

TNT Express Worldwide N.V. He has a Masters in Law from the University of Amsterdam. Mr. Beukema is a Dutch citizen.

**Mr. Arthur Lahr** is Crucell's Chief Strategy Officer and Executive Vice President 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 2006. From 1994 to 2001, he was a consultant with McKinsey & Co. 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.

#### **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 of 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 to further improve 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 report for Management Board and Supervisory Board**

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The Remuneration report for Management Board and Supervisory Board contains required disclosures on key management personnel compensation, as meant in IAS 24. These disclosures are deemed to be part of the financial statements, specifically note 5.30 'Related parties – Remuneration report for Management Board and Supervisory Board'.

#### **Remuneration structure**

The remuneration policy for the Management Board and Supervisory Board was first adopted by the General Meeting of Shareholders in 2005. An amended version of this remuneration policy was adopted by the General Meeting of Shareholders in 2008. The remuneration policy is based on the following principles:

- Overall remuneration levels need to be sufficient to attract, retain and motivate top management given the dynamic business environment in which Crucell competes 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 Crucell's 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.

The Management Board members receive fixed remuneration in the form of a base salary as well as performance-based compensation in the form of a short-term incentive (STI) plan and a long-term incentive (LTI) plan. Variable pay makes up a substantial part of the pay package, with a large part of variable pay being conditional on meeting targets that are derived from Crucell's long-term strategic agenda.

The structure of the short-term and long-term variable pay elements has been set up in such a way that it contributes to keeping Crucell with its risk profile. This is assured by amongst others:

- Conducting scenario analyses before drawing up the remuneration policy and determining the remuneration of individual Management Board members: the Supervisory Board analyzes the possible outcomes of the variable remuneration components and how they may affect the remuneration of the Management Board members;
- Operating a discretionary authority for the Supervisory Board – the short-term incentive can be adjusted upwards or downwards by 25 percent.

## Corporate governance continued

The STI and LTI plans are described in further detail below. The incentive for achieving target performance for the Chief Executive Officer equals 115% of base salary (65% in short-term incentive and 50% in long-term incentive). For other Management Board members the incentive is 90% of base salary (50% in short-term incentive and 40% in long-term incentive). For the Chief Executive Officer, this breaks down to 46.5% of salary in fixed compensation and 53.5% of salary in performance-based compensation. For the other three Management Board members, the breakdown is 52.6% fixed compensation compared to 47.4% performance-based compensation.

### 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 the Company and a notice period of three months upon termination by the individual. Nominations for a seat on the Management Board are for a period of four years.

A dismissal arising from an unwanted change of control will result in a severance arrangement limited to a maximum of 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.

### Base salary

The Supervisory Board regularly considers whether base salary levels should be adjusted according to external and internal business factors. In order to ensure that the pay package that is offered to the Management Board of CruceCell is competitive, the Supervisory Board has assessed pay levels against a reference market consisting of companies that are comparable in size and complexity (during an assessment that was conducted in 2009, the Supervisory Board has taken account of AMX listed companies).

In 2009, base salary levels for the Management Board were increased by an average of four percent in order to keep up with inflation.

### Short-term incentive

At the General Meeting of Shareholders in 2008, our shareholders approved the implementation of an amended short-term cash-based incentive plan (STI). In the approved policy, payment of the bonus begins upon 70% achievement of certain milestones. In order to compensate higher achievement of certain milestones, the payment limit was increased from 100% to 130%.

The STI bonus is linked to the achievement of predetermined collective and individual milestones. Milestones linked to the STI bonus plan are revised annually and approved by our Supervisory Board.

The collective milestones are based on predetermined annual goals for research, development, business development, finance, intellectual property and corporate legal affairs. Examples of the collective performance measures that have been used during 2009 are amongst others: revenues and profitability. We do not disclose specific targets that have been set as these qualify as commercially sensitive information.

The individual milestones depend on the specific responsibilities of the individual Management Board member and are in most cases derived from the company milestones. Examples of individual performance measures for 2009 were revenues and development milestones.

