As filed with the United States Securities and Exchange Commission on April 15, 2015.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GALAPAGOS NV
(Exact name of registrant as specified in its charter)

Belgium	**2834**	**Not applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

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Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee**
Ordinary Shares, no par value(3)	$150,000,000	$17,430

(1) Includes (a) additional ordinary shares which the underwriters have the option to purchase, and (b) ordinary shares which are being offered in a private placement in Europe and other countries outside of the United States and Canada but which may be resold from time to time in the United States in transactions requiring registration under the Securities Act or an exemption therefrom. The total number of ordinary shares in the U.S. offering and the European private placement is subject to reallocation between them. All or part of these ordinary shares may be represented by American Depositary Shares, or ADSs.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Section 457(o) of the Securities Act. Includes the aggregate offering price of additional shares and ADSs that the underwriters have the option to purchase.

(3) All ordinary shares will be represented by ADSs in the U.S. offering, with each ADS representing one ordinary share. ADSs issuable upon deposit of the ordinary shares registered hereby are being registered pursuant to a separate Registration Statement on Form F-6.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), shall determine.

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The information contained in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS
SUBJECT TO COMPLETION, DATED APRIL 15, 2015

Ordinary Shares

(Including Ordinary Shares in the Form of American Depositary Shares)

Galápagos

€ per Ordinary Share

$ per American Depositary Share

We are offering of our ordinary shares in a global offering.

We are offering ordinary shares in the form of American Depositary Shares, or ADSs, through the underwriters named in this prospectus. The ADSs will be evidenced by American Depositary Receipts, or ADRs, and each ADS represents the right to receive one ordinary share. We have granted the underwriters an option to purchase up to an additional ordinary shares in the form of ADSs in the U.S. offering.

We are offering ordinary shares in Europe and countries outside of the United States and Canada in a concurrent private placement through the underwriters named in this prospectus. We have granted the underwriters an option to purchase up to an additional ordinary shares in the European private placement.

The closings of the U.S. offering and the European private placement will be conditioned on each other. The total number of ordinary shares in the U.S. offering and the European private placement is subject to reallocation between them.

This is our initial public offering in the United States. We have applied to list the ADSs on NASDAQ under the symbol "GLPG." Our ordinary shares are listed on Euronext Brussels and Euronext Amsterdam under the symbol "GLPG." On , 2015, the last reported sale price of our ordinary shares on Euronext Amsterdam was € per share, equivalent to a price of $ per ADS, assuming an exchange rate of $ per euro.

We are an "emerging growth company" as that term is used in the U.S. Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in the ordinary shares or ADSs involves risks. See "Risk Factors" beginning on page 11.

Neither the Securities and Exchange Commission nor any U.S. state or other securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Price to public	Underwriting discounts and commissions(1)	Proceeds to company
Per share	€	€	€
Per ADS	$	$	$
Total(2)	$	$	$

(1) We refer you to "Underwriting" beginning on page 199 of this prospectus for additional information regarding underwriting compensation.
(2) Total gross proceeds from the global offering, including the European private placement, are $. Such proceeds less underwriting discounts and commissions are $.

The underwriters expect to deliver the ADSs to purchasers on or about , 2015 through the book-entry facilities of The Depository Trust Company. The underwriters expect to deliver the ordinary shares to purchasers on or about , 2015 through the book-entry facilities of Euroclear Belgium.

Book-Running Managers

MORGAN STANLEY **CREDIT SUISSE** **COWEN AND COMPANY**

Co-Managers

NOMURA **BRYAN, GARNIER & CO.**

, 2015.

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We have not, and the underwriters have not, authorized any person to provide you with information different from that contained in this prospectus or any related free-writing prospectus that we authorize to be distributed to you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies, regardless of the time of delivery of this prospectus or of any sale of the securities offered hereby.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the ADSs or ordinary shares or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to the global offering and the distribution of the prospectus applicable to that jurisdiction.

All references in this prospectus to "$," "US$," "U.S.$," "U.S. dollars," "dollars" and "USD" mean U.S. dollars and all references to "€" and "euros" mean euros, unless otherwise noted. Solely for the convenience of the reader, unless otherwise noted, certain euro amounts have been translated into U.S. dollars at the rate at , 2015 of €1.00 to $, as certified by the Federal Reserve Bank of New York. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or any other exchange rate as at that or any other date.

ENFORCEABILITY OF CIVIL LIABILITIES

We are a limited liability company *(naamloze vennootschap société anonyme*) incorporated under the laws of Belgium. Less than a majority of our directors and officers named in this prospectus are citizens or residents of the United States and a significant portion of the assets of the directors and officers named in this prospectus and substantially all of our assets are located outside of the United States. As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or against us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Belgium, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

We are incorporated in Belgium, and to the best of our knowledge, a majority of our outstanding securities are owned by non-U.S. residents. Under the rules of the U.S. Securities and Exchange Commission, or SEC, we are currently eligible for treatment as a "foreign private issuer." As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended.

Our financial statements are presented in euros.

MARKET, INDUSTRY AND OTHER DATA

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe these industry publications and third-party research, surveys and studies are reliable, we have not independently verified such data and you are cautioned not to give undue weight to this information.

SUMMARY

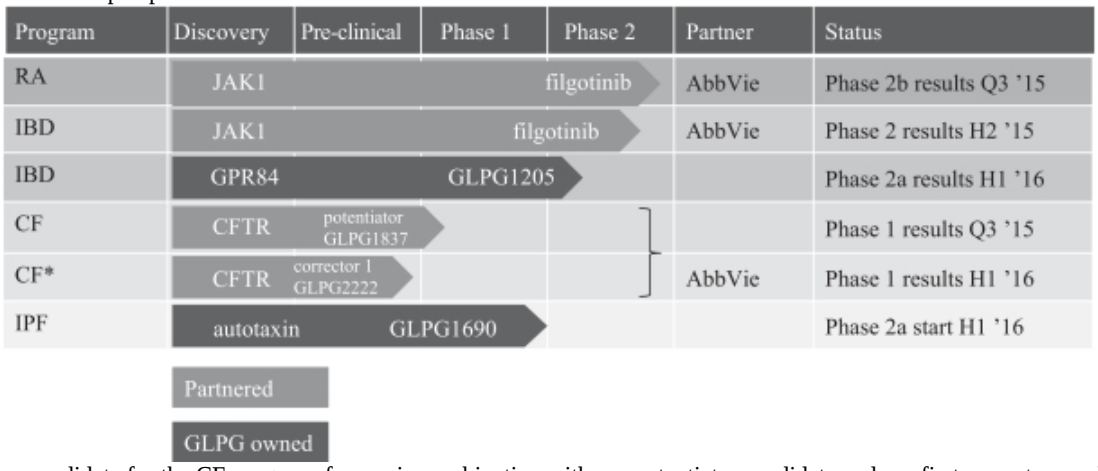
The following summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in the ADSs or the ordinary shares. You should read the entire prospectus carefully, including "Risk Factors" and our consolidated financial statements and the related notes appearing elsewhere in this prospectus. You should carefully consider, among other things, the matters discussed in the sections of this prospectus titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" before making an investment decision. Unless otherwise indicated, "Galapagos," "GLPG," "the company," "our company," "we," "us" and "our" refer to Galapagos NV and its consolidated subsidiaries.

Overview

Galapagos is seeking to develop a robust portfolio of clinical-stage breakthrough therapies that have the potential to revolutionize existing treatment paradigms

Galapagos is a clinical-stage biotechnology company specialized in the discovery and development of small molecule medicines with novel modes of action, addressing disease areas of high unmet medical need. Execution on our proprietary drug target discovery platform has delivered a pipeline of three Phase 2 programs, two Phase 1 trials, five pre-clinical studies, and 20 discovery small-molecule and antibody programs. While our highly flexible platform offers applicability across a broad set of therapeutic areas, our most advanced clinical candidates are in inflammatory related diseases: rheumatoid arthritis, or RA; inflammatory bowel disease, or IBD; cystic fibrosis, or CF; and pulmonary disease, including idiopathic pulmonary fibrosis, or IPF. Our lead programs include GLPG0634, or filgotinib, in three Phase 2b trials for RA (DARWIN trials) and one Phase 2 trial for Crohn's disease, or CD (FITZROY trial); GLPG1205 in a Phase 2a trial for ulcerative colitis, or UC (ORIGIN trial); GLPG1690, for which we expect to conduct a Phase 2a trial for IPF; and a series of novel potentiators and correctors for CF in Phase 1 and in pre-clinical stages. Almost exclusively, these programs are derived from our proprietary target discovery platform and, we believe, represent potential best-in-class treatments.

Filgotinib is being developed under a collaboration agreement with AbbVie, and we expect a licensing decision by AbbVie in the second half of 2015 after delivering the complete data package from the first two DARWIN trials to AbbVie. Our Phase 2 program with GLPG1205 in UC is fully owned by us. Our CF program is a joint research and development alliance with AbbVie. Additionally, we are developing GLPG1690, for which we have retained worldwide development and commercialization rights, in IPF. The following table summarizes key information on our lead development programs as of the date of this prospectus:



* A second corrector candidate for the CF program, for use in combination with our potentiator candidate and our first corrector candidate described above, is expected to be identified in the first half of 2015 and is expected to enter pre-clinical testing thereafter.

Filgotinib in RA is a selective JAK1 inhibitor with a potential best-in-class product profile

RA is a chronic autoimmune disease that affects almost 1% of the adult population worldwide and it ultimately results in irreversible damage of the joint cartilage and bone. According to a December 2014 GlobalData PharmaPoint report, RA is a $15.6 billion market dominated by injectable, biological therapies. Despite the prevalence of biologics, mostly anti-tumor necrosis factor, or TNF, therapies, there continues to be a considerable unmet need with regard to efficacy, safety, and convenience of use with existing treatments.

New oral therapies that target the Janus kinase, or JAK, signaling pathway are emerging; some JAK-inhibitors, however, are associated with a range of side effects, including aberrations in low-density lipoprotein, or LDL, cholesterol and red blood cell counts. Filgotinib is a novel oral inhibitor of JAK1. Due to its high selectivity for JAK1, we believe that filgotinib has the potential to offer RA patients improved efficacy and an improved side effect profile as compared to JAK inhibitors that are less selective for JAK1. Clinical trials to date have shown that filgotinib is well-tolerated, with absence of anemia and marginal increase of LDL cholesterol; shows promising activity in treating RA; and is easy to combine with other therapies. Its oral dosage makes it convenient for patient use. We announced topline results after 12 weeks of treatment in the DARWIN 1 trial on April 14, 2015. We expect to announce topline results after 12 weeks of treatment in the DARWIN 2 trial by the end of April 2015 and final results from 24 weeks of treatment in both DARWIN 1 and 2 trials in July 2015. Pending a successful outcome of these trials, a global Phase 3 clinical program in RA is expected to be initiated in the first half of 2016.

Our second treatment focus area is IBD: filgotinib in CD with Phase 2 trial results expected in 2015 and GLPG1205 in Phase 2 addressing a novel target in UC

IBD is a group of inflammatory conditions in the colon and small intestine including CD and UC.

CD is an IBD of unknown cause, affecting up to 200 per 100,000 persons in North America. The market for CD therapies, across the 10 main healthcare markets, was approximately $3.2 billion in 2012, according to a January 2014 GlobalData PharmaPoint report. There are currently no highly effective oral therapies approved for CD and, similar to RA, treatment is dominated by injectable, biologic treatments including anti-TNF therapies. There continues to be a considerable unmet need with these existing treatments. Dysregulation of the JAK signaling pathway has also been associated with CD, and we believe that filgotinib, with its high selectivity for JAK1, is a highly attractive candidate for the treatment of CD. By inhibiting JAK1 but not JAK2, unwanted effects such as anemia may be prevented. This absence of anemia is of particular importance to IBD patients, who frequently experience fecal blood loss. Filgotinib is currently in Phase 2 clinical development for CD and has shown favorable activity in pre-clinical models for IBD. We expect to complete recruitment for FITZROY, our Phase 2 trial in CD with filgotinib, in 2015. We expect the 10-week results of FITZROY in the second half of 2015.

UC affected nearly 625,000 people in the United States in 2012, according to a December 2013 GlobalData EpiCast report. Although the introduction of anti-TNF biologics has improved the treatment of some patients, only 33% of patients will achieve long-term remission, and many patients lose their response to treatment over time. The medical need for improved efficacy is high and could likely be achieved by a new mechanism of action. GLPG1205 is a selective inhibitor of GPR84, a novel target for inflammatory disorders, which we are exploring in the treatment of UC. We identified GPR84 as playing a key role in inflammation, using our target discovery platform. We initiated ORIGIN, a Phase 2 trial of GLPG1205 in patients with moderate to severe UC, and the first patients received treatment in early 2015.

Our third treatment focus area is CF: an area of significant unmet medical need for which we are developing a three-product combination therapy

CF is a rare, life-threatening, genetic disease that affects the lungs and the digestive system, impacting approximately 80,000 patients worldwide with approximately 30,000 patients in the United States. The market

for CF therapies, across the six main healthcare markets, exceeded $1 billion in 2012 and is expected to exceed $5 billion in 2018, according to a July 2014 GlobalData OpportunityAnalyzer report. CF patients carry a defective cystic fibrosis transmembrane conductance resulator, or CFTR, gene and are classified based on their specific mutation of the CFTR gene. The Class II mutation is present in about 90% of CF patients, yet the only approved therapy for the underlying cause of CF, Vertex Pharmaceuticals', or Vertex', Kalydeco, is for Class III mutations, representing only 4% of total CF patients.

For Class III mutation CF patients, we are developing a novel oral potentiator, GLPG1837, that we believe could be a best-in-class therapy. For the largest patient group with Class II and other mutations, we believe that a combination of medicines will be required. To that aim, we plan to rapidly develop a triple combination therapy comprised of potentiator GLPG1837 and two corrector molecules. GLPG1837 is currently in a Phase 1 clinical trial with topline results expected in the third quarter of 2015. Our first oral corrector candidate, GLPG2222, is anticipated to start a Phase 1 trial in the second half of 2015. We anticipate nomination of a second corrector candidate, or C2, in the first half of 2015, such that we may have all three components of our triple combination therapy in development by mid-2015. In a pre-clinical cellular assay study, we demonstrated that the combination of GLPG1837 plus GLPG2222 and one of our C2 corrector molecules, currently in lead optimization, restored up to 60% of CFTR function in cells from Class II patients. These results are suggestive of a compelling therapeutic option for these patients. We believe that our CF combination therapy addresses unmet need in both homozygous and heterozygous Class II patients. Our pre-clinical data also suggest activity of our CF drugs in combination with messenger ribonucleic acid, or mRNA, translation modulation drugs in the Class I mutation, the first indication of a broader spectrum of patients to be addressed with our robust CF program.

Our Strategy

Key elements of our strategy include:

- **Rapidly advance the development of filgotinib in RA and CD.** We announced topline results after 12 weeks of treatment in the DARWIN 1 trial on April 14, 2015. We expect to announce topline results after 12 weeks of treatment in the DARWIN 2 trial by the end of April 2015 and final results from 24 weeks of treatment in both DARWIN 1 and 2 trials in July 2015. Pending a successful outcome of these trials, we expect to initiate a global Phase 3 clinical program in RA in the first half of 2016. We expect the 10-week results of FITZROY, our 180-patient, 20-week trial of filgotinib in subjects with CD, in the second half of 2015. Pending a successful outcome of the FITZROY trial, we expect to initiate a global Phase 3 clinical program in CD. We expect a licensing decision by AbbVie in the second half of 2015 after our delivery of a complete data package from the DARWIN 1 and 2 trials.
- **Collaborate with our partner AbbVie to develop a CF franchise of oral therapies comprised of novel potentiators and correctors.** We expect topline results from our Phase 1 trial with potentiator GLPG1837 in the third quarter of 2015. Pending a successful outcome from this trial, we intend to initiate a Phase 2a trial with GLPG1837 in Class III (G551D) patients in the second half of 2015. For the potential triple combination therapy to treat Class II (F508del) patients, we expect to combine GLPG1837 with our novel corrector, GLPG 2222, and an additional novel corrector for which we expect to initiate pre-clinical development in the first half of 2015. By the middle of 2015, we expect to have all three components of this therapy in development.
- **Advance GLPG1205 Phase 2a proof-of-concept trial in UC.** We expect topline data from our ORIGIN Phase 2a trial with GLPG1205 in the first half of 2016. GLPG1205 is fully proprietary to us, and we intend to develop this drug further independently.
- **Advance GLPG1690 into a Phase 2 clinical trial in IPF.** In February 2015, we announced the results of a Phase 1 first-in-human trial of GLPG1690, a potent and selective inhibitor of autotaxin, or ATX. We are currently preparing a Phase 2 trial in IPF, and we intend to file a protocol for this trial with the

regulatory authorities in Europe before the end of 2015. We currently retain worldwide development and commercialization rights for GLPG1690 and intend to develop this drug independently.

- **Maximize and capture the value of our target discovery platform.** We intend to continue to advance more clinical candidates in various therapeutic areas independently. We aim to select promising programs in specialty pharmaceutical and orphan indications for internal development and commercialization to capture greater value for shareholders and establish Galapagos as a fully integrated biotechnology company.

Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the "Risk Factors" section of this prospectus. These risks include, but are not limited to, the following:

- We are a clinical-stage company with no approved products and no historical product revenues, which makes it difficult to assess our future prospects and financial results.
- We have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future. We have never generated any revenue from product sales and may never be profitable.
- We are heavily dependent on the success of our product candidate filgotinib. We are also dependent on the success of our other product candidates, such as GLPG1837 and GLPG1205. We cannot give any assurance that any product candidate will successfully complete clinical trials or receive regulatory approval, which is necessary before it can be commercialized.
- The regulatory approval processes of the U.S. Food and Drug Administration, the European Medicines Agency, and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.
- We face significant competition for our drug discovery and development efforts, and if we do not compete effectively our commercial opportunities will be reduced or eliminated.
- Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.
- We may not be successful in maintaining development and commercialization collaborations, and any partner may not devote sufficient resources to the development or commercialization of our product candidates or may otherwise fail in development or commercialization efforts, which could adversely affect our ability to develop certain of our product candidates and our financial condition and operating results.
- We rely on third parties to conduct our pre-clinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.
- Our ability to compete may decline if we do not adequately protect our proprietary rights.
- We are a Belgian public limited liability company, and shareholders of our company may have different and in some cases more limited shareholder rights than shareholders of a U.S. listed corporation.

CORPORATE INFORMATION

We were incorporated as a limited liability company (*naamloze vennootschap société anonyme)* under the laws of Belgium on June 30, 1999. We are registered with the Register of Legal Entities (Antwerp, division Mechelen) under the enterprise number 0466.460.429. Our principal executive offices are located at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium, and our telephone number is +32 15 34 29 00. Our agent for service of process in the United States is CT Corporation System. We also maintain a website at *www.glpg.com*. The reference to our website is an inactive textual reference only and the information contained in, or that can be accessed through, our website is not a part of this prospectus.

