institute for Science Education. He was the founding chair of the Scientific Advisory Committee of the International AIDS Vaccine Initiative (IAVI) and the founding co-chair of the European Vaccine Effort against HIV/AIDS (EuroVac). Since 1989 he has been a professor at the University of Amsterdam and the Academic Medical Center. He holds a medical degree (MD) and a PhD from the University of Amsterdam and is a board certified medical microbiologist. Mr. Goudsmit is a Dutch citizen.

René K. Beukema has been our General Counsel and Corporate Secretary since our incorporation. He held the same position at IntroGene from 1999 to 2000. From 1994 to 1999 Mr. Beukema was senior legal counsel for GE Capital/TIP Europe. From 1991 to 1994, he was legal counsel for TNT Express Worldwide N.V. He has a Masters in Law from the University of Amsterdam.

Arthur Lahr is Crucell's Chief Strategy Officer and Executive vice president corporate business development. He joined Crucell in April 2001 as executive director business development, was appointed vice president business development in December 2003, a member of the Management Committee in January 2004, executive vice president in January 2006 and assumed responsibility for European marketing and sales and company strategy in the summer of 2006. From 1994 to 2001 he was a consultant with McKinsey & Co. in the Netherlands and New York. Prior to that he worked with Unilever. He holds a Masters in Business Administration from INSEAD and a Masters in Science, Applied Physics, from the University of Delft, the Netherlands.

Cees de Jong has joined Crucell as Chief Operating Officer in 2007. During the last four years Mr De Jong worked at Quest International in Naarden, the Netherlands. There he was a member of the Board and responsible for the Flavours Division, which he turned around from loss making to outperforming industry growth rates. Prior to Quest, he worked as Managing Director of DSM Anti-infectives, a \$ 625 million global business, employing more than 4000 people worldwide. In 1989 Mr De Jong started his career at Gist Brocades, holding a variety of roles in Business Development, Strategy and General Management before the company's acquisition by DSM in 1998. Mr De Jong holds a Medical Degree and an MBA at the Erasmus University Rotterdam.

Björn Sjöstrand has joined Crucell in 2007 and is a Crucell's Chief business officer. He was the Chief Executive Officer at SBL Vaccines before it merged with Crucell in November 2006. Mr. Sjöstrand, a Swedish national, successfully headed the Crucell-SBL integration committee while directing the travel franchise and the Nordic sales force for the Crucell Group. He initiated and led a Management buyout of SBL Vaccin AB funded by 3i and SEB Företagsinvest. At SBL, he successfully implemented a triumphant, award-winning turnaround of the company from a loss-making company to a growth-focused, profit-

making company between 2004 and 2006. Between 1999 and 2001, he was the Vice president operations & IT at Active Biotech, where he was also a member of the senior management team. Mr Sjöstrand completed a Bachelor of Science (BSc) degree in Economics and Business Administration at the University of Örebro. He also studied Financial investment theory and Commercial law at the same university.

Disclosure committee

The Disclosure committee is designed to help senior management, particularly the Chief Executive Officer and Chief Financial Officer, in the maintenance and evaluation of our disclosure controls and procedures. The Disclosure committee gathers all relevant financial and non-financial information and assesses materiality, timeliness and necessity for disclosure of such information. The Disclosure committee is comprised of the members of the Management Committee and selected senior managers. Members of the Disclosure committee have direct access to our external legal counsel and our external auditor. The Disclosure committee reports to the Chief Executive Officer and Chief Financial Officer.

The Disclosure committee is an integrated part of our organization and is essential to our internal control over financial reporting. The Disclosure committee and additional actions taken for further improvement of disclosure and internal control are intended to help us comply with the requirements of the Sarbanes-Oxley Act of 2002 and regulations promulgated by the Securities and Exchange Commission under that Act.