The table below shows the relative weight of the collective and individual milestones in the STI bonus plan structure:

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

The Supervisory Board monitors performance every quarter and measures performance based on both a quantitative (formulaic) approach and qualitative approach (discretionary judgement / test of reasonableness). The type of performance measuring that takes place depends on the specific performance measure. The internal and external auditors are involved to make sure that the agreed-upon procedures for performance measuring and determination of pay out are being followed.

### One-off awards

The Supervisory Board has decided to allocate members of the Management Board and certain other employees a one-off special cash award in recognition of the successful negotiation and closing of the agreement with Johnson and Johnson affiliates, especially in light of the transformational nature of the agreement and the substantial savings of associated transaction costs. In total a cash bonus in thousands of Euro of € 1,206 was paid to members of the Management Board. The cash bonus was allocated as follows: the CEO received € 384 and the other Management Board members each € 274.

### Long-term incentive

Target LTI compensation levels amount to 50% of base salary for the Chief Executive Officer and 40% for the other Management Board members. The LTI compensation can be increased up to 200% of the target award when achieving maximum performance.

Under the terms of the LTI plan, options are conditionally granted and vest at the end of a three-year performance period. The number of LTI options that vests depends on the fulfillment of the LTI performance condition. As a performance condition the total shareholders return (TSR) is compared to the NASDAQ Biotech index after three years of granting the conditional options.

On a vesting date Crucell's Total Shareholder Return (TSR) performance is measured against the performance of the NASDAQ Biotechnology Index during the applicable performance period. The period used to calculate the TSR performance will be the average of the first three months of year one and the average of the last three months of year three. Vesting of the options takes place on January 1 of year four.

The positive difference in percentages, if any, between Crucell's TSR compared to the performance of the NASDAQ Biotechnology Index, determines the number of LTI options which vest, in accordance with the table set out below:

### NASDAQ Biotech Index Vesting Scheme

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

At the forthcoming General Meeting of Shareholders the following adjustments to the remuneration policy will be submitted for approval. The target LTI compensation level for the Chief Executive Officer will be increased from 50% of base salary to 65% and for the other Management Board members target LTI compensation levels will be increased from 40% of base salary to 50%.

### 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.

## Corporate governance continued

Total contribution rates for our Management Board members are:

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%

### Management Board

The total remuneration and related costs (excluding share-based payments – see information below on stock options and performance stock) of the members of the Management Board over the past two years, is as follows:

In thousands of Euro

Year ended December 31,	2009	2008 <sup>1</sup>
Salaries	1,447	1,259
Bonuses and one-off awards	2,032	782
Option costs	1,212	406
Pension costs	316	260
Other	44	39
	<b>5,051</b>	<b>2,746</b>

<sup>1</sup> Cees de Jong's remuneration for the year 2008 is included pro rata as of May 31, 2008.

The remuneration of the individual members of our Management Board during 2009, excluding stock options, was as follows:

Name	Salaries	Bonuses <sup>1</sup>	One-off awards	Option costs <sup>2</sup>	Pension costs <sup>3</sup>	Other costs <sup>4</sup>	Total
R.H.P. Brus	455	308	384	451	95	—	1,693
L. Kruimer	300	157	274	230	75	13	1,049
C. de Jong	331	173	274	289	49	12	1,128
J. Goudsmit	361	188	274	242	97	19	1,181
Totals	1,447	826	1,206	1,212	316	44	5,051

<sup>1</sup> Bonus expense includes the STI plan to which the Management Board is entitled as at December 31, 2009.

<sup>2</sup> The option costs are the costs recognized under IFRS and are not equal to the amounts involved in option exercises. In 2009, 250,000 options with an exercise price of € 9.4 and 20,000 options with an exercise price of € 3.49 were exercised by Ronald Brus with a total market value of € 1,801 and 85,000 options were exercised by Jaap Goudsmit with an exercise price of € 9.4 with a market value of € 538.

<sup>3</sup> 'Pension Costs' include pensions, social security costs and disability insurance.