We own various trademark registrations and applications, and unregistered trademarks, including GALAPAGOS, FIDELTA and our corporate logo. All other trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

We qualify as an "emerging growth company" as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- the ability to include only two years of audited financial statements in addition to any required interim financial statements and correspondingly reduced disclosure in management's discussion and analysis of financial condition and results of operations in the registration statement for the global offering of which this prospectus forms a part; and
- to the extent that we no longer qualify as a foreign private issuer, (1) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and (2) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which we have more than $1.0 billion in annual revenue; (2) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (3) the issuance, in any three-year period, by our company of more than $1.0 billion in non-convertible debt securities; and (4) the last day of the fiscal year ending after the fifth anniversary of the global offering. We may choose to take advantage of some but not all of these exemptions. For example, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. Given that we currently report and expect to continue to report under International Financial Reporting Standards as issued by the International Accounting Standards Board, or IASB, we have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the IASB. We have taken

advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

IMPLICATIONS OF BEING A FOREIGN PRIVATE ISSUER

We are also considered a "foreign private issuer." In our capacity as a foreign private issuer, we are exempt from certain rules under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our ordinary shares or the ADSs. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, although we intend to report our results of operations voluntarily on a quarterly basis. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

We may take advantage of these exemptions until such time as we are no longer foreign private issuer. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (1) the majority of our executive officers or directors are U.S. citizens or residents, (2) more than 50% of our assets are located in the United States or (3) our business is administered principally in the United States.

We have taken advantage of certain reduced reporting and other requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

THE OFFERING

Global offering	ordinary shares offered by us, consisting of ordinary shares represented by American depositary shares, or ADSs, offered in the U.S. offering and ordinary shares offered in the European private placement. The closing of each of the U.S. offering and the European private placement is conditioned upon the other. The total number of ordinary shares in the U.S. offering and European private placement is subject to reallocation between these offerings as permitted under the applicable laws and regulations.
U.S. offering	ADSs representing an equal number of ordinary shares, offered by us pursuant to this prospectus.
European private placement	ordinary shares offered by us in Europe and countries outside of the United States and Canada.
Ordinary shares to be outstanding after the global offering	shares.
Option to purchase additional ADSs in the U.S. offering	ADSs representing an equal number of ordinary shares.
Option to purchase additional ordinary shares in the European private placement	ordinary shares.
American Depositary Shares	Each ADS represents one ordinary share. Holders of the ADSs will have the rights of an ADS holder as provided in the deposit agreement among us, the depositary and all holders and beneficial owners of ADSs issued thereunder. To better understand the terms of the ADSs, you should carefully read the section in this prospectus titled "Description of American Depositary Shares." We also encourage you to read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Depositary	Citibank, N.A.
Use of proceeds	We estimate that we will receive net proceeds from the global offering of approximately $ (€) million, assuming a public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise of the underwriters' options to purchase additional

	ordinary shares and ADSs. We intend to use the net proceeds we receive from the global offering to advance our cystic fibrosis program, inflammatory bowel disease program, discovery and development of our earlier stage programs, and for working capital and other general corporate purposes. See the section of this prospectus titled "Use of Proceeds."
Risk factors	You should read the "Risk Factors" section of this prospectus for a discussion of factors to consider carefully before deciding to invest in the ADSs or the ordinary shares.
Proposed NASDAQ trading symbol	"GLPG"
Euronext Brussels and Euronext Amsterdam trading symbol	"GLPG"

The number of ordinary shares to be outstanding after the global offering is based on 30,870,677 of our ordinary shares outstanding as of March 31, 2015, and includes shares represented by ADSs, and excludes 3,019,305 ordinary shares issuable upon the exercise of warrants outstanding as of March 31, 2015 pursuant to our warrant plans, at a weighted-average exercise price of €12.42 per warrant.

Except as otherwise noted, all information in this prospectus assumes:

- no exercise by the underwriters of their options to purchase additional ordinary shares and ADSs; and
- no issuance or exercise of warrants after March 31, 2015.

SUMMARY CONSOLIDATED HISTORICAL FINANCIAL AND OTHER DATA

The following tables summarize our historical consolidated financial and other data. We derived the summary consolidated statement of income (loss) data for the years ended December 31, 2012, 2013 and 2014 from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read these data together with our consolidated financial statements and related notes, as well as the sections of this prospectus titled "Selected Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Currency Exchange Rates" and the other financial information included elsewhere in this prospectus.

Consolidated statement of operations data:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands, except share and per share data)		
Revenues	€ 69,368	€ 76,625	€ 74,504
Other income	20,653	19,947	17,722
Total revenues and other income	**90,021**	**96,572**	**92,226**
Services cost of sales	—	—	(5,584)
Research and development expenditure	(111,110)	(99,380)	(80,259)
General and administrative expenses	(13,875)	(12,353)	(12,118)
Sales and marketing expenses	(992)	(1,464)	(1,285)
Restructuring and integration costs	(669)	(290)	(2,506)
Operating loss	**(36,624)**	**(16,915)**	**(9,526)**
Finance income	1,424	780	1,927
Loss before tax	**(35,201)**	**(16,135)**	**(7,599)**
Income taxes	(2,103)	(676)	164
Net loss from continuing operations	**(37,303)**	**(16,811)**	**(7,435)**
Net income from discontinued operations	**70,514**	**8,732**	**1,714**
Net income / loss (-)	**€ 33,211**	**€ (8,079)**	**€ (5,721)**
Net income / loss (-) attributable to:			
Owners of the parent	33,211	(8,079)	(5,721)
Basic and diluted income / loss (-) per share	**€ 1.10**	**€ (0.28)**	**€ (0.22)**
Basic and diluted loss per share from continuing operations	**€ (1.24)**	**€ (0.58)**	**€ (0.28)**
Weighted average number of shares (in '000 shares)	30,108	28,787	26,545

Consolidated statement of financial position data:

The table below presents a summary of our balance sheet data as of December 31, 2014:

- on an actual basis; and
- on an as adjusted basis to give effect to the sale of ordinary shares and ADSs by us in the global offering, assuming a public offering price of $ per ADS in the U.S. offering and € per share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	December 31, 2014	
	Actual	As adjusted(1)
	(Euro, in thousands)	
Cash and cash equivalents	€187,712	
Total assets	270,467	
Total liabilities	64,332	
Total equity	€206,135	

(1) Each $1.00 (€) increase or decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would increase or decrease each of as adjusted cash and cash equivalents, total assets and total shareholders' equity by approximately $ (€) million, assuming that the number of shares and ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. We may also increase or decrease the number of shares and ADSs we are offering. Each increase or decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us would increase or decrease each of as adjusted cash and cash equivalents, total assets and total shareholders' equity by approximately $ (€) million, assuming that the assumed public offering price remains the same, and after deducting underwriting discounts and commissions. Each increase of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) increase in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euro next Amsterdam on , 2015, would increase each of as adjusted cash and cash equivalents, total assets and total shareholders' equity by approximately $ (€) million, after deducting underwriting discounts and commissions. Each decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would decrease each of as adjusted cash and cash equivalents, total assets and total shareholders' equity by approximately $ (€) million, after deducting underwriting discounts and commissions. The as adjusted information discussed above is illustrative only and will adjust based on the actual public offering price, the actual number of ordinary shares and ADSs offered by us, and other terms of the global offering determined at pricing.

RISK FACTORS

Investing in the ADSs or ordinary shares involves a high degree of risk. You should carefully consider the following risks and all other information contained in this prospectus, including our consolidated financial statements and the related notes, before making an investment decision regarding our securities. The risks and uncertainties described below are those significant risk factors, currently known and specific to us, that we believe are relevant to an investment in our securities. If any of these risks materialize, our business, financial condition or results of operations could suffer, the price of the ADSs or our ordinary shares could decline and you could lose part or all of your investment.

Risks Related to Our Financial Position and Need for Additional Capital

We are a clinical-stage company with no approved products and no historical product revenues, which makes it difficult to assess our future prospects and financial results.

We are a clinical-stage biotechnology company and we have not yet generated any product income. Pharmaceutical product development is a highly speculative undertaking and involves a substantial degree of uncertainty. Our operations to date have been limited to developing our technology and undertaking pre-clinical studies and clinical trials of our product candidates, such as filgotinib, GLPG1205 and GLPG1837. As an early stage company, we have not yet demonstrated an ability to overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the pharmaceutical area. Consequently, the ability to predict our future operating results or business prospects is more limited than if we had a longer operating history or approved products on the market.

We have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future. We have never generated any revenue from product sales and may never be profitable.

We have incurred significant operating losses since our inception in 1999. We have incurred net losses of €5.7 million and €8.1 million for the years ended December 31, 2012 and 2013, respectively, and as of December 31, 2014, we had an accumulated deficit of €63.9 million. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our shareholders' equity and working capital. In April 2014, we sold our service division for net proceeds of €130.8 million. The sale of the service division will impact future results as the service division contributed to the net result of €8.7 million for the year ended December 31, 2013, the last full calendar year where the service division was part of our group. We expect to continue incurring significant research, development and other expenses related to our ongoing operations, and to continue incurring losses for the foreseeable future. We also expect these losses to increase, due to higher costs of later stage development, as we continue our development of, and to seek regulatory approvals for, our product candidates.

We do not anticipate generating revenues from sales of products for the foreseeable future, if ever. If any of our product candidates fail in clinical trials or do not gain regulatory approval, or if any of our product candidates, if approved, fail to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods.

If one or more of our product candidates is approved for commercial sale and we retain commercial rights, we anticipate incurring significant costs associated with commercializing any such approved product candidate. Therefore, even if we are able to generate revenues from the sale of any approved product, we may never become profitable. Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to predict the timing or amount of expenses and when we will be able to achieve or maintain profitability, if ever.

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all.

Our operations have consumed substantial amounts of cash since inception. We are currently conducting clinical trials for filgotinib, GLPG1205, GLPG1837 and GLPG1690. We also plan to conduct clinical trials for GLPG2222 and other early stage product candidates. Developing pharmaceutical product candidates, including conducting clinical trials, is expensive. We will require substantial additional future capital in order to complete clinical development and, if we are successful, to commercialize any of our current product candidates. If the U.S. Food and Drug Administration, or the FDA, or any other comparable regulatory agency, such as the European Medicines Agency, or the EMA, requires that we perform studies or trials in addition to those that we currently anticipate with respect to the development of our product candidates, or repeat studies or trials, our expenses would further increase beyond what we currently expect, and any delay resulting from such further or repeat studies or trials could also result in the need for additional financing.

Our existing cash and cash equivalents will not be sufficient for us to complete advanced clinical development of any of our product candidates or, if applicable, to commercialize any product candidate that is approved. Accordingly, we will continue to require substantial additional capital to continue our clinical development activities and potentially engage in commercialization activities. Because successful development of our product candidates is uncertain, we are unable to estimate the actual funds we will require to complete research and development and commercialize our product candidates. The amount and timing of our future funding requirements will depend on many factors, including but not limited to:

- the progress, costs, results of and timing of our ongoing and planned clinical trials;
- our ability to reach milestones under our existing collaboration arrangements and enter into additional collaborative agreements for the development and commercialization of our product candidates;
- the willingness of the FDA, EMA and other comparable regulatory authorities to accept our clinical trials and pre-clinical studies and other work as the basis for review and approval of product candidates;
- the outcome, costs and timing of seeking and obtaining regulatory approvals from the FDA, EMA and other comparable regulatory authorities;
- whether our collaborators continue to collaborate with us on the development and commercialization of our product candidates, such as whether AbbVie in-licenses filgotinib, following the availability of results from the ongoing Phase 2b trials of filgotinib, to collaborate with us on the development and commercialization of filgotinib;
- the number of product candidates and indications that we pursue, whether developed from our novel, proprietary target discovery platform, otherwise developed internally or in-licensed;
- the timing and costs associated with manufacturing our product candidates for clinical trials and other studies and, if approved, for commercial sale;
- our need to expand our development activities and, potentially, our research activities;
- the timing and costs associated with establishing sales and marketing capabilities;
- market acceptance of any approved product candidates;
- the costs of acquiring, licensing or investing in additional businesses, products, product candidates and technologies;
- the cost to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- the extent to which we may be required to pay milestone or other payments under our in-license agreements and the timing of such payments;

- our need and ability to hire additional management, development and scientific personnel; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems.

Some of these factors are outside of our control. Based upon our current expected level of operating expenditures and our existing cash and cash equivalents, we believe that we will be able to fund our operations until at least through the end of 2016, excluding potential in-license payments by AbbVie for filgotinib in RA and CD, for an aggregate amount of up to $250 million, in the event AbbVie in-licenses filgotinib for these indications. We believe that the net proceeds of the global offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements at least through the end of 2017. This period could be shortened if there are any significant increases beyond our expectations in spending on development programs or more rapid progress of development programs than anticipated. Accordingly, we expect that we will need to raise substantial additional funds in the future. Additional funding may not be available to us on acceptable terms, or at all. If we are unable to obtain funding from equity offerings or debt financings, including on a timely basis, we may be required to:

- seek collaborators for one or more of our product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available;
- relinquish or license on unfavorable terms our rights to technologies or product candidates that we otherwise would seek to develop or commercialize ourselves; or
- significantly curtail one or more of our research or development programs or cease operations altogether.

Raising additional capital may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights to our product candidates or technologies.

We may seek additional funding through a combination of equity offerings, debt financings, collaborations and/or licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of the ADSs or our ordinary shares. The incurrence of additional indebtedness and/or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt and/or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of the ADSs or our ordinary shares to decline. In the event that we enter into collaborations and/or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to technologies or product candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future potential arrangements when we might be able to achieve more favorable terms.

Risks Related to Product Development, Regulatory Approval and Commercialization

We are heavily dependent on the success of our product candidate filgotinib. We are also dependent on the success of our other product candidates, such as GLPG1837 and GLPG1205. We cannot give any assurance that any product candidate will successfully complete clinical trials or receive regulatory approval, which is necessary before it can be commercialized.

Our business and future success is substantially dependent on our ability to develop, either alone or in partnership, successfully, obtain regulatory approval for, and then successfully commercialize our product candidate filgotinib, which is in three Phase 2 trials for rheumatoid arthritis, or RA, and one Phase 2 trial for Crohn’s disease, or CD. Our business and future success also depend on our ability to develop successfully, obtain regulatory approval for, and then successfully commercialize our other product candidates, such as GLPG1837 and GLPG1205. GLPG1837 is currently being studied in a Phase 1 trial in cystic fibrosis, or CF,

and GLPG1205 is currently being studied in a Phase 2a trial in ulcerative colitis, or UC. Our product candidates will require additional clinical development, management of clinical and manufacturing activities, regulatory approval in multiple jurisdictions (if regulatory approval can be obtained at all), securing sources of commercial manufacturing supply, building of, or partnering with, a commercial organization, substantial investment and significant marketing efforts before any revenues can be generated from product sales. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the FDA, the EMA or any other comparable regulatory authority, and we may never receive such regulatory approval for any of our product candidates. We cannot assure you that our clinical trials for filgotinib, GLPG1837 or GLPG1205 will be completed in a timely manner, or at all, or that we will be able to obtain approval from the FDA, the EMA or any other comparable regulatory authority for any of these product candidates. We cannot be certain that we will advance any other product candidates into clinical trials. If any of filgotinib, GLPG1837, GLPG1205 or any future product candidate is not approved and commercialized, we will not be able to generate any product revenues for that product candidate. Moreover, any delay or setback in the development of any product candidate could adversely affect our business and cause the price of the ADSs or our ordinary shares to fall.

Due to our limited resources and access to capital, we must and have in the past decided to prioritize development of certain product candidates; these decisions may prove to have been wrong and may adversely affect our revenues.

Because we have limited resources and access to capital to fund our operations, we must decide which product candidates to pursue and the amount of resources to allocate to each. As such, we are currently primarily focused on the development of filgotinib, GLPG1837 and GLPG1205. Our decisions concerning the allocation of research, collaboration, management and financial resources toward particular compounds, product candidates or therapeutic areas may not lead to the development of viable commercial products and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties in respect of certain product development programs may also prove not to be optimal and could cause us to miss valuable opportunities. If we make incorrect determinations regarding the market potential of our product candidates or misread trends in the pharmaceutical industry, our business, financial condition and results of operations could be materially adversely affected.

The regulatory approval processes of the FDA, the EMA and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

The time required to obtain approval by the FDA, the EMA and other comparable regulatory authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any product candidates we may seek to develop in the future will ever obtain regulatory approval.

Our product candidates could fail to receive regulatory approval for many reasons, including the following:

- the FDA, the EMA or other comparable regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA, the EMA or other comparable regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA, the EMA or other comparable regulatory authorities for approval;

- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- filgotinib, GLPG1205 and our other product candidates are developed to act against targets discovered by us, and because our product candidates are novel mode of action products, they carry an additional risk regarding desired level of efficacy and safety profile;
- the FDA, the EMA or other comparable regulatory authorities may disagree with our interpretation of data from pre-clinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a new drug application, or NDA, supplemental NDA, or sNDA, or other submission or to obtain regulatory approval in the United States, Europe or elsewhere;
- the FDA, the EMA or other comparable regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies or such processes or facilities may not pass a pre-approval inspection; and
- the approval policies or regulations of the FDA, the EMA or other comparable regulatory authorities may change or differ from one another significantly in a manner rendering our clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of future clinical trial results may result in our or our collaborators' failure to obtain regulatory approval to market filgotinib, GLPG1837, GLPG1205 and/or other product candidates, which would harm our business, results of operations and prospects significantly. In addition, even if we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. In certain jurisdictions, regulatory authorities may not approve the price we intend to charge for our products. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

We have not previously submitted an NDA, a Marketing Authorization Application, or MAA, or any similar drug approval filing to the FDA, the EMA or any comparable regulatory authority for any product candidate, and we cannot be certain that any of our product candidates will be successful in clinical trials or receive regulatory approval. Further, our product candidates may not receive regulatory approval even if they are successful in clinical trials. If we do not receive regulatory approvals for our product candidates, we may not be able to continue our operations. Even if we successfully obtain regulatory approvals to market one or more of our product candidates, our revenues will be dependent, to a significant extent, upon the size of the markets in the territories for which we gain regulatory approval and have commercial rights or share in revenues from the exercise of such rights. If the markets for patient subsets that we are targeting (such as RA, CD or CF) are not as significant as we estimate, we may not generate significant revenues from sales of such products, if approved.

In connection with our global clinical trials, local regulatory authorities may have differing perspectives on clinical protocols and safety parameters, which impacts the manner in which we conduct these global clinical trials and could negatively impact our chances for obtaining regulatory approvals or marketing authorization in these jurisdictions, or for obtaining the requested dosage for our product candidates, if regulatory approvals or marketing authorizations are obtained.

In connection with our global clinical trials, we are obliged to comply with the requirements of local regulatory authorities in each jurisdiction where we execute and locate a clinical trial. Local regulatory authorities can request specific changes to the clinical protocol or specific safety measures that differ from the positions taken in other jurisdictions. For example, in our DARWIN clinical trials for filgotinib in subjects with RA, we agreed with the FDA to exclude the 200 mg filgotinib daily dose for male subjects based on safety margins, while there is no such restriction by health authorities outside the United States. We cannot assure you

that this view will not be adopted by other regulatory authorities in later stage trials or at the marketing authorization stage, if filgotinib successfully completes pivotal trials. Even if filgotinib does receive regulatory approval or marketing authorization, the FDA or other regulatory authorities may impose dosing restrictions that differ from the approved dosing regimen in other jurisdictions, and these differences could have a material adverse effect on our ability to commercialize our products in these jurisdictions.

Even if we receive regulatory approval for any of our product candidates, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Any regulatory approvals that we receive for our product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product candidate, and we may be required to include labeling that includes significant use or distribution restrictions or significant safety warnings, including boxed warnings.

If the FDA, EMA or any other comparable regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration requirements and continued compliance with current good manufacturing practices, or cGMPs, and good clinical practices, or GCPs, for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary product recalls;
- fines, untitled or warning letters or holds on clinical trials;
- refusal by the FDA, the EMA or any other comparable regulatory authority to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

The policies of the FDA, the EMA and other comparable regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

Filogotinib, if approved, may be subject to box warnings, labeling restrictions or dose limitations in certain jurisdictions, which could have a material adverse impact on our ability to market filgotinib in these jurisdictions.