Remuneration policy for Management Board and Supervisory Board

The Remuneration committee has advised the Supervisory Board on the remuneration policy and structure for the Management Board. The Supervisory Board reviewed the remuneration policy. The annual general meeting of shareholders has approved the current remuneration policy. The remuneration policy is based on the following key principles:

- Overall remuneration levels need to be sufficient to attract, retain and motivate top management given the dynamic business environment in which we compete for talent;
- Base salaries should be broadly in line with average market levels, whereas short- and long-term incentive levels should reflect an upside potential in case of outstanding performance;
- To enhance the effectiveness of the short-term incentive, clearly measurable and challenging targets are set, which reflect our strategic focus in the short-term; and
- The long-term incentive plan should ensure a focus on longer-term strategic performance targets, which aim for shareholder alignment and motivation and retention of qualified executives.

Remuneration structure 2007

The Management Board members receive a fixed remuneration in the form of a base salary and variable remuneration in the form of a short-term incentive plan and a long-term incentive plan.

The incentive for the at target performance of the Chief Executive Officer amounts to 109% of base salary (75% short-term incentive and 34% long-term incentive) and for the Chief Financial Officer and Chief Scientific Officer a total target bonus of 86% of base salary is applicable (60% short-term incentive and 26% long-term incentive). This results for the Chief Executive Officer in 48% fixed and 52% variable compensation for at target performance. For the other two Management Board members, the balance equals 54% fixed and 46% variable compensation.

Base salary

In 2007, base salary levels of the Management Board have been increased by 3% in order to account for an inflation correction. Each consecutive year

the Supervisory Board considers whether base salary levels should be adjusted by taking account of our external and internal business environment.

Short-term incentive

At the annual general meeting of shareholders in 2005, our shareholders approved the short-term share-based incentive plans. The short-term incentive is linked to the achievement of predetermined collective milestones in combination with a budget hurdle and individual milestones. The collective milestones are based on pre-determined annual milestones for research, development, business development, finance, intellectual property and corporate legal affairs. The specific details of the milestones are not disclosed as these qualify as commercially sensitive information.

In addition, part of the short-term incentive award is based on individual milestones, assessed on the basis of predefined measurable milestones set for each executive. These milestones depend on the specific responsibilities of the individual and are approved by our Supervisory Board. All milestones linked to the short-term incentive plan are revised annually and approved by our Supervisory Board to ensure that they remain challenging but realistic.

The table below shows the relative weight of the collective and individual milestones:

Management Board	Collective milestones	Individual milestones
CEO, CFO, CSO	70%	30%

The target bonus of the Chief Executive Officer amounts to 75% of base salary and for the Chief Financial Officer and Chief Scientific Officer a target bonus of 60% of base salary is applicable. In the event performance exceeds expectations to a considerable extent, up to 125% of the target bonus could be rewarded as a maximum bonus.

The bonus is payable in restricted shares or cash, at the option of the participant. Our Management Board members are encouraged to opt for restricted shares to maximize alignment of shareholders' interest. Therefore when opted for cash, a penalty of up to 25% reduction will be applied.

Long-term incentive

At the annual general meeting of shareholders in 2005, our shareholders approved the long-term share-based incentive plan.

Target long-term incentive levels amount to 34% of base salary for the Chief Executive Officer and 26% for the Chief Scientific Officer and the Chief Financial Officer. When achieving maximum performance, a maximum of 200% of the target award can be awarded. Overall, no vesting takes place for below median performance.

The performance shares will be conditionally granted and vest if pre-set performance targets have been met at the end of a three-year performance period. The performance targets are based on a combination of absolute share price growth on the stock markets, and our Total Shareholder Return ('TSR'). The TSR reflects the return received by a shareholder, taking into account both the change in share price and dividends received, while assuming dividends are re-invested in us.