<sup>4</sup> 'Other costs' include company cars.

Pension, retirement and similar arrangements for our Management Board members consist of the defined contribution plan, and we do not have further pension obligations beyond the annual premium contribution.

The Company's Management Board members held the following options for the period ended December 31, 2009:

Name of holder	Options held at December 31, 2008	Present status	Fair value per share at grant-date	Year of grant	Year of expiration	Exercise price	Granted 2009	Exercised 2009	Options held at December 31, 2009
R.H.P. Brus	250,000	Unconditional		2004	2009	9.40	—	(250,000)	—
	200,000	Unconditional		2003	2011	3.49	—	(20,000)	180,000
	90,000	Unconditional		2003	2011	2.64	—	—	90,000
	125,000	Unconditional		2003	2011	5.94	—	—	125,000
	300,000	Conditional	3.40	2008	2013	12.23	—	—	300,000 <sup>1</sup>
	—	Conditional	9.23	2009	2016	10.82	36,170	—	36,170 <sup>2</sup>
L. Kruimer	30,000	Unconditional		2003	2011	3.49	—	—	30,000
	125,000	Unconditional		2003	2011	5.94	—	—	125,000
	150,000	Conditional	3.40	2008	2013	12.23	—	—	150,000 <sup>1</sup>
	—	Conditional	9.23	2009	2016	10.82	19,490	—	19,490 <sup>2</sup>
C. de Jong	185,000	Conditional <sup>3</sup>	5.15	2007	2012	14.58	—	—	185,000
	200,000	Conditional	3.40	2008	2013	12.23	—	—	200,000 <sup>1</sup>
	—	Conditional	9.23	2009	2016	10.82	20,655	—	20,655 <sup>2</sup>
J. Goudsmit	85,000	Unconditional		2004	2009	9.40	—	(85,000)	—
	125,000	Unconditional		2003	2011	5.94	—	—	125,000
	150,000	Conditional	3.40	2008	2013	12.23	—	—	150,000 <sup>1</sup>
	—	Conditional	9.23	2009	2016	10.82	23,388	—	23,388 <sup>2</sup>
<b>Totals</b>	<b>2,015,000</b>						<b>99,703</b>	<b>(355,000)</b>	<b>1,759,703</b>

<sup>1</sup> At the annual General Meeting of Shareholders in 2008, the shareholders of the Company approved an additional option grant to the Management Board of 800,000 options. The options are conditionally granted and vest at the end of a three-year performance period starting June 2, 2008. The conditionally granted options include a market condition that is taken into account when estimating the fair value of the equity instruments granted. The market condition is an absolute total shareholder return of plus 50% share value measured three years after the grant.

<sup>2</sup> All options granted to the Management Board in 2009, are conditionally granted LTI options. At the annual General Meeting of Shareholders in 2008, the shareholders of the Company approved the revised LTI plan for the Management Board. Under the terms of the LTI plan, options are conditionally granted and vest at the end of a three-year performance period. The conditionally granted options include a market condition that is taken into account when estimating the fair value of the equity instruments granted. The number of LTI options that vest are based on the fulfillment of the LTI performance condition. On the vesting date, the Company's Total Shareholder Return ("TSR") performance is measured against the performance of the NASDAQ Biotechnology Index during the performance period. The positive difference in percentages, if any, between the Company's TSR compared to the performance of the NASDAQ Biotechnology Index, determines the number of LTI options that vest on the vesting date. Depending on the level of achievement of these market measures, at the end of three years, the number of shares vesting could be 0%-200% of the number of options originally granted.

<sup>3</sup> The option tranche granted to Cees de Jong on September 1, 2007 was not granted in his capacity as Board Member. The average fair value of the options was € 5.15. The vesting period of these options is four years and every year 25% of the options vest. The corresponding compensation costs of the options are recognized in accordance with the accelerated method. As at January 1, 2009 a number of 46,250 options were unconditional. The remaining 138,750 were still subject to non-market vesting conditions.