Based on pre-clinical findings, we expect that filgotinib, if approved, will have a labeling statement warning female patients of child-bearing age to take precautionary measures of birth control to protect against pregnancy, similar to warnings included with other frequently used medications in RA.

In addition, there may be dose limitations imposed for male patients that are prescribed filgotinib, if approved. In connection with the DARWIN clinical program, we agreed with the FDA to exclude the 200 mg filgotinib daily dose for male subjects; males will receive a maximum daily dose of 100 mg in the U.S. sites in these trials. This limitation was not imposed by any other regulatory agency in any other jurisdiction in which the DARWIN clinical program is being conducted. We agreed to this limitation because in both rat and dog toxicology studies, filgotinib induced adverse effects on the male reproductive system and the FDA determined there was not a sufficient safety margin between the filgotinib exposure at the no-observed-adverse-effect-level, or NOAEL, observed in these studies and the anticipated human exposure at the 200 mg daily filgotinib dose. Accordingly, in connection with the DARWIN clinical program, in the United States, male subjects are recruited in the up-to-100-mg-daily-dose groups only. Male participants in those groups and their partners are required to use highly effective contraceptive measures for the duration of the study and during a washout period thereafter. As an additional safety measure, we monitor clinical laboratory changes in hormone levels for subjects in the DARWIN clinical program.

After the conclusion of the DARWIN dose-finding clinical program, we intend to discuss with the FDA the inclusion criteria for male subjects in any Phase 3 clinical trial for filgotinib. We expect these discussions will be supported by clinical data from the DARWIN clinical program (including data from male subjects treated with the 200 mg daily dose of filgotinib outside of the United States) as well as recently generated pre-clinical data that we believe demonstrates that the safety margin between filgotinib exposure at the no-observed-adverse-effect-level, or NOAEL, and the anticipated human exposure for doses between 150mg and 200mg meets the margin as requested by the FDA. However, even if filgotinib does receive regulatory approval or marketing authorization, the FDA or other regulatory authorities may impose dosing restrictions that differ from the approved dosing regimen in other jurisdictions.

Box warnings, labeling restrictions, dose limitations and similar restrictions on use could have a material adverse effect on our ability to commercialize filgotinib in those jurisdictions where such restrictions apply.

Clinical development is a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials as well as data from any interim analysis of ongoing clinical trials may not be predictive of future trial results. Clinical failure can occur at any stage of clinical development. We have never completed a Phase 3 trial or submitted a New Drug Application, or NDA.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Although product candidates may demonstrate promising results in early clinical (human) trials and pre-clinical (animal) studies, they may not prove to be effective in subsequent clinical trials. For example, testing on animals may occur under different conditions than testing in humans and therefore the results of animal studies may not accurately predict human experience. Likewise, early clinical studies may not be predictive of eventual safety or effectiveness results in larger-scale pivotal clinical trials. The results of pre-clinical studies and previous clinical trials as well as data from any interim analysis of ongoing clinical trials of our product candidates, as well as studies and trials of other products with similar mechanisms of action to our product candidates, may not be predictive of the results of ongoing or future clinical trials. For example, the positive results generated to date in pre-clinical studies and Phase 1 and Phase 2a clinical trials for filgotinib in RA do not ensure that the current Phase 2b clinical trials for RA, CD or later clinical trials will demonstrate similar results or observations. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through pre-clinical studies and earlier clinical trials. In addition to the safety and efficacy traits of any product candidate, clinical trial failures may result from a multitude of factors including flaws in trial design, dose selection, placebo effect and patient enrollment criteria. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials, and it is possible that we will as well. Based upon negative or inconclusive results, we or our collaborators may decide, or regulators may require us, to conduct additional clinical trials or pre-clinical studies. In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may delay, limit or prevent regulatory approval.

We may experience delays in our ongoing clinical trials and we do not know whether planned clinical trials will begin on time, need to be redesigned, enroll patients on time or be completed on schedule, if at all. Clinical trials can be delayed for a variety of reasons, including delays related to:

- obtaining regulatory approval to commence a trial;
- reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtaining Institutional Review Board, or IRB, or ethics committee approval at each site;
- obtaining regulatory concurrence on the design and parameters for the trial;
- obtaining approval for the designs of our clinical development programs for each country targeted for trial enrollment;
- recruiting suitable patients to participate in a trial, which may be impacted by the number of competing trials that are enrolling patients;
- having patients complete a trial or return for post-treatment follow-up;
- clinical sites deviating from trial protocol or dropping out of a trial;
- adding new clinical trial sites;
- manufacturing sufficient quantities of product candidate or obtaining sufficient quantities of comparator drug for use in clinical trials; or
- the availability of adequate financing and other resources.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs or ethics committees of the institutions in which such trials are being conducted, by the Data Monitoring Committee, or the DMC, for such trial or by the FDA, the EMA or other comparable regulatory authorities. A suspension or termination may be imposed due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA, the EMA or other comparable regulatory authorities resulting in the imposition of a clinical hold, safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions, manufacturing issues or lack of adequate funding to continue the clinical trial. For example, it is possible that safety issues or adverse side effects could be observed in our trials for filgotinib in RA and CD, for GLPG1837 in CF, or for GLPG1205 in UC, which could result in a delay, suspension or termination of the ongoing trials of filgotinib (in one or both indications), GLPG1837 or GLPG1205. If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause or lead to a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

If filgotinib, GLPG1837, GLPG1205 or any other product candidate is found to be unsafe or lack efficacy, we will not be able to obtain regulatory approval for it and our business would be materially harmed. For example, if the results of our ongoing trials for filgotinib in RA and CD and/or GLPG1205 in UC, do not achieve the primary efficacy endpoints or demonstrate unexpected safety findings, the prospects for approval of filgotinib or GLPG1205, as applicable, as well as the price of the ADSs or our ordinary shares and our ability to create shareholder value would be materially and adversely affected.

In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in composition of the patient populations, adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. We do not know whether any Phase 2, Phase 3 or other clinical trials we or any of our collaborators may conduct will demonstrate consistent or adequate efficacy and safety to obtain regulatory approval to market our product candidates. If we are unable to bring any of our current or future product candidates to market, our ability to create long-term shareholder value will be limited.

We initiated our first clinical study in 2009 and for three of our compounds, Phase 2 studies have been initiated. Filgotinib is our first Phase 2b program, and we have never initiated a Phase 3 study.

The rates at which we complete our scientific studies and clinical trials depend on many factors, including, but are not limited to, patient enrollment.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating. With respect to our clinical development of GLPG1837 in CF, the recent availability of Kalydeco (ivacaftor), which is a drug developed by Vertex Pharmaceuticals to be used to treat patients with a certain mutation of CF may cause patients to be less willing to participate in our clinical trial for an oral therapy in regions in which an oral therapy has been approved. Since CF is a competitive market in certain regions such as the United States and the European Union with a number of product candidates in development, patients may have other choices with respect to potential clinical trial participation and we may have difficulty in reaching our enrollment targets. In addition, the relatively limited number of patients worldwide (estimated to be 80,000) may make enrollment more challenging. Any of these occurrences may harm our clinical trials and by extension, our business, financial condition and prospects.

We may not be successful in our efforts to use and expand our novel, proprietary target discovery platform to build a pipeline of product candidates.

A key element of our strategy is to use and expand our novel, proprietary target discovery platform to build a pipeline of product candidates and progress these product candidates through clinical development for the treatment of a variety of diseases. Although our research and development efforts to date have resulted in a pipeline of product candidates directed at various diseases, we may not be able to develop product candidates that are safe and effective. Even if we are successful in continuing to build our pipeline, the potential product candidates that we identify may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. If we do not continue to successfully develop and begin to commercialize product candidates, we will face difficulty in obtaining product revenues in future periods, which could result in significant harm to our financial position and adversely affect the price of the ADSs or our ordinary shares.

Our commercial success depends upon attaining significant market acceptance of our product candidates, if approved, among physicians, healthcare payors, patients and the medical community.

Even if we obtain regulatory approval for one or more of our product candidates, the product may not gain market acceptance among physicians, healthcare payors, patients and the medical community, which is critical to commercial success. Market acceptance of any product candidate for which we receive approval depends on a number of factors, including:

- the efficacy and safety as demonstrated in clinical trials;
- the timing of market introduction of the product candidate as well as competitive products;

- the clinical indications for which the product candidate is approved;
- acceptance by physicians, the medical community and patients of the product candidate as a safe and effective treatment;
- the convenience of prescribing and initiating patients on the product candidate;
- the potential and perceived advantages of such product candidate over alternative treatments;
- the cost of treatment in relation to alternative treatments, including any similar generic treatments;
- the availability of coverage and adequate reimbursement and pricing by third-party payors and government authorities;
- relative convenience and ease of administration;
- the prevalence and severity of adverse side effects; and
- the effectiveness of sales and marketing efforts.

If our product candidates are approved but fail to achieve an adequate level of acceptance by physicians, healthcare payors, patients and the medical community, we will not be able to generate significant revenues, and we may not become or remain profitable.

We currently have no marketing and sales organization. To the extent any of our product candidates for which we maintain commercial rights is approved for marketing, if we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our product candidates, we may not be able to effectively market and sell any product candidates, or generate product revenues.

We currently do not have a marketing or sales organization for the marketing, sales and distribution of pharmaceutical products. In order to independently commercialize any product candidates that receive marketing approval and for which we maintain commercial rights, we would have to build marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. In the event of successful development of GLPG1837, GLPG1205 or any other product candidates for which we maintain commercial rights, we may elect to build a targeted specialty sales force which will be expensive and time consuming. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products. With respect to our product candidates, we may choose to partner with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. In the instance of filgotinib, should AbbVie in-license filgotinib following completion of the Phase 2b trials in RA, then we will have co-promotion and commercialization rights with AbbVie in The Netherlands, Belgium and Luxembourg with AbbVie having control of commercialization outside these territories. If we are unable to enter into collaborations with third parties for the commercialization of approved products, if any, on acceptable terms or at all, or if any such partner (including AbbVie if it in-licenses filgotinib) does not devote sufficient resources to the commercialization of our product or otherwise fails in commercialization efforts, we may not be able to successfully commercialize any of our product candidates that receive regulatory approval. If we are not successful in commercializing our product candidates, either on our own or through collaborations with one or more third parties, our future revenue will be materially and adversely impacted.

Coverage and reimbursement decisions by third-party payors may have an adverse effect on pricing and market acceptance.

There is significant uncertainty related to the third-party coverage and reimbursement of newly approved drugs. To the extent that we retain commercial rights following clinical development, we would seek approval to market our product candidates in the United States, the European Union and other selected jurisdictions. Market

acceptance and sales of our product candidates, if approved, in both domestic and international markets will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for any of our product candidates and may be affected by existing and future healthcare reform measures. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs they will cover and establish payment levels. We cannot be certain that coverage and adequate reimbursement will be available for any of our product candidates, if approved. Also, we cannot be certain that reimbursement policies will not reduce the demand for, or the price paid for, any of our product candidates, if approved. If reimbursement is not available or is available on a limited basis for any of our product candidates, if approved, we may not be able to successfully commercialize any such product candidate. Reimbursement by a third-party payor may depend upon a number of factors, including, without limitation, the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement or to have pricing set at a satisfactory level. If reimbursement of our future products, if any, is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels such as may result where alternative or generic treatments are available, we may be unable to achieve or sustain profitability.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation established Medicare Part D, which expanded Medicare coverage for outpatient prescription drug purchases by the elderly but provided authority for limiting the number of drugs that will be covered in any therapeutic class. The MMA also introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. Any negotiated prices for any of our product candidates, if approved, covered by a Part D prescription drug plan will likely be lower than the prices we might otherwise obtain outside of the Medicare Part D prescription drug plan. Moreover, while Medicare Part D applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in payment under Medicare Part D may result in a similar reduction in payments from non-governmental payors.

In certain countries, particularly in the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product candidate. To obtain reimbursement or pricing approval in some countries, we may be required to conduct additional clinical trials that compare the cost-effectiveness of our product candidates to other available therapies. If reimbursement of any of our product candidates, if approved, is unavailable or limited in scope or amount in a particular country, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability of our products in such country.

The delivery of healthcare in the European Union, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of healthcare and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and

reimbursement of medicines by relevant health service providers. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to commercialize any products for which we obtain marketing approval.

Recent legislative and regulatory activity may exert downward pressure on potential pricing and reimbursement for any of our product candidates, if approved, that could materially affect the opportunity to commercialize.

The United States and several other jurisdictions are considering, or have already enacted, a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell any of our product candidates profitably, if approved. Among policy-makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access to healthcare. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. There have been, and likely will continue to be, legislative and regulatory proposals at the federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. We cannot predict the initiatives that may be adopted in the future.

The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare may adversely affect:

- the demand for any of our product candidates, if approved;
- the ability to set a price that we believe is fair for any of our product candidates, if approved;
- our ability to generate revenues and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

In 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, ACA, became law in the United States. The goal of the ACA is to reduce the cost of healthcare and substantially change the way healthcare is financed by both governmental and private insurers. The ACA may result in downward pressure on pharmaceutical reimbursement, which could negatively affect market acceptance of any of our product candidates, if they are approved. Provisions of the ACA relevant to the pharmaceutical industry include the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;
- an increase in the rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for branded and generic drugs, respectively;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts on negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer’s outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers’ Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain individuals with income at or below 133% of the Federal Poverty Level beginning in 2014, thereby potentially increasing manufacturers’ Medicaid rebate liability;

- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements under the federal Open Payments program and its implementing regulations;
- expansion of healthcare fraud and abuse laws, including the federal False Claims Act and the federal Anti-Kickback Statute, new government investigative powers and enhanced penalties for noncompliance;
- a licensure framework for follow-on biologic products; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several types of providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding.

We face significant competition for our drug discovery and development efforts, and if we do not compete effectively, our commercial opportunities will be reduced or eliminated.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Our drug discovery and development efforts may target diseases and conditions that are already subject to existing therapies or that are being developed by our competitors, many of which have substantially greater resources, larger research and development staffs and facilities, more experience in completing pre-clinical testing and clinical trials, and formulation, marketing and manufacturing capabilities than we do. As a result of these resources, our competitors may develop drug products that render our products obsolete or noncompetitive by developing more effective drugs or by developing their products more efficiently. Our ability to develop competitive products would be limited if our competitors succeeded in obtaining regulatory approvals for drug candidates more rapidly than we were able to or in obtaining patent protection or other intellectual property rights that limited our drug development efforts. Any drug products resulting from our research and development efforts, or from our joint efforts with collaborators or licensees, might not be able to compete successfully with our competitors' existing and future products, or obtain regulatory approval in the United States, European Union or elsewhere. Further, we may be subject to additional competition from alternative forms of treatment, including generic or over-the-counter drugs.

In the field of RA, therapeutic approaches have traditionally relied on disease-modifying anti-rheumatic drugs, or DMARDS, such as methotrexate and sulphasalazine as first-line therapy. These oral drugs work primarily to suppress the immune system and, while effective in this regard, the suppression of the immune system leads to an increased risk of infections and other side effects. Accordingly, in addition to DMARDS, monoclonal antibodies targeting TNF, like AbbVie's Humira, or IL-6 like Roche's Actemra, have been developed. These biologics, which must be delivered via injection, are currently the standard of care as first- and second-line therapies for RA patients who have an inadequate response to DMARDS. In November 2012, Xeljanz (tofacitinib citrate), marketed by Pfizer, was approved by the FDA as an oral treatment for the treatment of adult patients with RA who have had an inadequate response to, or who are intolerant of, methotrexate. Xeljanz is the first and only JAK inhibitor for RA approved for commercial sale in the United States. We are aware of other JAK inhibitors in development for patients with RA, including a once-daily JAK1/2 inhibitor called baricitinib which is being developed by Eli Lilly and expected to be approved as early as 2016, a JAK3/2/1 inhibitor called ASP015k which is being developed in Japan by Astellas, and a selective JAK1 inhibitor called ABT-494 which is being developed by AbbVie. Filgotinib, which is also a selective JAK1 inhibitor, is being developed in collaboration with AbbVie. We expect that filgotinib, which we are developing to treat patients with moderate to severe RA who have an inadequate response to methotrexate, will compete with all of these

therapies. If generic or biosimilar versions of these therapies are approved we would expect to also compete against these versions of the therapies.

In the field of inflammatory bowel disease, or IBD, first line therapies are oral (or local) treatments with several low-cost generic compounds like mesalazine, more effective in UC, and azathioprine, more effective in CD. Steroids like budesonide are used in both UC and CD. Companies like Santarus have developed controlled-release oral formulation with the aim to have local intestinal delivery of budesonide thereby limiting systemic side effects. For more advanced therapy, monoclonal antibodies with various targets such as TNF and more recently, integrins by vedoluzimab (Entyvio) are approved. We are also aware of other biologics in clinical development for these indications, such as: ustekinumab, developed by Johnson & Johnson, which is in Phase 3 clinical trials and RPC1063, which is being developed by Receptos and has shown efficacy in a Phase 2 trial in UC. There are also several novel oral treatments being explored in Phase 2 and Phase 3, including Pfizer's Xeljanz. The large number of treatments for UC, and somewhat less for CD, presents a substantial level of competition for any new treatment entering the IBD market.

In the field of CF, all but one of the approved therapies to treat CF patients have been designed to treat the symptoms of the disease rather than its cause. Kalydeco, marketed by Vertex Pharmaceuticals, is currently the only approved therapy to address the cause of CF. Kalydeco is a CFTR potentiator to treat CF in patients with a Class III (G551D) mutation of the CFTR gene. Vertex is also developing VX-809 (lumacaftor), a corrector molecule that is intended to address a broader patient population, including patients with a Class II (F508del) mutation of the CFTR gene. Vertex has submitted a combination product (Kalydeco + lumacaftor) for approval in Europe and the United States and this combination could be approved for sale as early as 2015. We are also aware of other companies, including Novartis, Nivalis Therapeutics, Pfizer, Proteostasis Therapeutics and Reata Pharmaceuticals, and non-for-profit organizations like Flatley Discovery Lab, which are actively developing drug candidates for the treatment of CF. These typically target the CFTR protein as potentiators, correctors or other modulators of its activity.

Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, the EMA or other comparable regulatory authorities. Results of our trials could reveal a high and unacceptable severity and prevalence of certain side effects. In such an event, our trials could be suspended or terminated and the FDA, the EMA or comparable regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

If one or more of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

Risks Related to Our Reliance on Third Parties

We may not be successful in establishing development and commercialization collaborations, which could adversely affect, and potentially prohibit, our ability to develop our product candidates.

Developing pharmaceutical products, conducting clinical trials, obtaining regulatory approval, establishing manufacturing capabilities and marketing approved products are expensive. Accordingly, we have sought and may in the future seek to enter into collaborations with companies that have more resources and experience. If we are unable to obtain a partner for our product candidates, we may be unable to advance the development of our product candidates through late-stage clinical development and seek approval in any market. For example, although AbbVie has the opportunity to license filgotinib following the availability of Phase 2b results in RA, if AbbVie does not in-license filgotinib, we may need to seek a different development and commercial partner for filgotinib in RA if we believe such Phase 2b results warrant further development. We do not intend to enter into a collaboration agreement during Phase 2 for the development of GLPG1205 unless we retain key decision-making, development and/or commercialization rights, and it may be difficult to find a suitable partner willing to share such rights. In situations where we enter into a development and commercial collaboration arrangement for a product candidate, we may also seek to establish additional collaborations for development and commercialization in territories outside of those addressed by the first collaboration arrangement for such product candidate. If any of our product candidates receives marketing approval, we may enter into sales and marketing arrangements with third parties with respect to otherwise unlicensed or unaddressed territories. There are a limited number of potential partners, and we expect to face competition in seeking appropriate partners. If we are unable to enter into any development and commercial collaborations and/or sales and marketing arrangements on acceptable terms, or at all, we may be unable to successfully develop and seek regulatory approval for our product candidates and/or effectively market and sell approved products, if any.