The absolute share price growth serves as a hurdle which must be overcome to qualify for any possible vesting of the shares. After the share price hurdle is met, the TSR performance measurement is twofold: relative to a peer group consisting of 26 constituents of the Goldman Sachs European Biotech Index and relative to the Nasdaq Biotech Index. Fifty percent of the conditionally awarded shares vest subject to our ranking within the Goldman Sachs European Biotech Index on the date of vesting. The table below shows the vesting scheme:

Goldman Sachs European Biotech Index Vesting Scheme

Ranking	Vesting as % of 50% of target award
1	200%
2	183%
3	167%
4	150%
5	133%
6	117%
7	100%
8	89%
9	79%
10	68%
11	57%
12	46%
13	36%
14	25%
15-27	0%

The remaining 50 percent of the conditionally granted performance shares vest based on the positive difference in percentage-points between Crucell's American Depositary Shares (ADS), TSR performance and the Nasdaq Biotech Index. The following table shows the vesting scheme:

Nasdaq Biotech Index Vesting Scheme

Positive difference in Crucell's TSR performance and the Nasdaq Biotech Index	Vesting as % of 50% of target award
≥ 50	200%
≥ 35 and < 50	150%
≥ 20 and < 35	100%
≥ 10 and < 20	50%
≥ 0 and < 10	25%
< 0	0%

In December 2005, 36,842 LTI Plan shares were granted to selected executives, of which 28,582 were granted to members of the Management Board. No LTI plan shares were granted in 2007 and 2006. There were no forfeitures of the LTI Plan grants through December 31, 2007. The conditionally granted shares vested on December 31, 2007 and were issued to the executives in the first quarter of 2008.

Pension

At the beginning of our 2005 fiscal year a new pension plan for our Management Board was introduced. The plan is a defined contribution plan, with a pensionable age of 65 years. The employee contribution is set at 7% of the pensionable salary (base pay minus an offset). The table below outlines the annual contribution rates, including the employee contribution. The risk premium for the survivor's pension is financed separately by the employer.

Total contribution rates for our Board members:

Age	Contribution rate
25 to 30	8.4%
30 to 35	10.2%
35 to 40	12.5%
40 to 45	15.2%
45 to 50	18.7%
50 to 55	23.0%
55 to 60	28.6%
60 to 65	36.1%

Remuneration Management Board and Supervisory Board

As of April 25, 2008 members of our Management Board and Supervisory Board held the following ordinary shares and options¹:

Name of Holder	Ordinary shares held par April 25, 2008	Options held par April 25, 2008	Year of expiration	Exercise price
Ronald Brus	154,202	250,000	2009	9.40
		200,000	2011	3.49
		90,000	2011	2.64
		125,000	2011	5.94
Jaap Goudsmit	159,276	85,000	2009	9.40
		125,000	2011	5.94
Leon Kruimer	28,194	85,000	2009	9.40
		30,000	2011	3.49
		125,000	2011	5.94
Totals	341,672	1,115,000		
Jan Oosterveld	9,500	10,000	2009	8.81
		10,000	2009	11.55
Seán Lance	–	10,000	2011	7.86
		10,000	2009	11.55
Phillip Satow	63,800	10,000	2009	11.55
		22,000	2011	3.49
		10,000	2011	6.48
Claes Wilhelmsson	7,500	10,000	2009	11.55
		10,000	2011	6.48
Arnold Hoevenaars	7,500	5,000	2009	8.81
		10,000	2009	11.55
Dominik Koechlin	7,591	–	–	–
Totals	95,891	117,000		

¹ During the period December 31, 2007 and April 25, 2008 a number of 60,000 options with an exercise price of €2.64 were exercised by Jaap Goudsmit. There were no other changes in the number of options held by members of the Management Board and Supervisory Board during this period.

For additional details on Management and Supervisory Board remuneration reference is made to note 5.23 'Related parties' in the financial statements.

Principal accountant fees and services

Deloitte audited the accompanying consolidated balance sheets of Crucell N.V. and subsidiaries (the 'Group') as of December 31, 2007 and 2006 and the related consolidated income statements, shareholders' equity, and cash flows for the years then ended. The consolidated income statement, changes in equity and cash flows of the Group for the period ended December 31, 2005 were audited by Ernst & Young Accountants.