## Corporate governance continued

The Company's Management Board members held the following shares in the Company at December 31, 2009:

Name of holder	Ordinary shares held at December 31, 2009	% of total ordinary shares
R.H.P Brus	239,202	0.29%
L. Kruimer	28,195	0.03%
C. de Jong	5,406	0.01%
J. Goudsmit	169,276	0.21%
	442,079	0.54%

The following table describes loans granted to the Group's Management Board and senior management since January 1, 2001. The Company has not granted any loans to any Supervisory Board members. The Company sets interest rates on these loans in relation to Dutch income tax law. The loans were granted to the persons listed below in connection with options granted to them on the Company's ordinary shares. These loans become payable at the time shares received on exercise of the related options are sold or immediately in case the employee ceases to work for the Company before this time. The Company funded the loans prior to July 30, 2002, the date legislation was passed in the US prohibiting the granting of additional loans to company officers.

Name	outstanding since January 1, 2001	Largest amount of loan at December 31, 2009	Amount of loan outstanding at 2009 interest rate in %
R.H.P. Brus	132	87	3.5%
Other personnel	61	47	3.5%

The Group is not a party to any material transactions, or proposed transactions, in which any director, any executive officer, any spouse or relative of any of the foregoing, or any relative of any such spouse had, or was to have, a direct or indirect material interest other than those transactions disclosed in these financial statements.

### Supervisory Board

Due to the fact that the Group operates on a global scale with many of its supervisory directors used to the international arena, CruCell offers compensation to its supervisory directors in accordance with customary practice in the biotechnology sector.

Compensation for all Supervisory Board members consists of a fixed fee in cash and an annual share grant. The fixed fee in cash ranges from € 34 to € 44 per Supervisory Board member. In addition, the chairman of the Supervisory Board is awarded annually a net allowance of € 5 that is grossed up for taxation purposes. The annual share grant awarded to each member of the Supervisory Board equals 2,500 ordinary shares. The amounts will be revised on a triennial basis. The shares should be held for as long as an individual is a member of the Supervisory Board.

During 2009 and 2008, the individual members of the Supervisory Board were entitled to receive the following remuneration:

Name	Year ended December 31, 2009		Year ended December 31, 2008	
	Shares <sup>4</sup>	Cash fee	Shares <sup>4</sup>	Cash fee
J.P. Oosterveld <sup>1</sup>	2,500	54.2	2,500	54.2
A. Hoevenaars	2,500	35.0	2,500	35.0
S.Lance	2,500	34.0	2,500	34.0
Ph. Satow	2,500	35.0	2,500	35.0
C. Wilhelmsson	2,500	35.0	2,500	35.0
S. Davis	2,500	34.0	2,500	34.0
F. Waller <sup>2</sup>	2,500	34.0	—	—
D.S. Koechlin <sup>3</sup>	—	—	1,250	12.5
	<b>17,500</b>	<b>261.2</b>	<b>16,250</b>	<b>239.7</b>

<sup>1</sup> Mr. J.P. Oosterveld was appointed Chairman on June 2, 2006.

<sup>2</sup> Mr. F. Waller was appointed member of the Supervisory Board on June 5, 2009, but has attended meetings since January 2009.

<sup>3</sup> Mr. D.S. Koechlin resigned from the Supervisory Board on May 30, 2008.

<sup>4</sup> Instead of the share grant, a Supervisory Board member may also choose to receive a cash amount equaling the value of 2,500 shares at the date of grant minus 25%. No Supervisory Board member chose this option.