We may not be successful in maintaining development and commercialization collaborations, and any partner may not devote sufficient resources to the development or commercialization of our product candidates or may otherwise fail in development or commercialization efforts, which could adversely affect our ability to develop certain of our product candidates and our financial condition and operating results.

The collaboration arrangements that we have established, and any collaboration arrangements that we may enter into in the future may not ultimately be successful, which could have a negative impact on our business, results of operations, financial condition and growth prospects. If we partner with a third party for development and commercialization of a product candidate, we can expect to relinquish some or all of the control over the future success of that product candidate to the third party. For example, if AbbVie in-licenses filgotinib following the availability of Phase 2b results in RA, AbbVie will have control of any commercialization in the event filgotinib is approved with limited exceptions. It is possible that a partner may not devote sufficient resources to the development or commercialization of our product candidate or may otherwise fail in development or commercialization efforts, in which event the development and commercialization of such product candidate could be delayed or terminated and our business could be substantially harmed. In addition, the terms of any collaboration or other arrangement that we establish may not be favorable to us or may not be perceived as favorable, which may negatively impact the trading price of the ADSs or our ordinary shares. In some cases, we may be responsible for continuing development of a product candidate or research program under a collaboration and the payment we receive from our partner may be insufficient to cover the cost of this development. Moreover, collaborations and sales and marketing arrangements are complex and time consuming to negotiate, document and implement and they may require substantial resources to maintain.

We are subject to a number of additional risks associated with our dependence on collaborations with third parties, the occurrence of which could cause our collaboration arrangements to fail. Conflicts may arise between us and partners, such as conflicts concerning the interpretation of clinical data, the achievement of milestones, the interpretation of financial provisions or the ownership of intellectual property developed during the collaboration. If any such conflicts arise, a partner could act in its own self-interest, which may be adverse to our

best interests. Any such disagreement between us and a partner could result in one or more of the following, each of which could delay or prevent the development or commercialization of our product candidates, and in turn prevent us from generating sufficient revenues to achieve or maintain profitability:

- reductions in the payment of royalties or other payments we believe are due pursuant to the applicable collaboration arrangement;
- actions taken by a partner inside or outside our collaboration which could negatively impact our rights or benefits under our collaboration including termination of the collaboration for convenience by the partner; or
- unwillingness on the part of a partner to keep us informed regarding the progress of its development and commercialization activities or to permit public disclosure of the results of those activities.

If our collaborations on research and development candidates do not result in the successful development and commercialization of products or if one of our partners terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of our product candidates could be delayed and we may need additional resources to develop product candidates. For example, in December 2014, Janssen Pharmaceutica NV, or Janssen Pharmaceutica, returned their rights with respect to GLPG1205 to us. In March 2015, Janssen Pharmaceutica and we terminated our research alliance and option agreements in their entirety, and Janssen Pharmaceutica returned their rights with respect to GLPG1690 to us. As a result of such termination, we will not receive any future research funding or milestone or royalty payments with respect to GLPG1205 and GLPG1690 from Janssen Pharmaceutica. If we do not devote sufficient alternative resources to the development of GLPG1205 or GLPG1690, the development of GLPG1205 or GLPG1690 may be delayed, which could adversely affect our financial condition and operating results.

We rely on third parties to conduct our pre-clinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon CROs to monitor and manage data for our pre-clinical and clinical programs. We rely on these parties for execution of our pre-clinical studies and clinical trials, and we control only certain aspects of their activities. We and our CROs also rely upon clinical sites and investigators for the performance of our clinical trials in accordance with the applicable protocols and applicable legal, regulatory and scientific standards. Nevertheless, we are responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol and applicable legal and regulatory requirements and scientific standards, and our reliance on CROs as well as clinical sites and investigators does not relieve us of our regulatory responsibilities. We, our CROs, as well as the clinical sites and investigators are required to comply with current good clinical practices, or GCPs, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area, or EEA, and comparable regulatory authorities for all of our products in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, investigators and clinical sites. If we, any of our CROs or any of the clinical sites or investigators fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, EMA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. We also cannot assure you that our CROs, as well as the clinical sites and investigators, will perform our clinical trials in accordance with the applicable protocols as well as applicable legal and regulatory requirements and scientific standards, or report the results obtained in a timely and accurate manner. In addition to GCPs, our clinical trials must be conducted with product produced under cGMP regulations. While we have agreements governing activities of our CROs, we have limited influence over the actual performance of our CROs as well as the performance of clinical sites and investigators. In addition, significant portions of the clinical trials for our product candidates will be conducted outside of Belgium, which

will make it more difficult for us to monitor CROs as well as clinical sites and investigators and perform visits of our clinical sites, and will force us to rely heavily on CROs to ensure the proper and timely conduct of our clinical trials in accordance with the applicable protocols and compliance with applicable regulations, including GCPs. Failure to comply with applicable protocols and regulations in the conduct of the clinical trials for our product candidates may require us to repeat clinical trials, which would delay the regulatory approval process.

Some of our CROs have an ability to terminate their respective agreements with us if it can be reasonably demonstrated that the safety of the subjects participating in our clinical trials warrants such termination, if we make a general assignment for the benefit of our creditors or if we are liquidated.

If any of our relationships with these CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our pre-clinical and clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure (including by clinical sites or investigators) to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase substantially and our ability to generate revenues could be delayed significantly.

Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays may occur, which can materially impact our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

We rely completely on third parties to manufacture our pre-clinical and clinical drug supplies and we intend to rely on third parties to produce commercial supplies of any approved product candidate.

If, for any reason, we were to experience an unexpected loss of supply of our product candidates or placebo or comparator drug used in certain of our clinical trials, whether as a result of manufacturing, supply or storage issues or otherwise, we could experience delays, disruptions, suspensions or terminations of, or be required to restart or repeat, any pending or ongoing clinical trials. We do not currently have, nor do we plan to acquire, the infrastructure or capability internally to manufacture our pre-clinical and clinical drug supplies and we lack the resources and the capability to manufacture any of our product candidates on a clinical or commercial scale. The facilities used by our contract manufacturers or other third-party manufacturers to manufacture our product candidates are subject to the FDA's, EMA's and other comparable regulatory authorities' pre-approval inspections that will be conducted after we submit our NDA to the FDA or the required approval documents to any other relevant regulatory authority. We do not control the implementation of the manufacturing process of, and are completely dependent on, our contract manufacturers or other third-party manufacturers for compliance with the regulatory requirements, known as cGMPs, for manufacture of both active drug substances and finished drug products. If our contract manufacturers or other third-party manufacturers cannot successfully manufacture material that conforms to applicable specifications and the strict regulatory requirements of the FDA, EMA or others, we will not be able to secure and/or maintain regulatory approvals for our products manufactured at these facilities. In addition, we have no control over the ability of our contract manufacturers or other third-party manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA, EMA or other comparable regulatory authority finds deficiencies at these facilities for the manufacture of our product candidates or if it withdraws any approval because of deficiencies at these facilities in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved.

We rely on our manufacturers to purchase from third-party suppliers the materials necessary to produce our product candidates for our clinical trials. There are a limited number of suppliers for raw materials that we use to manufacture our drugs and there may be a need to assess alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our product candidates for our clinical trials, and if approved, for commercial sale. We do not have any control over the process or timing of the acquisition of these raw materials by our manufacturers. Moreover, we currently do not have any agreements for the commercial production of these raw materials. Although we generally do not begin a clinical trial unless we believe we have access to a sufficient supply of a product candidate to complete the clinical trial, any significant delay in the supply of a product candidate, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a contract manufacturer or other third-party manufacturer could considerably delay completion of our clinical trials, product testing and potential regulatory approval of our product candidates. If our manufacturers or we are unable to purchase these raw materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenues from the sale of our product candidates. Additionally, if we receive regulatory approval for our product candidates, we may experience unforeseen difficulties or challenges in the manufacture of our product candidates on a commercial scale compared to the manufacture for clinical purposes.

We expect to continue to depend on contract manufacturers or other third-party manufacturers for the foreseeable future. We currently obtain our supplies of finished drug product through individual purchase orders. We have not entered into long-term agreements with our current contract manufacturers or with any alternate fill/finish suppliers. Although we intend to do so prior to any commercial launch in order to ensure that we maintain adequate supplies of finished drug product, we may be unable to enter into such an agreement or do so on commercially reasonable terms, which could have a material adverse impact upon our business.

We rely on clinical data and results obtained by third parties that could ultimately prove to be inaccurate or unreliable.

As part of our strategy to mitigate development risk, we seek to develop product candidates with validated mechanisms of action and we utilize biomarkers to assess potential clinical efficacy early in the development process. This strategy necessarily relies upon clinical data and other results obtained by third parties that may ultimately prove to be inaccurate or unreliable. Further, such clinical data and results may, at times, be based on products or product candidates that are significantly different from our product candidates. If the third-party data and results we rely upon prove to be inaccurate, unreliable or not applicable to our product candidates, we could make inaccurate assumptions and conclusions about our product candidates and our research and development efforts could be materially adversely affected.

Risks Related to Our Intellectual Property

Our ability to compete may decline if we do not adequately protect our proprietary rights.

Our commercial success depends on obtaining and maintaining proprietary rights to our product candidates for the treatment of RA, CD, CF and other diseases, as well as successfully defending these rights against third party challenges. We will only be able to protect our product candidates, and their uses from unauthorized use by third parties to the extent that valid and enforceable patents, or effectively protected trade secrets, cover them. Our ability to obtain patent protection for our product candidates is uncertain due to a number of factors, including:

- we may not have been the first to make the inventions covered by pending patent applications or issued patents;
- we may not have been the first to file patent applications for our product candidates or the compositions we developed or for their uses;

- others may independently develop identical, similar or alternative products or compositions and uses thereof;
- our disclosures in patent applications may not be sufficient to meet the statutory requirements for patentability;
- any or all of our pending patent applications may not result in issued patents;
- we may not seek or obtain patent protection in countries that may eventually provide us a significant business opportunity;
- any patents issued to us may not provide a basis for commercially viable products, may not provide any competitive advantages, or may be successfully challenged by third parties;
- our compositions and methods may not be patentable;
- others may design around our patent claims to produce competitive products which fall outside of the scope of our patents; or
- others may identify prior art or other bases which could invalidate our patents.

Even if we have or obtain patents covering our product candidates or compositions, we may still be barred from making, using and selling our product candidates or technologies because of the patent rights of others. Others may have filed, and in the future may file, patent applications covering compositions or products that are similar or identical to ours. If a patent owned by a third party covers one of our product candidates or its use, this could materially affect our ability to develop the product candidate or sell the resulting product if approved. Because patent applications are not published until 18 months from their priority date, there may be currently pending applications unknown to us that may later result in issued patents that our product candidates or compositions may infringe. Additionally, because the scope of claims in pending patent applications can change, there may be pending applications whose claims do not currently cover any of our product candidates but may be altered such that one or more of our product candidates are covered when the resulting patent issues. These patent applications may have priority over patent applications filed by us.

Moreover, even if we are able to obtain patent protection, such patent protection may be of insufficient scope to achieve our business objectives. For example, others may be able to develop a product that is similar to, or better than, ours in a way that is not covered by the claims of our patents.

Obtaining and maintaining a patent portfolio entails significant expense and resources. Part of the expense includes periodic maintenance fees, renewal fees, annuity fees, various other governmental fees on patents and/or applications due in several stages over the lifetime of patents and/or applications, as well as the cost associated with complying with numerous procedural provisions during the patent application process. We may or may not choose to pursue or maintain protection for particular inventions. In addition, there are situations in which failure to make certain payments or noncompliance with certain requirements in the patent process can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we choose to forgo patent protection or allow a patent application or patent to lapse purposefully or inadvertently, our competitive position could suffer. Moreover, in some circumstances, we do not have the right to control the preparation, filing or prosecution of patent applications, or to maintain the patents, covering technology subject to our collaboration or license agreements with third parties. For example, under our collaboration agreement with AbbVie for CF, AbbVie has the right to control prosecution and maintenance of any patent rights covering inventions that are jointly discovered or developed by us and AbbVie and patent rights that we control which relate to the compounds or products subject to the collaboration. In addition, in some circumstances, our counterparty has the right to enforce the patent rights subject to the applicable agreement without our involvement or consent or to otherwise control the enforcement of such patent rights. For example, under our collaboration agreement with AbbVie for CF, AbbVie controls the enforcement of the patent rights subject to the agreement, although we may elect to participate in such enforcement proceedings. Therefore, these patents and patent applications may not be prosecuted or enforced in a manner consistent with the best interests of our business.

Legal actions to enforce our patent rights can be expensive and may involve the diversion of significant management time. In addition, these legal actions could be unsuccessful and could also result in the invalidation of our patents or a finding that they are unenforceable. We may or may not choose to pursue litigation or other actions against those that have infringed on our patents, or used them without authorization, due to the associated expense and time commitment of monitoring these activities. If we fail to protect or to enforce our intellectual property rights successfully, our competitive position could suffer, which could harm our results of operations.

Pharmaceutical patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to us, could negatively impact our patent position.

The patent positions of biotechnology and pharmaceutical companies can be highly uncertain and involve complex legal and factual questions. The interpretation and breadth of claims allowed in some patents covering pharmaceutical compositions may be uncertain and difficult to determine, and are often affected materially by the facts and circumstances that pertain to the patented compositions and the related patent claims. The standards of the United States Patent and Trademark Office, or USPTO, the European Patent Office, and other foreign counterparts are sometimes uncertain and could change in the future. Consequently, the issuance and scope of patents cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated or circumvented. Certain U.S. patents and patent applications may also be subject to interference proceedings, and U.S. patents may be subject to reexamination proceedings, post-grant review and/or *inter partes* review in the USPTO. European patents and other foreign patents may be subject also to opposition or comparable proceedings in the corresponding foreign patent office, which could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, reexamination, post-grant review, *inter partes* review and opposition proceedings may be costly. Accordingly, rights under any issued patents may not provide us with sufficient protection against competitive products or processes.

In addition, changes in or different interpretations of patent laws in the United States, Europe, and other jurisdictions may permit others to use our discoveries or to develop and commercialize our technology and products without providing any compensation to us, or may limit the number of patents or claims we can obtain. The laws of some countries do not protect intellectual property rights to the same extent as U.S. and European laws and those countries may lack adequate rules and procedures for defending our intellectual property rights.

If we fail to obtain and maintain patent protection and trade secret protection of our product candidates, we could lose our competitive advantage and competition we face would increase, reducing any potential revenues and adversely affecting our ability to attain or maintain profitability.

Developments in patent law could have a negative impact on our business.

From time to time, courts and other governmental authorities in the United States, Europe and other jurisdictions may change the standards of patentability and any such changes could have a negative impact on our business.

For example, the Leahy-Smith America Invents Act, or the America Invents Act, which was signed into law in 2011, includes a number of significant changes to U.S. patent law. These changes include a transition from a “first-to-invent” system to a “first-to-file” system, changes to the way issued patents are challenged, and changes to the way patent applications are disputed during the examination process. These changes may favor larger and more established companies that have greater resources to devote to patent application filing and prosecution. Substantive changes to patent law associated with the America Invents Act may affect our ability to obtain patents, and if obtained, to enforce or defend them. Accordingly, it is not clear what impact, if any, the America Invents Act will have on the cost of prosecuting our patent applications, our ability to obtain patents based on our discoveries and our ability to enforce or defend any patents that may issue from our patent applications, all of which could have a material adverse effect on our business.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to patent protection, because we operate in the highly technical field of development of therapies, we rely in part on trade secret protection in order to protect our proprietary technology and processes. However, trade secrets are difficult to protect. It is our policy to enter into confidentiality and intellectual property assignment agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, and other advisors. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party's relationship with us. These agreements also generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us. Adequate remedies may not exist in the event of unauthorized use or disclosure of our confidential information. The disclosure of our trade secrets would impair our competitive position and may materially harm our business, financial condition and results of operations.

In addition to contractual measures, we try to protect the confidential nature of our proprietary information using physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets, with protection varying across Europe and in other countries. Trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position could be harmed.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on our product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries could be less extensive than those in the United States and Europe, assuming that rights are obtained in the United States and Europe. Furthermore, even if patents are granted based on our European patent applications, we may not choose to perfect or maintain our rights in all available European countries. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as laws in the United States and Europe. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries, or from selling or importing products made using our inventions. The statutory deadlines for pursuing patent protection in individual foreign jurisdictions are based on the priority dates of each of our patent applications.

Competitors may use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States and Europe. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if we pursue and obtain issued patents in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States and Europe. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to pharmaceuticals or biotechnologies. This could make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States, Europe and other jurisdictions may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

We may be subject to claims by third parties asserting ownership or commercial rights to inventions we develop or obligations to make compensatory payments to employees.

Third parties may in the future make claims challenging the inventorship or ownership of our intellectual property. We have written agreements with collaborators that provide for the ownership of intellectual property arising from our collaborations. These agreements provide that we must negotiate certain commercial rights with collaborators with respect to joint inventions or inventions made by our collaborators that arise from the results of the collaboration. In some instances, there may not be adequate written provisions to address clearly the resolution of intellectual property rights that may arise from a collaboration. If we cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from our use of a third-party collaborator's materials where required, or if disputes otherwise arise with respect to the intellectual property developed with the use of a collaborator's samples, we may be limited in our ability to capitalize on the market potential of these inventions. In addition, we may face claims by third parties that our agreements with employees, contractors, or consultants obligating them to assign intellectual property to us are ineffective, or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such inventions. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property, or may lose our exclusive rights in that intellectual property. Either outcome could have an adverse impact on our business.

While it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing or obtaining such an agreement with each party who, in fact, develops intellectual property that we regard as our own. In addition, such agreements may be breached or may not be self-executing, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

We employ individuals who were previously employed at universities, pharmaceutical companies or biopharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

A dispute concerning the infringement or misappropriation of our proprietary rights or the proprietary rights of others could be time consuming and costly, and an unfavorable outcome could harm our business.

Our success will depend in part on our ability to operate without infringing the intellectual property and proprietary rights of third parties. We cannot assure you that our business, products and methods do not or will not infringe the patents or other intellectual property rights of third parties.

There is significant litigation in the pharmaceutical industry regarding patent and other intellectual property rights. While we are not currently subject to any pending intellectual property litigation, and are not aware of any such threatened litigation, we may be exposed to future litigation by third parties based on claims that our product candidates, technologies or activities infringe the intellectual property rights of others. If our development activities are found to infringe any such patents, we may have to pay significant damages or seek licenses to such patents. A patentee could prevent us from using the patented drugs or compositions. We may need to resort to litigation to enforce a patent issued to us, to protect our trade secrets, or to determine the scope and validity of third-party proprietary rights. From time to time, we may hire scientific personnel or consultants formerly employed by other companies involved in one or more areas similar to the activities conducted by us. Either we or these individuals may be subject to allegations of trade secret misappropriation or other similar claims as a result of prior affiliations. Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our products. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. Any adverse ruling or perception of an adverse ruling in defending ourselves against these claims could have a material adverse impact on our cash position and the price of the ADSs or our ordinary shares. Any legal action against us or our collaborators could lead to:

- payment of substantial damages for past use of the asserted intellectual property and potentially treble damages, if we are found to have willfully infringed a party’s patent rights;
- injunctive or other equitable relief that may effectively block our ability to further develop, commercialize, and sell our product candidates; or
- us or our collaborators having to enter into license arrangements that may not be available on commercially acceptable terms, if at all, all of which could have a material adverse impact on our cash position and business and financial condition. As a result, we could be prevented from commercializing current or future product candidates.