The Sarbanes-Oxley Act of 2002 requires that Audit committees pre-approve all services provided by the Company's independent auditor. This process is critical to the auditor maintaining independence. Our process requires that all services provided by the independent auditor be pre-approved by the Audit committee.

During 2007 and 2006 we paid the following amounts to our auditors for audit services, audit related services and tax services.

Year ended December 31,	2007	2006
Audit fees	904	1,178
Audit related fees	64	58
Tax fees for services provided related to consultations on tax matters	–	–
Total	968	1,236

Audit fees include fees associated with the annual audit, interim reviews, required statutory audits and services that only the independent auditor can reasonably provide, such as services associated with documents issued in connection with securities offerings.

Audit-related fees include accounting consultations on financial and accounting reporting standards.

Controls and procedures

Internal risk management and control system

Crucell's Management Board is responsible for designing, implementing and operating the Company's internal risk management and control systems. The purpose of these systems is to manage in an effective and efficient manner the significant risks to which the Company is exposed. Crucell's internal and risk management and control systems with respect to financial reporting are in line with the guidance set forth in the COSO model, an integrated internal control framework established by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's internal risk management and control systems are designed to provide reasonable assurance that strategic objectives can be met. Such systems can never provide absolute assurance regarding achievement of Company objectives, nor can they provide an absolute assurance that material errors, losses, fraud, and the violation of laws or regulations will not occur. A summary of the risks that could prevent Crucell from realizing its objectives is included in the section 'Risk Factors' of this report.

Our internal risk management and control systems make use of various measures including:

- Annual strategic evaluations of our business;
- Periodical operational review meetings of the Management Board with the Management Committee;
- Quarterly financial planning meetings of the Management Board with the Supervisory Board;
- A planning and control cycle performed consisting of annual, quarterly and monthly procedures, including subsequent follow-up on achievements of targets set;

- Advice of Crucell's Disclosure committee to our Chief Executive Officer and Chief Financial Officer with respect to the timely review, disclosure and evaluation of periodical (financial) reports as well as with respect to the maintenance and evaluation of disclosure controls and procedures;
- Letters of representation that are signed by selected key-management members on a quarterly basis in which they confirm that for their responsible area based upon their knowledge:
 - An effective system of internal controls and procedures is maintained and
 - The financial reports fairly present the financial position, results of operations and cash flows;
- Management letters and audit reports provided by our external auditor;
- Crucell's standardized and formalized working practices, including the Biological Safety Manual which was developed in-house to meet the specific needs of Crucell's working environment;
- The Code of Business Conduct and Ethics (Code of Conduct) of Crucell.

The Management Board has discussed the internal risk management and control system with the Audit committee and the Supervisory Board.

As a result of its listing at Nasdaq, Crucell is also obliged to comply with Section 404 of the American Sarbanes-Oxley Act of 2002 and related regulations ("Section 404"). Section 404 addresses the responsibility of the Management Board for establishing and maintaining an adequate system of internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with the accounting policies of the Company.

The Company has established a Steering committee, which governs the annual evaluation of the effectiveness of our system of internal control over financial reporting.

Evaluation of disclosure controls and procedures

We have evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2007. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures as of December 31, 2007 were effective to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the U.S. Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a 15(f) and 15d 15(f) under the U.S. Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only by authorized employees in accordance with documented authorizations; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002, Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on our assessment and those criteria, Management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2007.

Deloitte Accountants B.V., the independent registered public accounting firm that audited the financials statements included in this Annual Report, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2007 as stated in their report beginning on page 121 of this report.

Changes in internal control over financial reporting

There has not been any change in the internal controls over financial reporting of the Company that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, such internal controls over financial reporting.

Attestation Report of the Independent Registered Public Accounting firm

To the Supervisory Board and Shareholders of Crucell N.V.
Leiden, the Netherlands

We have audited the internal control over financial reporting of Crucell N.V. and subsidiaries (the "Company") as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2007 of the Company and our report dated May 6, 2008 expressed an unqualified opinion on those financial statements.

Deloitte Accountants B.V.
Amsterdam, the Netherlands,
May 6, 2008