The Company's Supervisory Board members held the following options for the period ended December 31, 2009:

Name of Holder	Options held per December 31, 2008	Year of expiration	Exercise price €	Granted 2009	Exercised 2009	Forfeited 2009	Options held per December 31, 2009
J.P. Oosterveld	10,000	2009	8.81	—	10,000	—	—
	10,000	2009	11.55	—	10,000	—	—
S.P. Lance	10,000	2011	7.86	—	—	—	10,000
	10,000	2009	11.55	—	—	10,000	—
P.M. Satow	10,000	2009	11.55	—	10,000	—	—
	22,000	2011	3.49	—	—	—	22,000
	10,000	2011	6.48	—	—	—	10,000
C.E. Wilhelmsson	10,000	2009	11.55	—	10,000	—	—
	10,000	2011	6.48	—	—	—	10,000
A.Hoevenaars	5,000	2009	8.81	—	5,000	—	—
	10,000	2009	11.55	—	10,000	—	—
<b>Totals</b>	<b>117,000</b>			<b>—</b>	<b>55,000</b>	<b>10,000</b>	<b>52,000</b>

Crucell's Supervisory Board members held the following shares in the Company per December 31, 2009:

Name of holder	Ordinary shares held per December 31, 2009	% of total ordinary shares
J.P. Oosterveld	12,000	0.01%
A. Hoevenaars	10,000	0.01%
S.P. Lance	12,500	0.02%
P.M. Satow	75,210	0.09%
C.E. Wilhelmsson	10,000	0.01%
S. Davis	5,000	0.01%
F. Waller	—	0.00%
	124,710	0.15%

## Corporate governance continued

Pursuant to Dutch law, each member of Crucell's Supervisory Board and Management Board is responsible to the Company for the proper performance of his or her assigned duties. They are also responsible for taking measures to prevent the consequences of any improper performance of duties by another member of the Company's Supervisory Board or Management Board. The Company's articles of association provide that Crucell's Management Board members and Supervisory Board members are discharged from liability for their actions as board members, if the Company's General Meeting of Shareholders adopts a resolution to that effect.

This discharge extends only to actions or omissions disclosed in or apparent from the adopted annual accounts or otherwise communicated to the Company's General Meeting of Shareholders.

Mandatory provisions of Dutch law may limit this discharge of liability, for example in the case of bankruptcy. Under Dutch law, the Company's Supervisory Board members and members of the Company's Management Board generally cannot be held personally liable for decisions made exercising their reasonable business judgment.

The Company's articles of association provide that the Company shall generally indemnify any person who is or was a member of the Company's Supervisory Board or of the Management Board or one of the Company's employees, officers or agents, and suffers any loss as a result of any action in connection with their service to the Company, provided they acted in good faith in carrying out their duties.

This indemnification generally will not be available if the person seeking indemnification acted with gross negligence or willful misconduct in the performance of his or her duties to the Company. A court in which an action is brought, may however determine that indemnification is appropriate nonetheless.

### Shareholdings of the Management and Supervisory Board at most practicable date

As of March 29, 2010 members of our Management Board and Supervisory Board held the following ordinary shares and options.

Name of Holder	Ordinary shares held per March 29, 2010	Options held per March 29, 2010	Year of expiration	Exercise price (€)
R.H.P. Brus	239,202	140,000	2011	3.49
		90,000	2011	2.64
		125,000	2011	5.94
		300,000	2013	12.23
		36,170	2016	10.82
L. Kruimer	28,195	29,358	2017	13.96
		10,000	2011	3.49
		75,000	2011	5.94
		150,000	2013	12.23
		19,490	2016	10.82
C. de Jong	5,406	15,550	2017	13.96
		185,000	2012	14.58
		200,000	2013	12.23
		20,655	2016	10.82
		17,102	2017	13.96
J. Goudsmit	169,276	150,000	2015	14.01
		125,000	2011	5.94
		150,000	2013	12.23
		23,388	2016	10.82
		18,660	2017	13.96
<b>Totals</b>	<b>442,079</b>	<b>1,880,373</b>		
J.P. Oosterveld	14,500	–	–	–
A. Hoevenaars	12,500	–	–	–
S.P. Lance	15,000	10,000	2011	7.86
P.M. Satow	77,710	22,000	2011	3.49
		10,000	2011	6.48
C.E. Wilhelmsson	12,500	10,000	2011	6.48
S. Davis	7,500	–	–	–
F. Waller	2,500	–	–	–
<b>Totals</b>	<b>142,210</b>	<b>52,000</b>		