Any of these risks coming to fruition could have a material adverse effect on our business, results of operations, financial condition and prospects.

Issued patents covering our product candidates could be found to be invalid or unenforceable if challenged in court.

If we or one of our licensing partners initiated legal proceedings against a third party to enforce a patent covering our product candidate, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements in most jurisdictions, including lack of novelty, obviousness or non-enablement. In the United States, grounds for unenforceability assertions include allegations that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review and equivalent proceedings in foreign jurisdictions, e.g., opposition proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our product candidates or competitive products. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection would have a material adverse impact on our business.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition by potential partners or customers in our markets of interest. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected.

Risks Related to Our Organization, Structure and Operation

Our future success depends on our ability to retain the members of our executive committee and to attract, retain and motivate qualified personnel. If we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our industry has experienced a high rate of turnover of management personnel in recent years. Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, scientific and medical personnel, especially our executive committee comprised of: Onno van de Stolpe, our chief executive officer, Bart Filius, our chief financial officer, Piet Wigerinck, our chief scientific officer, and Andre Hoekema, our senior vice president of corporate development, whose services are critical to the successful implementation of our product candidate acquisition, development and regulatory strategies. We are not aware of any present intention of any of these individuals to leave our company. In order to induce valuable employees to continue their employment with us, we have provided warrants that vest over time. The value to employees of warrants that vest over time is significantly affected by movements in our share price that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies.

Despite our efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment with us at any time, with or without notice. The loss of the services of any of the members of our executive committee or other key employees and our inability to find suitable replacements could harm our business, financial condition and prospects. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level, and senior managers as well as junior, mid-level, and senior scientific and medical personnel.

We may not be able to attract or retain qualified management and scientific personnel in the future due to the intense competition for a limited number of qualified personnel among biopharmaceutical, biotechnology, pharmaceutical and other businesses. Many of the other pharmaceutical companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high quality candidates than what we have to offer. If we are unable to continue to attract and retain high quality personnel, the rate and success at which we can develop and commercialize product candidates will be limited.

If we fail to manage our growth effectively, our ability to develop and commercialize products could suffer.

We expect that if our drug discovery efforts continue to generate drug candidates, our clinical drug candidates continue to progress in development, and we continue to build our development, medical and commercial organizations, we will require significant additional investment in personnel, management and resources. Our ability to achieve our research, development and commercialization objectives depends on our ability to respond effectively to these demands and expand our internal organization, systems, controls and facilities to accommodate additional anticipated growth. If we are unable to manage our growth effectively, our business could be harmed and our ability to execute our business strategy could suffer.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of any of our product candidates, if approved.

We face an inherent risk of product liability as a result of the clinical testing of our product candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Physicians and patients may not comply with any warnings that identify known potential adverse effects and patients who should not use our products. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to stop development or, if approved, limit commercialization of our product candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- delay or termination of clinical trials;
- injury to our reputation;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management’s time and our resources;
- substantial monetary awards to trial participants or patients;
- decreased demand for our product candidates;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues from product sales; and
- the inability to commercialize any our product candidates, if approved.

Our inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the development or commercialization of our product candidates. We currently carry clinical trial liability insurance at levels which we believe are appropriate

for our clinical trials. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts.

Risks from the improper conduct of employees, agents, contractors, or collaborators could adversely affect our reputation and our business, prospects, operating results, and financial condition.

We cannot ensure that our compliance controls, policies, and procedures will in every instance protect us from acts committed by our employees, agents, contractors, or collaborators that would violate the laws or regulations of the jurisdictions in which we operate, including, without limitation, healthcare, employment, foreign corrupt practices, environmental, competition, and patient privacy and other privacy laws and regulations. Such improper actions could subject us to civil or criminal investigations, and monetary and injunctive penalties, and could adversely impact our ability to conduct business, operating results, and reputation.

In particular, our business activities may be subject to the Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate, including the U.K. Bribery Act. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA. Recently the Securities and Exchange Commission, or SEC, and Department of Justice have increased their FCPA enforcement activities with respect to pharmaceutical companies. There is no certainty that all of our employees, agents, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of our facilities, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results, and financial condition.

We could be subject to liabilities under environmental, health and safety laws or regulations, or fines, penalties or other sanctions, if we fail to comply with such laws or regulations or otherwise incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws, regulations, and permitting requirements, including those governing laboratory procedures, decontamination activities and the handling, transportation, use, remediation, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals, radioactive isotopes and biological materials and produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials or wastes either at our sites or at third party disposal sites. In the event of such contamination or injury, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties. Although we maintain workers’

compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials or other work-related injuries, this insurance may not provide adequate coverage against potential liabilities.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws, regulations or permitting requirements. These current or future laws, regulations and permitting requirements may impair our research, development or production efforts. Failure to comply with these laws, regulations and permitting requirements also may result in substantial fines, penalties or other sanctions.

Any future relationships with customers and third-party payors may be subject, directly or indirectly, to applicable anti-kickback laws, fraud and abuse laws, false claims laws, health information privacy and security laws and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

If we obtain FDA, EMA or any other comparable regulatory authority approval for any of our product candidates and begin commercializing those products in the United States, European Union or other jurisdiction, our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any products for which we obtain marketing approval. In addition, we may be subject to health information privacy and security regulation of the European Union, the United States and other jurisdictions in which we conduct our business. For example, the laws that may affect our ability to operate include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, to induce, or in return for, either the referral of an individual, or the purchase or recommendation of an item or service for which payment may be made under a federal healthcare program, such as the Medicare and Medicaid programs;
- U.S. federal civil and criminal false claims laws and civil monetary penalty laws, including the federal False Claims Act, which impose criminal and civil penalties against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the U.S. federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which imposes certain obligations, including mandatory contractual terms, on covered healthcare providers, health plans, and healthcare clearinghouses, as well as their business associates, with respect to safeguarding the privacy, security and transmission of individually identifiable health information; and
- analogous state and laws and regulations in other jurisdictions, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and state and laws in other jurisdiction governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental authorities will conclude that

our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, including, without limitation, damages, fines, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations or other sanctions. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws and regulations, it may be subject to criminal, civil or administrative sanctions, including exclusions from participation in government funded healthcare programs.

We must maintain effective internal control over financial reporting, and if we are unable to do so, the accuracy and timeliness of our financial reporting may be adversely affected, which could have a material adverse effect on our business, investor confidence and market price.

We must maintain effective internal control over financial reporting in order to accurately and timely report our results of operations and financial condition. We often use estimates and assumptions concerning the future, especially when performing impairment tests on goodwill and (in)tangible assets. We perform these tests on a realistic and regular basis. In addition, once we are a U.S. public company, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, will require, among other things, that we assess the effectiveness of our disclosure controls and procedures annually and the effectiveness of our internal control over financial reporting at the end of each fiscal year. We anticipate being first required to issue management's annual report on internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act, in connection with issuing our consolidated financial statements as of and for the year ending December 31, 2016.

The rules governing the standards that must be met for our management to assess our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act are complex and require significant documentation, testing and possible remediation. These stringent standards require that our audit committee be advised and regularly updated on management's review of internal control over financial reporting. We are in the process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation. This process is time-consuming, costly, and complicated. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal controls over financial reporting beginning with our annual report following the date on which we are no longer an "emerging growth company," which may be up to five fiscal years following the date of the global offering. Our management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that will be applicable to us as a U.S. public company. If we fail to staff our accounting and finance function adequately or maintain internal control over financial reporting adequate to meet the demands that will be placed upon us as a U.S. public company, including the requirements of the Sarbanes-Oxley Act, our business and reputation may be harmed and the price of the ADSs or our ordinary shares may decline. Furthermore, investor perceptions of us may be adversely affected, which could cause a decline in the market price of the ADSs or our ordinary shares.

Our information technology systems could face serious disruptions that could adversely affect our business.

Our information technology and other internal infrastructure systems, including corporate firewalls, servers, leased lines and connection to the Internet, face the risk of systemic failure that could disrupt our operations. A significant disruption in the availability of our information technology and other internal infrastructure systems could cause interruptions in our collaborations with our partners and delays in our research and development work. The loss of product development or clinical trial data could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and our development programs and the development of our product candidates could be delayed.

Business interruptions could delay us in the process of developing our product candidates.

Loss of our laboratory facilities through fire or other causes could have an adverse effect on our ability to continue to conduct our business. We currently have insurance coverage to compensate us for such business interruptions; however, such coverage may prove insufficient to fully compensate us for the damage to our business resulting from any significant property or casualty loss to our facilities.

We may undertake strategic acquisitions in the future and any difficulties from integrating such acquisitions could adversely affect our share price, operating results and results of operations.

We may acquire companies, businesses and products that complement or augment our existing business. We may not be able to integrate any acquired business successfully or operate any acquired business profitably. Integrating any newly acquired business could be expensive and time-consuming. Integration efforts often take a significant amount of time, place a significant strain on managerial, operational and financial resources, result in loss of key personnel and could prove to be more difficult or expensive than we predict. The diversion of our management's attention and any delay or difficulties encountered in connection with any future acquisitions we may consummate could result in the disruption of our on-going business or inconsistencies in standards and controls that could negatively affect our ability to maintain third-party relationships. Moreover, we may need to raise additional funds through public or private debt or equity financing, or issue additional shares, to acquire any businesses or products, which may result in dilution for shareholders or the incurrence of indebtedness.

As part of our efforts to acquire companies, business or product candidates or to enter into other significant transactions, we conduct business, legal and financial due diligence with the goal of identifying and evaluating material risks involved in the transaction. Despite our efforts, we ultimately may be unsuccessful in ascertaining or evaluating all such risks and, as a result, might not realize the intended advantages of the transaction. If we fail to realize the expected benefits from acquisitions we may consummate in the future or have consummated in the past, whether as a result of unidentified risks or liabilities, integration difficulties, regulatory setbacks, litigation with current or former employees and other events, our business, results of operations and financial condition could be adversely affected. If we acquire product candidates, we will also need to make certain assumptions about, among other things, development costs, the likelihood of receiving regulatory approval and the market for such product candidates. Our assumptions may prove to be incorrect, which could cause us to fail to realize the anticipated benefits of these transactions.

In addition, we will likely experience significant charges to earnings in connection with our efforts, if any, to consummate acquisitions. For transactions that are ultimately not consummated, these charges may include fees and expenses for investment bankers, attorneys, accountants and other advisors in connection with our efforts. Even if our efforts are successful, we may incur, as part of a transaction, substantial charges for closure costs associated with elimination of duplicate operations and facilities and acquired in-process research and development charges. In either case, the incurrence of these charges could adversely affect our results of operations for particular periods.

Our collaboration arrangements with our strategic partners may make us an attractive target for potential acquisitions under certain circumstances.

Under certain circumstances, due to the structure of our collaboration arrangements with our strategic partners, our strategic partners may prefer to acquire us rather than paying the milestone payments or royalties under the collaboration arrangements, which may bring additional uncertainties to our business development and prospects. For example, under our collaboration arrangement with AbbVie for RA and CD, we may become entitled to substantial milestone payments and royalties from AbbVie under certain circumstances. As a result, rather than paying the milestone payments or royalties, AbbVie may choose to acquire us.

Our international operations subject us to various risks, and our failure to manage these risks could adversely affect our results of operations.

We face significant operational risks as a result of doing business internationally, such as:

- fluctuations in foreign currency exchange rates;
- potentially adverse and/or unexpected tax consequences, including penalties due to the failure of tax planning or due to the challenge by tax authorities on the basis of transfer pricing and liabilities imposed from inconsistent enforcement;
- potential changes to the accounting standards, which may influence our financial situation and results;
- becoming subject to the different, complex and changing laws, regulations and court systems of multiple jurisdictions and compliance with a wide variety of foreign laws, treaties and regulations;
- reduced protection of, or significant difficulties in enforcing, intellectual property rights in certain countries;
- difficulties in attracting and retaining qualified personnel;
- restrictions imposed by local labor practices and laws on our business and operations, including unilateral cancellation or modification of contracts;
- rapid changes in global government, economic and political policies and conditions, political or civil unrest or instability, terrorism or epidemics and other similar outbreaks or events, and potential failure in confidence of our suppliers or customers due to such changes or events; and
- tariffs, trade protection measures, import or export licensing requirements, trade embargoes and other trade barriers.

If we are unable to use tax loss carryforwards to reduce future taxable income or benefit from favorable tax legislation, our business, results of operations and financial condition may be adversely affected.

At December 31, 2014, we had cumulative carry forward tax losses of €136 million in Belgium, €65 million in France (when taking into account pending tax litigation effect), and €19 million related to the other entities of our group. These are available to carry forward and offset against future taxable income for an indefinite period in Belgium and France, but €18 million of these tax loss carryforwards in Switzerland, Croatia, the United States and The Netherlands will expire between 2015 and 2029. If we are unable to use tax loss carryforwards to reduce future taxable income, our business, results of operations and financial condition may be adversely affected.

As a company active in research and development in Belgium and France, we have benefited from certain research and development incentives including, for example, the Belgian research and development tax credit and the French research tax credit (*credit d'impôt recherche*). These tax credits can be offset against Belgian and French corporate income tax due, respectively. The excess portion may be refunded at the end of a five-year fiscal period for the Belgian research and development incentive, and at the end of a three-year fiscal period for the French research and development incentive. The research and development incentives are both calculated based on the amount of eligible research and development expenditure. The Belgian tax credit represented €3.9 million for the year ended December 31, 2012, €4.5 million for the year ended December 31, 2013 and €4.3 million for the year ended December 31, 2014. The French tax credit amounted to €7.8 million for the year ended December 31, 2012, €8.2 million for the year ended December 31, 2013 and €7.8 million for the year ended December 31, 2014. The Belgian and/or French tax authorities may audit each research and development program in respect of which a tax credit has been claimed and assess whether it qualifies for the tax credit regime. The tax authorities may challenge our eligibility for, or our calculation of, certain tax reductions and/or deductions in respect of our research and development activities and, should the Belgian and/or French tax authorities be successful, we may be liable for additional corporate income tax, and penalties and interest related thereto, which could have a significant impact on our results of operations and future cash flows. Furthermore, if

the Belgian and/or the French government decide to eliminate, or reduce the scope or the rate of, the research and development incentive benefit, either of which it could decide to do at any time, our results of operations could be adversely affected.

As a company active in research and development in Belgium, we also expect to benefit in the future from the "patent income deduction" initiative in Belgium. This initiative effectively allows, in the case of taxable income, net profits attributable to revenue from patented products to be taxed at a lower rate than other revenues, i.e., 6.8%. When taken in combination with tax losses carried forward and research and development incentives mentioned above, we expect that this will result in a long-term low rate of corporation tax for us. If, however, there are unexpected adverse changes to the Belgian "patent income deduction" initiative, or we are unable to qualify for such advantageous tax legislation, our business, results of operations and financial condition may be adversely affected.

We may be forced to repay the technological innovation grants if we fail to comply with our contractual obligations under the applicable grant agreements.

We have received several technological innovation grants to date, totaling €20 million as of December 31, 2014, to support various research programs from an agency of the Flemish government to support technological innovation in Flanders. These grants carry clauses which require us to maintain a presence in the Flemish region for a number of years and invest according to pre-agreed budgets. If we fail to comply with our contractual obligations under the applicable technological innovation grant agreements, we could be forced to repay all or part of the grants received. Such repayment could adversely affect our ability to finance our research and development projects. In addition, we cannot ensure that we will then have the additional financial resources needed, the time or the ability to replace these financial resources with others.

We may be exposed to significant foreign exchange risk.

We incur portions of our expenses, and may in the future derive revenues, in currencies other than the euro, in particular, the U.S. dollar. As a result, we are exposed to foreign currency exchange risk as our results of operations and cash flows are subject to fluctuations in foreign currency exchange rates. We currently do not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the euro. Therefore, for example, an increase in the value of the euro against the U.S. dollar could be expected to have a negative impact on our revenue and earnings growth as U.S. dollar revenue and earnings, if any, would be translated into euros at a reduced value. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our financial condition, results of operations and cash flows.

The instability of the euro or the inability of countries to refinance their debts could have a material adverse effect on our revenue, profitability and financial position.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility, or the EFSF, and the European Financial Stability Mechanism, or the EFSM, to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism, or the ESM, which was established on September 27, 2012 to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries. Despite these measures, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations and the overall stability of the euro. An extended period of adverse development in the outlook for European countries could reduce the expenditures on drugs through reduced volumes and lower prices, which could have negative impact on the development and commercialization of our product candidates. In addition, the European credit crisis could affect the availability and cost of debt, if and when needed by us to finance our operations and research and development. These potential developments, or market perceptions concerning these and related issues, could affect our financial position, results of operations and cash flow.

The requirements of being a U.S. public company may strain our resources and divert management's attention.

We are required to comply with various corporate governance and financial reporting requirements under the Sarbanes-Oxley Act of 2002, the Securities and Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations adopted by the Securities and Exchange Commission and the Public Corporation Accounting Oversight Board. Further, compliance with various regulatory reporting requires significant commitments of time from our management and our directors, which reduces the time available for the performance of their other responsibilities. Our failure to track and comply with the various rules may materially adversely affect our reputation, ability to obtain the necessary certifications to financial statements, lead to additional regulatory enforcement actions, and could adversely affect the value of the ADSs or our ordinary shares.

If a claim is introduced by Charles River with regard to our former service division, our results of operations and financial condition may be adversely affected.

On March 13, 2014, we announced the signing of a definitive agreement to sell the service division to Charles River Laboratories International, Inc., or Charles River. Charles River agreed to pay us immediate cash consideration of €129 million. Upon achievement of a revenue target 12 months after transaction closing, we will be eligible to receive an earn-out payment of €5 million. Approximately 5% of the total price consideration, including price adjustments, is being held in an escrow account which will be released on June 30, 2015 if no further claims have been made by Charles River.

Following common practice, we have given customary representations and warranties with customary caps and limitations. If Charles River makes a claim with respect to the sale of the service division, we could incur significant costs and expenses associated with the claim. As of March 31, 2015, four claims have been submitted by Charles River and have been fully accrued for on the balance sheet for a total amount of €1.0 million.

The audit report included in this prospectus is prepared by an auditor who is not inspected by the U.S. Public Company Accounting Oversight Board, or the PCAOB, and, as such, you are deprived of the benefits of such inspection.

Auditors of companies that are registered with the U.S. Securities and Exchange Commission and traded publicly in the United States, including our auditors, must be registered with the PCAOB and are required by the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with the laws of the United States and professional standards. Although our auditors are registered with the PCAOB, because our auditors are located in Belgium, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Belgian authorities, our auditors are not currently inspected by the PCAOB. This lack of PCAOB inspections in Belgium currently prevents the PCAOB from regularly evaluating audits and quality control procedures of any auditors operating in Belgium, including our auditors. The inability of the PCAOB to conduct inspections of auditors in Belgium makes it more difficult to evaluate the effectiveness of our auditors' audit procedures or quality control procedures as compared to auditors outside of Belgium that are subject to PCAOB inspections. As a result, investors may be deprived of the benefits of PCAOB inspections.

Risks Related to the Global Offering and Ownership of Our Ordinary Shares and ADSs

There has been no prior active market for the ADSs and an active and liquid market for the ADSs may fail to develop, which could harm the market price of the ADSs.

Prior to the global offering, while our ordinary shares have been traded on Euronext Brussels and Euronext Amsterdam since 2005, there has been no active public market for the ADSs in the United States, except a Level I ADR program, which is expected to be upgraded to a Level III ADR program in connection with the global offering. Although we anticipate the ADSs being approved for listing on NASDAQ, an active trading market for the ADSs may never develop or be sustained following the global offering. The initial public offering price of the ADSs will be based and determined through negotiations between us and the underwriters. This

initial public offering price may not be indicative of the market price of the ADSs after the global offering. In the absence of an active trading market for the ADSs, investors may not be able to sell their ADSs at or above the initial public offering price or at the time that they would like to sell. The market price of the ADSs could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- actual or anticipated changes in our growth rate relative to our competitors;
- competition from existing products or new products that may emerge;
- announcements by us, our partners or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations, or capital commitments;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us; share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- additions or departures of key management or scientific personnel;
- disputes or other developments related to proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- changes to coverage policies or reimbursement levels by commercial third-party payors and government payors and any announcements relating to coverage policies or reimbursement levels;
- announcement or expectation of additional debt or equity financing efforts;
- sales of the ADSs by us, our insiders or our other shareholders; and
- general economic and market conditions.

These and other market and industry factors may cause the market price and demand for the ADSs to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of our capital shares. In addition, the stock market in general, and biotechnology and biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies.

Fluctuations in the exchange rate between the U.S. dollar and the euro may increase the risk of holding the ADSs.

Our shares currently trade on Euronext Brussels and Euronext Amsterdam in euros, while the ADSs will trade on NASDAQ in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and the euro may result in temporary differences between the value of the ADSs and the value of our ordinary shares, which may result in heavy trading by investors seeking to exploit such differences.

In addition, as a result of fluctuations in the exchange rate between the U.S. dollar and the euro, the U.S. dollar equivalent of the proceeds that a holder of the ADSs would receive upon the sale in Belgium of any shares withdrawn from the depositary and the U.S. dollar equivalent of any cash dividends paid in euros on our shares represented by the ADSs could also decline.

Holders of the ADSs are not treated as shareholders of our company.

By participating in the U.S. offering you will become a holder of ADSs with underlying shares in a Belgian limited liability company. Holders of the ADSs are not treated as shareholders of our company, unless

they withdraw our ordinary shares underlying the ADSs. The depositary, or its nominee, is the holder of the ordinary shares underlying the ADSs. Holders of ADSs therefore do not have any rights as shareholders of our company, other than the rights that they have pursuant to the deposit agreement.

We have broad discretion in the use of the net proceeds from the global offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds that we receive from the global offering, including applications for working capital, possible acquisitions and other general corporate purposes, and we may spend or invest these proceeds in a way with which our shareholders disagree. The failure by our management to apply these funds effectively could harm our business and financial condition. Pending their use, we may invest the net proceeds from the global offering in a manner that does not produce income or that loses value. These investments may not yield a favorable return to our investors.

If securities or industry analysts do not publish research or publish inaccurate research or unfavorable research about our business, the price of the ordinary shares and ADSs and trading volume could decline.

The trading market for the ordinary shares and ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. If no or few securities or industry analysts cover our company, the trading price for the ordinary shares and ADSs would be negatively impacted. If one or more of the analysts who covers us downgrades the ordinary shares and ADSs or publishes incorrect or unfavorable research about our business, the price of the ordinary shares and ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, or downgrades the ordinary shares and ADSs, demand for the ordinary shares and ADSs could decrease, which could cause the price of the ordinary shares and ADSs or trading volume to decline.

We have no present intention to pay dividends on our ordinary shares in the foreseeable future and, consequently, your only opportunity to achieve a return on your investment during that time is if the price of the ADSs or ordinary shares, as applicable, appreciates.

We have no present intention to pay dividends in the foreseeable future. Any recommendation by our board of directors to pay dividends will depend on many factors, including our financial condition (including losses carried-forward), results of operations, legal requirements and other factors. Furthermore, pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of our non-consolidated statutory accounts prepared in accordance with Belgian accounting rules. In addition, in accordance with Belgian law and our articles of association, we must allocate each year an amount of at least 5% of our annual net profit under our non-consolidated statutory accounts to a legal reserve until the reserve equals 10% of our share capital. Therefore, we are unlikely to pay dividends or other distributions in the foreseeable future. If the price of the ADSs or the ordinary shares declines before we pay dividends, you will incur a loss on your investment, without the likelihood that this loss will be offset in part or at all by potential future cash dividends.

Our shareholders residing in countries other than Belgium may be subject to double withholding taxation with respect to dividends or other distributions made by us.

Any dividends or other distributions we make to shareholders will, in principle, be subject to withholding tax in Belgium at a rate of 25%, except for shareholders which qualify for an exemption of withholding tax such as, among others, qualifying pension funds or a company qualifying as a parent company in the sense of the Council Directive (90/435/EEC) of July 23, 1990, or the Parent-Subsidiary Directive, or that qualify for a lower withholding tax rate or an exemption by virtue of a tax treaty. Various conditions may apply and shareholders residing in countries other than Belgium are advised to consult their advisers regarding the tax consequences of dividends or other distributions made by us. Our shareholders residing in countries other than Belgium may not

be able to credit the amount of such withholding tax to any tax due on such dividends or other distributions in any other country than Belgium. As a result, such shareholders may be subject to double taxation in respect of such dividends or other distributions. Belgium and the United States have concluded a double tax treaty concerning the avoidance of double taxation, or the U.S.-Belgium Tax Treaty. The U.S.-Belgium Tax Treaty reduces the applicability of Belgian withholding tax to 15%, 5% or 0% for U.S. taxpayers, provided that the U.S. taxpayer meets the limitation of benefits conditions imposed by the U.S.-Belgium Tax Treaty. The Belgian withholding tax is generally reduced to 15% under the U.S.-Belgium Tax Treaty. The 5% withholding tax applies in case where the U.S. shareholder is a company which holds at least 10% of the shares in the company. A 0% Belgian withholding tax applies when the shareholder is a company which has held at least 10% of the shares in the company for at least 12 months, or is, subject to certain conditions, a U.S. pension fund. The U.S. shareholders are encouraged to consult their own tax advisers to determine whether they can invoke the benefits and meet the limitation of benefits conditions as imposed by the U.S.-Belgium Tax Treaty.

If you purchase the ADSs in the U.S. offering or ordinary shares in the European private placement, you will experience substantial and immediate dilution.

If you purchase the ADSs in the U.S. offering or ordinary shares in the European private placement, you will experience substantial and immediate dilution of $ (€) per ADS/share in the net tangible book value after giving effect to the global offering at an assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, because the price that you pay will be substantially greater than the net tangible book value per ADS or per share, as applicable, that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the public offering price when they purchased their ordinary shares. You will experience additional dilution upon exercise of any outstanding warrants to purchase ordinary shares under our equity incentive plans (i.e., our warrant plans), or if we otherwise issue additional shares below the public offering price. For a further description of the dilution that you will experience immediately after the global offering, see the section of this prospectus titled “Dilution.”

Future sales of ordinary shares or ADSs by existing shareholders could depress the market price of the ordinary shares and ADSs.

If our existing shareholders sell, or indicate an intent to sell, substantial amounts of ordinary shares or ADSs in the public market after the -day contractual lock-up and other legal restrictions on resale discussed in this prospectus lapse, the trading price of the ordinary shares and ADSs could decline significantly and could decline below the public offering price. Upon completion of the global offering, we will have outstanding ordinary shares, approximately of which are subject to the -day contractual lock-up referred to above. The representatives of the underwriters may permit us, our directors and members of our executive committee to sell shares prior to the expiration of the lock-up agreements. See “Underwriting.”

After the lock-up agreements pertaining to the global offering expire, and based on the number of ordinary shares outstanding upon completion of the global offering, additional shares will be eligible for sale in the public market, all of which shares are held by directors and members of the executive committee and will be subject to volume limitations under Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. In addition, the ordinary shares subject to outstanding warrants under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations.

Following the global offering, we intend to file one or more registration statements with the SEC covering ordinary shares available for future issuance under our equity incentive plans. Upon effectiveness of such registration statements, any shares subsequently issued under such plans will be eligible for sale in the public market, except to the extent that they are restricted by the lock-up agreements referred to above and subject to compliance with Rule 144 in the case of our affiliates. Sales of a large number of the shares issued under these plans in the public market could have an adverse effect on the market price of the ordinary shares and ADSs.

See the section of this prospectus titled “Shares and ADSs Eligible for Future Sale” for a more detailed description of sales that may occur in the future. If these additional shares or ADSs are sold, or if it is perceived that they will be sold, in the public market, the trading price of the ordinary shares and ADSs could decline substantially.

We are a Belgian public limited liability company, and shareholders of our company may have different and in some cases more limited shareholder rights than shareholders of a U.S. listed corporation.

We are a public limited liability company incorporated under the laws of Belgium. Our corporate affairs are governed by Belgian corporate law. The rights provided to our shareholders under Belgian corporate law and our articles of association differ in certain respects from the rights that you would typically enjoy as a shareholder of a U.S. corporation under applicable U.S. federal and state laws.

Under Belgian corporate law, other than certain limited information that we must make public and except in certain limited circumstances, our shareholders may not ask for an inspection of our corporate records, while under Delaware corporate law any shareholder, irrespective of the size of its shareholdings, may do so. Shareholders of a Belgian corporation are also unable to initiate a derivative action, a remedy typically available to shareholders of U.S. companies, in order to enforce a right of our Company, in case we fail to enforce such right ourselves, other than in certain cases of director liability under limited circumstances. In addition, a majority of our shareholders present or represented at our meeting of shareholders may release a director from any claim of liability we may have, including if he or she has acted in bad faith or has breached his or her duty of loyalty, provided, in some cases, that the relevant acts were specifically mentioned in the convening notice to the meeting of shareholders deliberating on the discharge. In contrast, most U.S. federal and state laws prohibit a company or its shareholders from releasing a director from liability altogether if he or she has acted in bad faith or has breached his or her duty of loyalty to the company. Finally, Belgian corporate law does not provide any form of appraisal rights in the case of a business combination. See “Description of Share Capital.”

As a result of these differences between Belgian corporate law and our articles of association, on the one hand, and the U.S. federal and state laws, on the other hand, in certain instances, you could receive less protection as an ADS holder of our company than you would as a shareholder of a listed U.S. company.

Takeover provisions in Belgian law may make a takeover difficult.

Public takeover bids on our shares and other voting securities, such as warrants or convertible bonds, if any, are subject to the Belgian Act of April 1, 2007 and to the supervision by the Belgian Financial Services and Markets Authority, or FSMA. Public takeover bids must be made for all of our voting securities, as well as for all other securities that entitle the holders thereof to the subscription to, the acquisition of or the conversion into voting securities. Prior to making a bid, a bidder must issue and disseminate a prospectus, which must be approved by the Belgian FSMA. The bidder must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of our company.

The Belgian Act of April 1, 2007 provides that a mandatory bid will be triggered if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting on their account, directly or indirectly holds more than 30% of the voting securities in a company that has its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Royal Decree of April 27, 2007 on public takeover bids. The mere fact of exceeding the relevant threshold through the acquisition of one or more shares will give rise to a mandatory bid, irrespective of whether or not the price paid in the relevant transaction exceeds the current market price.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings and merger control, that may apply to us and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that third parties may consider and thus deprive the shareholders of the opportunity to sell their shares at a premium (which is typically offered in the framework of a takeover bid).

Holders of ADSs will not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depositary shall distribute to the holders as of the record date (1) the notice of the meeting or solicitation of consent or proxy sent by us and (2) a statement as to the manner in which instructions may be given by the holders.

Holders of ADSs may instruct the depositary of their ADSs to vote the ordinary shares underlying their ADSs. Otherwise, ADS holders will not be able to exercise their right to vote, unless they withdraw the ordinary shares underlying the ADSs they hold. However, ADS holders may not know about the meeting far enough in advance to withdraw those ordinary shares. We cannot guarantee ADS holders that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their ordinary shares or to withdraw their ordinary shares so that they can vote them themselves. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that ADS holders may not be able to exercise their right to vote, and there may be nothing they can do if the ordinary shares underlying their ADSs are not voted as they requested.

We may not be able to complete equity offerings without cancellation or limitation of the preferential subscription rights of our existing shareholders, which may as a practical matter preclude us from timely completing offerings.

In accordance with the Belgian Companies Code, our articles of association provide for preferential subscription rights to be granted to our existing shareholders to subscribe on a *pro rata* basis for any issue for cash of new shares, convertible bonds or warrants that are exercisable for cash, unless such rights are cancelled or limited either by resolution of our shareholders' meeting or by our board of directors in the framework of the authorized capital, as described below. On May 23, 2011, our shareholders authorized our board to increase our share capital (possibly with cancellation or limitation of the preferential subscription rights of our existing shareholders at the discretion of our board), subject to certain limitations, for a period of five years. We refer to this authority for our board to increase our share capital as our authorized capital. As of the date of this prospectus, our board of directors may decide to issue up to 21,779,468 ordinary shares pursuant to this authorization, without taking into account however the shares that we will issue in this global offering or subsequent issuances under our warrant programs or otherwise. See "Description of Share Capital—Articles of Association and Other Share Information—Changes to our Share Capital." Absent renewal by our shareholders of this authorization of the board or absent cancellation or limitation by our shareholders of the preferential subscription rights of our existing shareholders, the requirement to offer our existing shareholders the preferential right to subscribe, *pro rata*, for new shares being offered may as a practical matter preclude us from timely raising capital on commercially acceptable terms or at all.

Shareholders may not be able to participate in equity offerings we may conduct from time to time.

Certain shareholders, including those in the United States, may, even in the case where preferential subscription rights have not been cancelled or limited, not be entitled to exercise such rights, unless the offering is registered or the shares are qualified for sale under the relevant regulatory framework. As a result, there is the risk that investors may suffer dilution of their shareholdings should they not be permitted to participate in preference right equity or other offerings that we may conduct in the future.

Holders of ADSs may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason, subject to the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, ADS holders may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. See "Description of American Depositary Shares—Your Right to Receive the Shares Underlying Your ADSs."

We are an "emerging growth company" and are availing ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make the ADSs or our ordinary shares less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find the ADSs or our ordinary shares less attractive because we may rely on these exemptions. If some investors find the ADSs or our ordinary shares less attractive as a result, there may be a less active trading market for the ADSs or our ordinary shares and the price of the ADSs or our ordinary shares may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year in which we have total annual gross revenue of $1.0 billion or more; (2) the last day of our fiscal year following the fifth anniversary of the date of the completion of the global offering; (3) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; and (4) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company. This may limit the information available to holders of ADSs or our ordinary shares.

We are a "foreign private issuer," as defined in the SEC's rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the Exchange Act, that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our officers and directors are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we currently make annual and semi-annual filings with respect to our listing on Euronext Brussels and Euronext Amsterdam and intend to report our results of operations voluntarily on a quarterly basis, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. domestic issuers and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. Accordingly, there will be less publicly available information concerning our company than there would be if we were not a foreign private issuer.

As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from NASDAQ corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with corporate governance listing standards.

As a foreign private issuer listed on NASDAQ, we will be subject to corporate governance listing standards. However, rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in Belgium, which is our home country, may differ significantly from corporate governance listing standards. For example, neither the corporate laws of Belgium nor our articles of association require a majority of our directors to be independent and we could include non-independent directors as members of our nomination and remuneration committee, and our independent directors would not necessarily hold regularly scheduled meetings at which only independent directors are present. Currently, we intend to follow home country practice to the maximum extent possible. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers. See “Management.”

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2016.

In the future, we would lose our foreign private issuer status if we to fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if more than 50% of our securities are held by U.S. residents and more than 50% of the members of our executive committee or members of our board of directors are residents or citizens of the United States, we could lose our foreign private issuer status.

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP, rather than IFRS, and modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. Such conversion of our financial statements to U.S. GAAP will involve significant time and cost. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

It may be difficult for investors outside Belgium to serve process on, or enforce foreign judgments against, us or our directors and senior management.

We are a Belgian public limited liability company. Less than a majority of the members of our board of directors and members of our executive committee are residents of the United States. All or a substantial portion of the assets of such non-resident persons and most of our assets are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or on us or to enforce against them or us a judgment obtained in U.S. courts. Original actions or actions for the enforcement of judgments of U.S. courts relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Belgium. The United States and Belgium do not currently have a multilateral or bilateral treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters. In order for a final judgment for the payment of money rendered by U.S. courts based on civil liability to produce any effect on Belgian soil, it is accordingly required that this

judgment be recognized or be declared enforceable by a Belgian court in accordance with Articles 22 to 25 of the 2004 Belgian Code of Private International Law. Recognition or enforcement does not imply a review of the merits of the case and is irrespective of any reciprocity requirement. A U.S. judgment will, however, not be recognized or declared enforceable in Belgium if it infringes upon one or more of the grounds for refusal that are exhaustively listed in Article 25 of the Belgian Code of Private International Law. Actions for the enforcement of judgments of U.S. courts might be successful only if the Belgian court confirms the substantive correctness of the judgment of the U.S. court and is satisfied that:

- the effect of the enforcement judgment is not manifestly incompatible with Belgian public policy;
- the judgment did not violate the rights of the defendant;
- the judgment was not rendered in a matter where the parties transferred rights subject to transfer restrictions with the sole purpose of avoiding the application of the law applicable according to Belgian international private law;
- the judgment is not subject to further recourse under U.S. law;
- the judgment is not compatible with a judgment rendered in Belgium or with a subsequent judgment rendered abroad that might be enforced in Belgium;
- a claim was not filed outside Belgium after the same claim was filed in Belgium, while the claim filed in Belgium is still pending;
- the Belgian courts did not have exclusive jurisdiction to rule on the matter;
- the U.S. court did not accept its jurisdiction solely on the basis of either the nationality of the plaintiff or the location of the disputed goods; and
- the judgment submitted to the Belgian court is authentic.

In addition to recognition or enforcement, a judgment by a federal or state court in the United States against us may also serve as evidence in a similar action in a Belgian court if it meets the conditions required for the authenticity of judgments according to the law of the state where it was rendered. The findings of a federal or state court in the United States will not, however, be taken into account to the extent they appear incompatible with Belgian public policy.

After the completion of the global offering, we may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology and biopharmaceutical companies have experienced significant share price volatility in recent years. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

U.S. holders of the ADSs may suffer adverse tax consequences if we are characterized as a passive foreign investment company.

Generally, if, for any taxable year, at least 75% of our gross income is passive income, or at least 50% of the value of our assets is attributable to assets that produce passive income or are held for the production of passive income, including cash, we would be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. For purposes of these tests, passive income includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. If we are characterized as a PFIC, U.S. holders of the ADSs may suffer adverse tax consequences, including having gains realized on the sale of the ADSs treated as ordinary income, rather than capital gain, the loss of the preferential rate applicable to dividends received on the ADSs by individuals who are U.S. holders, and having interest

charges apply to distributions by us and the proceeds of sales of the ADSs. See “Material United States and Belgian Income Tax Considerations—Certain Material U.S. Federal Income Tax Considerations to U.S. Holders—Passive Foreign Investment Company Considerations.”

Our status as a PFIC will depend on the composition of our income and the composition and value of our assets (which, assuming we are not a “controlled foreign corporation” under Section 957(a) of the Code for the year being tested, may be determined in large part by reference to the market value of the ADSs and ordinary shares, which may be volatile) from time to time. Our status may also depend, in part, on how quickly we utilize the cash proceeds from the global offering in our business. With respect to the 2015 taxable year and foreseeable future taxable years, we do not anticipate that we will be a PFIC based upon the expected value of our assets, including any goodwill, and the expected composition of our income and assets. However, our status as a PFIC is a fact-intensive determination made on an annual basis and we cannot provide any assurances regarding our PFIC status for the current or future taxable years. We do not currently intend to provide the information necessary for U.S. holders to make a “qualified electing fund,” or QEF, election if we are treated as a PFIC for any taxable year, and prospective investors should assume that a QEF election will not be available.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, particularly the sections of this prospectus titled “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains forward-looking statements. All statements other than present and historical facts and conditions contained in this prospectus, including statements regarding our future results of operations and financial positions, business strategy, plans and our objectives for future operations, are forward-looking statements. When used in this prospectus, the words “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “is designed to,” “may,” “might,” “will,” “plan,” “potential,” “predict,” “objective,” “should,” or the negative of these and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the initiation, timing, progress and results of our pre-clinical studies and clinical trials, and our research and development programs;
- our ability to advance product candidates into, and successfully complete, clinical trials;
- our reliance on the success of our product candidate filgotinib and certain other product candidates;
- the timing or likelihood of regulatory filings and approvals;
- our ability to develop sales and marketing capabilities;
- the commercialization of our product candidates, if approved;
- the pricing and reimbursement of our product candidates, if approved;
- the implementation of our business model, strategic plans for our business, product candidates and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;
- our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- cost associated with defending intellectual property infringement, product liability and other claims;
- regulatory development in the United States, Europe and other jurisdictions;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- the potential benefits of strategic collaboration agreements and our ability to enter into strategic arrangements;
- our ability to maintain and establish collaborations or obtain additional grant funding;
- the rate and degree of market acceptance of our product candidates;
- developments relating to our competitors and our industry, including competing therapies;
- our ability to effectively manage our anticipated growth;
- our ability to attract and retain qualified employees and key personnel;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and share performance;
- our expected use of proceeds of the global offering;
- the future trading price of the ADSs and impact of securities analysts’ reports on these prices; and
- other risks and uncertainties, including those listed under the caption “Risk Factors.”

You should refer to the section of this prospectus titled “Risk Factors” for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains market data and industry forecasts that were obtained from industry publications. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity and market size information included in this prospectus is generally reliable, such information is inherently imprecise.

CURRENCY EXCHANGE RATES

The following table sets forth, for each period indicated, the low and high exchange rates of U.S. dollars per euro, the exchange rate at the end of such period and the average of such exchange rates on the last day of each month during such period, based on the noon buying rate of the Federal Reserve Bank of New York for the euro. As used in this document, the term "noon buying rate" refers to the rate of exchange for the euro, expressed in U.S. dollars per euro, as certified by the Federal Reserve Bank of New York for customs purposes. The exchange rates set forth below demonstrate trends in exchange rates, but the actual exchange rates used throughout this prospectus may vary.

	2010	2011	2012	2013	2014
High	1.4536	1.4875	1.3463	1.3816	1.3927
Low	1.1959	1.2926	1.2062	1.2774	1.2101
Rate at end of period	1.3269	1.2973	1.3186	1.3779	1.2101
Average rate per period	1.3261	1.3931	1.2859	1.3281	1.3297

The following table sets forth, for each of the last six months, the low and high exchange rates for euros expressed in U.S. dollars and the exchange rate at the end of the month based on the noon buying rate as described above.

	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015
High	1.2812	1.2554	1.2504	1.2015	1.1462	1.1212
Low	1.2517	1.2394	1.2101	1.1279	1.1197	1.0524
Rate at end of period	1.2530	1.2438	1.2101	1.1290	1.1197	1.0741

On , 2015, the noon buying rate of the Federal Reserve Bank of New York for the euro was €1.00 = $. Unless otherwise indicated, currency translations in this prospectus reflect the , 2015 exchange rate.

MARKET INFORMATION

Our ordinary shares have been trading on Euronext Brussels and Euronext Amsterdam under the symbol “GLPG” since May 2005.

The following table sets forth for the periods indicated the reported high and low closing sale prices per ordinary share on Euronext Brussels and Euronext Amsterdam in euros.

Period	High	Low
Annual:		
2010	€13.12	€ 8.20
2011	€12.32	€ 5.20
2012	€17.80	€10.17
2013	€20.63	€13.41
2014	€18.41	€10.19
Quarterly:		
First Quarter 2013	€20.63	€16.49
Second Quarter 2013	€20.45	€14.12
Third Quarter 2013	€16.75	€14.79
Fourth Quarter 2013	€15.60	€13.41
First Quarter 2014	€18.41	€15.20
Second Quarter 2014	€17.00	€13.56
Third Quarter 2014	€15.29	€11.86
Fourth Quarter 2015	€15.49	€10.19
First Quarter 2015	€23.52	€14.97
Month ended:		
October 2014	€12.01	€10.19
November 2014	€12.94	€11.31
December 2014	€15.49	€13.00
January 2015	€18.18	€14.97
February 2015	€20.37	€18.95
March 2015	€23.52	€19.80
April 2015 (through April 14, 2015)	€24.79	€22.23

On April 14, 2015, the last reported sale price of our ordinary shares on Euronext Amsterdam was €24.79 per share.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the global offering of approximately $ (€) million, assuming a public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise of the underwriters' option to purchase additional ordinary shares and ADSs. If the underwriters exercise in full their option to purchase additional ADSs in the U.S. offering and additional ordinary shares in the European private placement, we estimate that we will receive net proceeds from the global offering of approximately $ (€) million, assuming a public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 (€) increase (decrease) in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement would increase (decrease) our net proceeds from the global offering by $ (€) million, assuming the number of shares and ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. Each increase or decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us would increase or decrease the net proceeds to us from the sale of the shares and ADSs we are offering by $ (€) million, assuming that the assumed public offering price remains the same and after deducting underwriting discounts and commissions. Each increase of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) increase in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, would increase the net proceeds to us from the sale of the shares and ADSs we are offering by $ (€) million, after deducting underwriting discounts and commissions. Each decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement would decrease the net proceeds to us from the sale of the shares and ADSs we are offering by $ (€) million, after deducting underwriting discounts and commissions. The actual net proceeds payable to us will adjust based on the actual number of shares and ADSs offered by us, the actual public offering price and other terms of the global offering determined at pricing.

The principal purposes of the global offering are to increase our financial flexibility to advance our clinical pipeline, create a public market for our securities in the United States and facilitate our future access to the U.S. public equity markets. We currently expect to use the net proceeds from the global offering as follows:

- approximately $ million to advance our CF program combination therapy (GLPG1837, GLPG2222 and a second corrector candidate expected to be identified later in 2015) in CF until the end of Phase 2 clinical development;
- approximately $ million to advance our IBD program (GLPG1205) until the end of Phase 2 clinical development; and
- approximately $ million to advance the discovery and development of our earlier stage programs.

We expect to use the remainder of any net proceeds from the global offering for working capital and other general corporate purposes.

We may also use a portion of the net proceeds to in-license, acquire or invest in complementary technologies, products or assets. However, we have no current plan, commitments or obligations to do so.

Based on our current operational plans and assumptions, we expect that the net proceeds from the global offering, combined with our current operating capital, will be sufficient to support the advancement of our

research and development programs until the end of 2017. However, there can be no assurance that these expectations will be correct. See “Risk Factors—Risks Related to Our Financial Position and Need for Additional Capital—We will require substantial additional funding, which may not be available to us on acceptable terms, or at all.”

We currently have no specific plans as to how the net proceeds from the global offering will be allocated beyond the uses specified above, and therefore management will retain discretion to allocate the remainder of the net proceeds of the global offering among these uses.

This expected use of the net proceeds from the global offering represents our intentions based upon our current plans and business conditions. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of the global offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the progress of our development efforts, the status of and results from pre-clinical studies and any ongoing clinical trials or clinical trials we may commence in the future, as well as any collaborations that we may enter into with third parties for our product candidates and any unforeseen cash needs. For example, in the event that AbbVie does not elect to in-license filgotinib in the second half of 2015 under our collaboration agreement with AbbVie, we may elect to use a portion of the net proceeds from the global offering to advance filgotinib on our own. As a result, our management will retain broad discretion over the allocation of the net proceeds from the global offering.

Pending our use of the net proceeds from the global offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our ordinary shares. We do not anticipate paying cash dividends on our equity securities in the foreseeable future and intend for the foreseeable future to retain all available funds and any future earnings for use in the operation and expansion of our business. All of the ordinary shares, including in the form of ADSs, offered by this prospectus will have the same dividend rights as all of our other outstanding ordinary shares. In general, distributions of dividends proposed by our board of directors require the approval of our shareholders at a shareholders' meeting with a simple majority vote, although our board of directors may declare interim dividends without shareholder approval, subject to the terms and conditions of the Belgian Companies Code. See "Description of Share Capital."

Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of our non-consolidated statutory financial accounts. In addition, under the Belgian Companies Code, we may declare or pay dividends only if, following the declaration and issuance of the dividends, the amount of our net assets on the date of the closing of the last financial year according to our statutory annual accounts (i.e., the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as prepared in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and expansion and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the called capital), increased with the amount of non-distributable reserves. Finally, prior to distributing dividends, we must allocate at least 5% of our annual net profits (under our non-consolidated statutory accounts prepared in accordance with Belgian accounting rules) to a legal reserve, until the reserve amounts to 10% of our share capital.

For information regarding the Belgian withholding tax applicable to dividends and related U.S. reimbursement procedures, see "Material United States and Belgian Income Tax Law Considerations—Belgian Tax Consequences."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2014 on:

- an actual basis; and
- an as adjusted basis to reflect: (1) our issuance and sale of ordinary shares (including ordinary shares in the form of ADSs) in the global offering at an assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, after deducting underwriting discounts and commissions and estimated offering expenses payable by us; and (2) the application of our net proceeds of the global offering as described under the section of this prospectus titled "Use of Proceeds."

You should read this table together with our consolidated financial statements and related notes beginning on page F-1, as well as the sections of this prospectus titled "Selected Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other financial information included elsewhere in this prospectus.

	December 31, 2014	
	Actual	As adjusted(1)
	(Euro, in thousands)	
Cash and cash equivalents	€187,712	
Financial lease liability	167	
Oseo financing	1,029	
Equity:		
Share capital	157,274	
Share premiums	114,182	
Other reserves	(220)	
Translation differences	(1,157)	
Accumulated losses	(63,944)	
Total equity	206,135	
Total capitalization	€207,331	

(1) Each $1.00 (€) increase or decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would increase or decrease each of as adjusted cash and cash equivalents, total equity attributable to our shareholders and total capitalization by approximately $ (€) million, assuming that the number of shares and ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. We may also increase or decrease the number of shares and ADSs we are offering. Each increase or decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us would increase or decrease each of as adjusted cash and cash equivalents, total equity attributable to our shareholders and total capitalization by approximately $ (€) million, assuming that the assumed public offering price remains the same, and after deducting underwriting discounts and commissions. Each increase of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) increase in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would increase each of as adjusted cash and cash equivalents, total equity attributable to our shareholders and total capitalization by approximately $ (€) million, after deducting underwriting discounts and commissions. Each decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together

with a concomitant $1.00 (€) decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would decrease each of as adjusted cash and cash equivalents, total equity attributable to our shareholders and total capitalization by approximately $ (€) million, after deducting underwriting discounts and commissions. The as adjusted information discussed above is illustrative only and will adjust based on the actual public offering price, the actual number of shares and ADSs offered by us, and other terms of the global offering determined at pricing.

The number of ordinary shares that will be outstanding after the global offering is based on the number of shares outstanding as of December 31, 2014 and excludes 3,590,853 ordinary shares issuable upon the exercise of warrants outstanding as of December 31, 2014 pursuant to our warrant plans, at a weighted average exercise price of €12.06 per warrant.

DILUTION

If you invest in the ordinary shares or ADSs in the global offering, your ownership interest will be diluted to the extent of the difference between the public offering price per share/ADS paid by purchasers of the shares or ADSs and the as adjusted net tangible book value per share/ADS after the global offering. Our net tangible book value as of December 31, 2014 was € ($) million, or € ($) per share. Net tangible book value per share is determined by dividing (1) our total assets less our intangible assets and our total liabilities by (2) the number of ordinary shares outstanding as of December 31, 2014, or ordinary shares.

After giving effect to our sale of ordinary shares in the global offering (including ordinary shares represented by ADSs) at an assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of December 31, 2014 would have been € ($) million, or € ($) per share/ADS. This amount represents an immediate increase in net tangible book value of € ($) per share/ADS, to our existing shareholders and an immediate dilution in net tangible book value of € ($) per share/ADS to new investors.

The following table illustrates this dilution on a per share/ADS basis:

Assumed initial public offering price per share/ADS		€
Historical net tangible book value per share/ADS as of December 31, 2014	€	
Increase in net tangible book value per share/ADS attributable to new investors participating in this offering	€	
As adjusted net tangible book value per share/ADS after the global offering		€
Dilution per share/ADS to new investors participating in the global offering		€

The dilution information discussed above and the as adjusted information discussed below is illustrative only and may change based on the actual public offering price, the actual number of shares and ADSs offered by us, and other terms of the global offering determined at pricing. Each $1.00 (€) increase or decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would increase or decrease our as adjusted net tangible book value by approximately € ($) million, or approximately € ($) per share/ADS, and the dilution to new investors participating in the global offering would be approximately € ($) per share/ADS, assuming that the number of shares and ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions. We may also increase or decrease the number of shares and ADSs we are offering. An increase in the aggregate number of shares and ADSs offered by us by 1,000,000 shares and ADSs would increase the as adjusted net tangible book value by approximately € ($) million, or € ($) per share/ADS, and the dilution to new investors participating in the global offering would be € ($) per share/ADS, assuming that the assumed public offering price remains the same, and after deducting underwriting discounts and commissions. Similarly, a decrease in the aggregate number of shares and ADSs offered by us by 1,000,000 shares and ADSs would decrease the as adjusted net tangible book value by approximately € ($) million, or € ($) per share/ADS, and the dilution to new investors participating in the global offering would be € ($) per share/ADS, assuming that the assumed public offering price remains the same, and after deducting underwriting discounts and commissions. Each increase of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) increase in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would increase our as adjusted net tangible book value by approximately € ($) million, or approximately € ($) per share/ADS, and the dilution to new

investors participating in the global offering would be approximately € ($) per share/ADS, after deducting underwriting discounts and commissions. Each decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would decrease our as adjusted net tangible book value by approximately € ($) million, or approximately € ($) per share/ADS and the dilution to new investors participating in the global offering would be approximately € ($) per share/ADS, after deducting underwriting discounts and commissions. The as adjusted information discussed above is illustrative, only and will be adjusted based on the actual public offering price, the actual number of shares and ADSs offered by us and other terms of the global offering determined at pricing.

If the underwriters exercise their option to purchase additional shares and ADSs in full, the as adjusted net tangible book value per share/ADS after the global offering would be € ($) per share/ADS, the increase in the as adjusted net tangible book value to existing shareholders would be € ($) per share/ADS, and the dilution to new investors participating in the global offering would be € ($) per share/ADS.

The following table sets forth as of December 31, 2014 consideration paid to us in cash for shares purchased from us by our existing shareholders and by new investors participating in the global offering, based on an assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, and before deducting underwriting discounts and commissions and estimated offering expenses payable by us:

	Ordinary shares/ ADSs purchased from us		Total consideration		Average price per ordinary share/ADS
	Number	Percent	Amount	Percent	
Existing shareholders		%	€	%	€
New investors					
Total		100.0%	€	100.0%	€

Each $1.00 (€) increase or decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would increase or decrease the total consideration paid by new investors participating in the global offering by $ (€) million, assuming that the number of shares and ADSs offered by us, as set forth on the cover page of the prospectus, remains the same and before deducting underwriting discounts and commissions. We may also increase or decrease the number of shares and ADSs we are offering. An increase or decrease in the aggregate number of shares and ADSs offered by us by 1,000,000 shares and ADSs would increase or decrease the total consideration paid by new investors participating in the global offering by $ (€) million, assuming that the assumed public offering price remains the same and before deducting underwriting discounts and commissions. Each increase of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) increase in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would increase the total consideration paid by new investors participating in the global offering by $ (€) million, before deducting underwriting discounts and commissions. Each decrease of 1,000,000 shares and ADSs in the aggregate number of shares and ADSs offered by us together with a concomitant $1.00 (€) decrease in the assumed public offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Amsterdam on , 2015, would decrease the total consideration paid by new investors participating in the global

offering by $ (€) million, before deducting underwriting discounts and commissions. The as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price, the actual number of shares and ADSs offered by us and other terms of the global offering determined at pricing.

In addition, if the underwriters exercise their options to purchase additional ADSs and ordinary shares in full, the number of shares held by the existing shareholders after the global offering would be reduced to % of the total number of ordinary shares outstanding after the global offering, and the number of ordinary shares (including shares underlying ADSs) held by new investors participating in the global offering would increase to , or % of the total number of ordinary shares outstanding after the global offering.

The tables and calculations above are based on the number of ordinary shares outstanding as of December 31, 2014, and excludes 3,590,853 ordinary shares issuable upon the exercise of warrants outstanding as of December 31, 2014 pursuant to our warrant plans, at a weighted average exercise price of €12.06 per warrant.

SELECTED FINANCIAL AND OTHER DATA

You should read the following selected financial and operating data in conjunction with the consolidated financial statements and related notes beginning on page F-1 and the sections of this prospectus titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Currency Exchange Rates." We derived the consolidated statements of operations data for the years ended December 31, 2014, 2013 and 2012 and statements of financial position data as of December 31, 2012, 2013 and 2014 from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB. Our historical results are not necessarily indicative of the results to be expected in the future.

Consolidated statement of operations data:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands, except share and per share data)		
Revenues	€ 69,368	€ 76,625	€ 74,504
Other income	20,653	19,947	17,722
Total revenues and other income	**90,021**	**96,572**	**92,226**
Services cost of sales	—	—	(5,584)
Research and development expenditure	(111,110)	(99,380)	(80,259)
General and administrative expenses	(13,875)	(12,353)	(12,118)
Sales and marketing expenses	(992)	(1,464)	(1,285)
Restructuring and integration costs	(669)	(290)	(2,506)
Operating loss	**(36,624)**	**(16,915)**	**(9,526)**
Finance income	1,424	780	1,927
Loss before tax	**(35,201)**	**(16,135)**	**(7,599)**
Income taxes	(2,103)	(676)	164
Net loss from continuing operations	**(37,303)**	**(16,811)**	**(7,435)**
Net income from discontinued operations	**70,514**	**8,732**	**1,714**
Net income / loss (-)	**€ 33,211**	**€ (8,079)**	**€ (5,721)**
Net income / loss (-) attributable to:			
Owners of the parent	33,211	(8,079)	(5,721)
Basic and diluted income / loss (-) per share	**€ 1.10**	**€ (0.28)**	**€ (0.22)**
Basic and diluted loss per share from continuing operations	**€ (1.24)**	**€ (0.58)**	**€ (0.28)**
Weighted average number of shares (in '000 shares)	30,108	28,787	26,545

Condensed consolidated statement of financial position:

	December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Cash and cash equivalents	€ 187,712	€ 138,175	€ 94,369
Total assets	**270,467**	**287,374**	**235,329**
Total equity	**206,135**	**167,137**	**118,447**
Total non-current liabilities	3,976	7,678	7,868
Total current liabilities	60,356	112,559	109,014
Total liabilities	**64,332**	**120,237**	**116,882**
Total liabilities and equity	**€ 270,467**	**€ 287,374**	**€ 235,329**

Condensed consolidated statement of cash flows:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Cash and cash equivalents at beginning of the period .	**€138,175**	**€ 94,369**	**€32,277**
Net cash flows generated / used (-) in operating activities	(75,555)	1,846	65,873
Net cash flows generated / used (-) in investing activities	120,606	(11,988)	(6,437)
Net cash flows generated in financing activities	4,214	54,495	2,265
Effect of exchange rate differences on cash and cash equivalents	271	(548)	391
Cash and cash equivalents at end of the period	**€187,712**	**€138,175**	**€94,369**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with the financial statements and the notes included elsewhere in this prospectus. The following discussion contains forward-looking statements that involve certain risks and uncertainties. Our actual results could differ materially from those discussed in these statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly under the "Risk Factors" and "Special Note Regarding Forward-Looking Statements" sections.

All amounts included herein with respect to the years ended December 31, 2012, 2013 and 2014 are derived from our audited consolidated financial statements. These financial statements are prepared pursuant to International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. As permitted by the rules of the SEC for foreign private issuers, we do not reconcile our financial statements to U.S. generally accepted accounting principles.

Overview

Galapagos is a clinical-stage biotechnology company specialized in the discovery and development of small molecules with novel modes of action, addressing disease areas of high unmet medical need. We have leveraged our proprietary target discovery platform to deliver a pipeline comprising three Phase 2 programs, two Phase 1 trials, five pre-clinical studies and 20 discovery small-molecule and antibody programs. While our highly flexible platform offers applicability across a broad set of therapeutic areas, our most advanced clinical candidates are currently focused on inflammatory-related diseases such as rheumatoid arthritis, or RA; inflammatory bowel disease, or IBD; cystic fibrosis, or CF; and pulmonary disease, including idiopathic pulmonary fibrosis, or IPF. Our lead programs consist of GLPG0634, or filgotinib, in three Phase 2b DARWIN trials for RA and one Phase 2 FITZROY trial for Crohn's disease, or CD; GLPG1205 in a Phase 2a ORIGIN trial for ulcerative colitis, or UC; GLPG1690, for which we expect to conduct a Phase 2a trial for IPF; and a series of novel potentiators and correctors for CF. Almost exclusively, these programs are derived from our proprietary target discovery platform and it is Galapagos' goal to develop these programs into best-in-class treatments. Filgotinib is being developed under a collaboration agreement with AbbVie, under which we expect a licensing decision by AbbVie in the second half of 2015. If AbbVie elects to in-license rights to filgotinib, AbbVie would secure exclusive commercialization rights for all indications. GLPG1205 and GLPG1690 are proprietary to us. We have also entered into a global alliance with AbbVie to discover, develop, and commercialize novel CF modulators to address the main mutations in CF patients, including Class II and Class III.

We devote substantially all of our resources to our drug discovery efforts from target discovery through to clinical development. To date, we do not have any products approved for sale and have not generated any revenue from product sales. We sold our service division to Charles River Laboratories International, Inc., or Charles River, on April 1, 2014. As a result, the service division has been reported under discontinued operations, although certain entities of the service division were not sold and are therefore still reported under continuing operations.

To date, we funded our operations through public and private placements of equity securities, upfront and milestone payments received from pharmaceutical partners under our collaboration and alliance agreements, payments under our fee-for-service contracts, funding from governmental bodies, interest income as well as the net proceeds from the sale of our service division. From January 1, 2012 until December 31, 2014, we raised net proceeds of €52.8 million from private placements of equity securities, and we also received €246.8 million in payments through our collaboration and alliance agreements. These are non-recurring items which have a significant impact upon the profitability or cash flow of our business in each year in which they are received and earned. Fee-for-service payments and payments from governmental bodies contributed €9.4 million and €23.5 million, respectively. Over the same period, we also received €3.1 million in interest payments. In April 2014, the sale of our service division generated net proceeds of €130.8 million. As of December 31, 2014, we had cash and cash equivalents of €187.7 million.

For the years ended December 31, 2013 and 2012, we incurred net losses of €8.1 million and €5.7 million respectively. Due to the sale of the service division, we realized a net income of €33.2 million for the year ended December 31, 2014. Excluding the impact of possible upfront and in-licensing payments we may receive from our collaborations, we forecast to continue incurring losses as we continue to invest in our clinical and pre-clinical development programs and our discovery platform.

Collaboration and Alliance Agreements

Our main collaborations and alliance agreements are summarized below.

AbbVie Collaboration Agreement for RA and CD

In February 2012, we entered into a global collaboration agreement with AbbVie (as successor in interest) to develop and commercialize a Janus kinase 1, or JAK1, inhibitor with the potential to treat multiple autoimmune diseases. Under the collaboration agreement, filgotinib was selected as the lead compound for study, initially in the field of RA. In April 2013, we entered into an amendment of the collaboration agreement in order to expand the initial development plan for filgotinib in RA. In May 2013, we entered into a second amendment of the collaboration agreement in order to expand the clinical development plan for filgotinib to the fields of CD and UC. A detailed summary of this collaboration agreement is set forth in "Business—Collaborations—Exclusive Collaboration for JAK Inhibitors."

In connection with our entry into the collaboration agreement, we received a one-time, non-refundable, non- creditable upfront payment in the amount of $150 million (€111.6 million), and in connection with the first amendment to the collaboration agreement we received a one-time, non-refundable, non-creditable upfront payment in the amount of $20 million (€15.6 million). Since 2012, we have recognized €112.2 million of this revenue, and €15.0 million is currently recorded as deferred revenue and is expected to be recognized over the first half of 2015. All payments by AbbVie to us are made in U.S. dollars.

Should AbbVie in-license filgotinib, we will be entitled to receive a one-time, non-refundable, non-creditable payment in the amount of $200 million, and we will be eligible to receive additional milestone payments potentially amounting to $1.0 billion. In addition, we will be eligible to receive tiered royalty percentages ranging from the low double digits to the lower twenties on net sales of licensed products payable on a product-by-product basis. In the event we exercise our co-promotion option with respect to a licensed product, we would assume a portion of the co-promotion effort in The Netherlands, Belgium, and Luxembourg and share in the net profit and net losses in these territories instead of receiving royalties in those territories during the period of co-promotion.

Following completion of our Phase 2 clinical trial of filgotinib for CD, we are required to submit a complete data package to AbbVie for its evaluation, after which AbbVie will have an opportunity to make a good faith determination of whether certain specified success criteria have been satisfied. In the event that AbbVie has in-licensed filgotinib as described above, and AbbVie elects filgotinib for CD, either by written notice or by initiating a Phase 3 trial of filgotinib for CD or UC, then AbbVie will be required to pay us an additional, one-time, non-refundable, non-creditable payment in the amount of $50 million.

AbbVie Collaboration Agreement for CF

In September 2013, we entered into a global collaboration agreement with AbbVie focused on the discovery and worldwide development and commercialization of potentiator and corrector molecules for the treatment of CF. A detailed summary of this collaboration agreement is set forth in "Business—Collaborations—Exclusive Collaboration for CFTR Modulators (CF)."

Upon execution of the collaboration agreement, we received a one-time non-refundable, non-creditable upfront payment of $45.0 million (€34.0 million). Since 2013, we have recognized €22.6 million of this revenue, and €11.4 million is currently recorded as deferred revenue and is expected to be recognized over the year 2015. In December 2014, we initiated a Phase 1 trial for GLPG1837 for which we received a milestone payment of $10.0 million (€8.0 million). All payments by AbbVie to us are made in U.S. dollars.

Under the agreement, we are eligible to receive up to $350 million in total additional developmental, regulatory, and sales-based milestones. In addition, we will be eligible to receive tiered royalty percentages ranging from the mid-teens to twenty percent on net sales of licensed products payable on a product-by-product basis. In the event we exercise our co-promotion option with respect to a licensed product, we would assume a portion of the co-promotion effort in The Netherlands, Belgium, and Luxembourg and share in the net profit and net losses in these territories instead of receiving royalties in those territories during the period of co-promotion.

Components of Results of Operations

Revenue

Our revenues in our continuing operations to date have consisted principally of milestones, license fees, and upfront payments received in connection with our collaboration and alliance agreements. Additionally, we have generated revenue from our fee-for-service activities and various research and development, or R&D, incentives and grants.

Collaboration and alliance agreements with our commercial partners for research and development activities generally include non-refundable, upfront fees; milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones; license fees; and royalties on sales.

Our revenue recognition policies are as follows:

Upfront Payments

Non-refundable, upfront payments received in connection with research and development collaboration agreements are deferred and recognized over the relevant period of our involvement. At inception, management estimates the period of our involvement as well as the cost involved in the project. Upfront payments are recognized over the estimated period of involvement, either on a straight line basis or based on the cost incurred under the project if such cost can be reliably estimated. Periodically, we reassess the estimated time and cost to complete the project phase and adjust the time period over which the revenue is deferred accordingly.

Milestone Payments

Research milestone payments are recognized as revenues when milestones are achieved. In addition, the payments have to be acquired irrevocably and the milestone payment amount needs to be substantive and commensurate with the magnitude of the related achievement. Milestone payments that are not substantive, not commensurate, or that are not irrevocable are recorded as deferred revenue. Revenue from these activities can vary significantly from period to period due to the timing of milestones.

License Fees

Revenues from term licenses are spread over the period to which the licenses relate, reflecting the obligation over the term, to update content and provide ongoing maintenance. Revenues from perpetual licenses are recognized immediately upon sale to the extent that there are no further obligations.

Royalties

Royalty revenues are recognized when we can reliably estimate such amounts and collectability is reasonably assured. As such, we generally recognize royalty revenues in the period in which our licensees are reporting the royalties to us through royalty reports, that is, royalty revenues are generally recognized in arrears, i.e., after the period in which sales by our licensees occurred. Under this accounting policy, the royalty revenues we report are not based upon our estimates and such royalty revenues are typically reported in the same period in which we receive payment from our licensees.

Grants and R&D Incentives

We benefit from various grants and R&D incentives from certain governmental agencies. These grants and R&D incentives generally aim to partly reimburse approved expenditures incurred in our R&D efforts and are credited to the income statement, under other income, when the relevant expenditure has been incurred and there is reasonable assurance that the grant or R&D incentive is receivable. The main grants and R&D incentives are as follows:

- Companies in Belgium are eligible to receive R&D incentives linked to R&D investments (cash rebates equaling 33.99% of 13.5% of the investment value in 2014, or 33.99% of 14.5% of the investment value in 2013). This R&D tax credit results in a cash inflow to us from the tax authorities five years after the investment was made and capitalized in our standalone financial statements under Belgian GAAP for the portion that has not been used to offset the payment of corporate tax or is paid to us for the portion that remains unused. We also received several grants from an agency of the Flemish government to support various research programs focused on technological innovation in Flanders. These grants carry clauses which require us to maintain a presence in the Flemish region for a number of years and invest according to pre-agreed budgets. Finally, we also benefit from certain rebates on payroll withholding taxes for scientific personnel.
- In France, we benefit from R&D incentives from the French Government for R&D activities whereby 30% of qualifying research and development expenses can be recuperated. This research tax credit (*credit d'impôt recherche*), results in a cash inflow to us from the tax authorities after three years, i.e., it is used to offset the payment of corporate tax or is paid to us for the portion that remains unused. Qualifying expenditures largely comprise employment costs for research staff, consumables, and certain overhead costs as well as capped outsourcing costs incurred as part of research and development projects.

Services Cost of Sales

Cost of sales is no longer reported in our financial statements starting with the year ended December 31, 2013. Cost of sales reported within continuing operations in 2012 was related to our service business in Basel. The termination of those service activities was separate and distinct from the sale of the service division to Charles River on April 1, 2014 and BioFocus DPI AG, or our Basel subsidiary, remains part of the group. In 2012, the termination of the services provided by our Basel subsidiary did not qualify for discontinued operation accounting based on IFRS 5. Since our Basel subsidiary was also not part of the sale of the remaining service division to Charles River on April 1, 2014, our Basel subsidiary was also not presented as part of discontinued operations following that transaction.

R&D Expenditure

Expenses on R&D activities are recognized as an expense in the period in which the expense is incurred.

An internally-generated intangible asset arising from our R&D activities would be recognized only when an asset is created that can be identified, it is probable that the asset created will generate future economic benefits, and the development cost of the asset can be measured reliably.

Our Funded R&D Expenditure

Our funded R&D expenditure consists of costs associated with our R&D activities such as:

- personnel costs associated with employing our team of R&D staff, including salaries, social security costs, and share-based compensation expenses;
- disposables and lab consumables used in the conduct of our in-house research programs;
- payments for research work conducted by sub-contractors and sponsorship of work by our network of academic collaborative research scientists;
- subcontracting costs paid to contracted research organizations, or CROs, for our pre-clinical studies or clinical trials, as well as costs associated with safety studies;
- premises costs associated with our laboratory and office space to accommodate our teams;
- depreciation of fixed assets used to develop our product candidates; and
- other operating expenses, namely software and licenses, maintenance costs for equipment, travel costs, and office expenses.

We expect to increase our investment in our funded R&D in the future as we seek to advance our most promising pipeline product candidates through further clinical development.

Alliance R&D Expenditure

R&D expenditure under alliance represent costs incurred by us in conducting R&D plans under our collaborations and alliance agreements. Our expenses primarily relate to the following key programs:

- *Development costs for the RA and CD collaboration with AbbVie, filgotinib*: these costs relate to the Phase 2b trials and mainly consist of costs paid to CROs in conjunction with clinical trials, costs for production of the compound for clinical testing, and, to a smaller extent, personnel costs and consultancy costs.
- *Costs for the CF collaboration with AbbVie:* these costs are primarily composed of (1) personnel costs, (2) internal laboratory costs, and (3) costs incurred in carrying out our pre-clinical toxicology, pharmacology, and both in vitro and in vivo pre-clinical models in the fields of CF.
- *Other R&D programs*: these expenses primarily consist of personnel costs, costs for production of the pre-clinical compounds, and costs paid to CROs in conjunction with pre-clinical studies and clinical trials.

Our R&D expenses under alliance are expected to increase as we advance our CF program and any other alliance product candidate into clinical trials.

Since January 1, 2012, we cumulatively have spent approximately €290.7 million on R&D activities which can be allocated between our key programs as follows:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
RA program on filgotinib with AbbVie	€ 30,437	€ 25,919	€ 17,061
IBD program on filgotinib with AbbVie	3,406	2,668	
IBD program on GLPG1205	6,020	4,318	1,798
CF program with AbbVie	14,894	2,468	
Pulmonary program on GLPG1690	4,592	2,425	3,639
Other	51,762	61,582	57,761
Total R&D expenditure	**€ 111,110**	**€ 99,380**	**€ 80,259**

As illustrated above, our R&D expenditures have shown a growth trend over the last three years from €80.3 million for the year ended December 31, 2012 to €99.4 million for the year ended December 31, 2013 and €111.1 million for the year ended December 31, 2014, respectively. The increase is driven by the maturing pipeline of our R&D projects. As drug candidate compounds have been progressively entering the clinic, costs for development of these molecules increased as well, specifically with regard to third-party CRO costs for conducting these clinical trials. Our RA filgotinib program accounts for 25% of the cumulative spend over the last three years with a total cost of €73.4 million. Costs reported under other programs relate to investments in our own funded discovery and development projects, and in our discovery platform, as well as costs related to other collaborations and alliance contracts.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and benefits related to our executive, finance, business development, legal, intellectual property, and information technology support functions. Professional fees reported under general and administrative expenses mainly include legal fees, accounting fees, audit fees, and fees for taxation advisory. Other general and administrative operating expenses primarily encompass software and license costs, equipment maintenance and leasing costs, consultancy costs, insurance costs, office expenses, and travel costs.

We expect our general and administrative expenses to increase as we continue to support our growth and as we prepare to become, and operate as, a U.S.-listed company. Such costs include increases in our finance and legal personnel, additional external legal and audit fees, and expenses and costs associated with compliance with the regulations governing public companies. We also expect to incur increased costs for directors' and officers' liability insurance and an enhanced investor relations function.

Sales and Marketing Expenses

Sales and marketing expenses include costs associated with managing our commercial activities and the costs of compliance with the day-to-day requirements of being a listed public company in Belgium.

- Headquarter costs related to investor relations and corporate communications in Belgium and The Netherlands.
- Sales and marketing department in Croatia as from 2013.

Interest Expense and Interest Income

Interest expense consists primarily of interest expense incurred on finance leases.

Interest income consists primarily of interest earned by investing our cash reserves in short-term, interest-bearing deposit accounts.

Taxation

We have a history of losses. Excluding the impact of possible upfront or milestone payments we may receive from our collaborations, we forecast to continue incurring losses as we continue to invest in our clinical and pre-clinical development programs and our discovery platform. Consequently, we do not have any deferred tax asset on the balance sheet as at December 31, 2014, except for one subsidiary operating on a cost plus basis for the group for which a minor deferred tax asset was set up in 2014.

As a company that carries out extensive R&D activities, we, as a Belgian company, benefit from the patent income deduction, or PID, tax incentive. The PID allows a deduction of 80% of qualifying gross patent income from the taxable basis, resulting in an effective tax rate of a maximum 6.8% on this income. This income will come

from eligible patents, which are self-developed in our Belgian or foreign research and development centers. We expect that future license payments with regard to eligible patents such as milestone payments, upfront fees, turnover of patented products and royalties will benefit from this PID and hence will be taxed at this favorable rate.

Operating Segments

Following the sale of the service division on April 1, 2014, the continuing operations relate primarily to research and development activities. Consequently, we only have one reportable segment.

Results of Operations

Comparison of Years Ended December 31, 2014 and 2013

The following table summarizes the results of our operations for the years ended December 31, 2014 and 2013, together with the changes to those items.

	Year ended December 31,		% Change
	2014	2013	
	(Euro, in thousands, except share and per share data)		
Revenues	€ 69,368	€ 76,625	(9%)
Other income	20,653	19,947	4%
Total revenues and other income	**90,021**	**96,572**	**(7%)**
Research and development expenditure	(111,110)	(99,380)	12%
General and administrative expenses	(13,875)	(12,353)	12%
Sales and marketing expenses	(992)	(1,464)	(32%)
Restructuring and integration costs	(669)	(290)	131%
Operating loss	**(36,624)**	**(16,915)**	**117%**
Finance income	1,424	780	83%
Loss before tax	**(35,201)**	**(16,135)**	**118%**
Income taxes	(2,103)	(676)	211%
Net loss from continuing operations	**(37,303)**	**(16,811)**	**122%**
Net income from discontinued operations	**70,514**	**8,732**	
Net income / loss (-)	**€ 33,211**	**€ (8,079)**	
Net income / loss (-) attributable to:			
Owners of the parent .	33,211	(8,079)	
Basic and diluted income / loss (-) per share	**€ 1.10**	**€ (0.28)**	
Basic and diluted loss per share from continuing operations	**€ (1.24)**	**€ (0.58)**	
Weighted average number of shares (in ’000 shares)	30,108	28,787	

Revenues

The following table summarizes our revenues for the years ended December 31, 2014 and 2013, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
Recognition of non-refundable upfront payments	€ 45,838	€ 51,751	(11%)
Milestone payments	19,768	20,488	(4%)
Other revenues	3,762	4,387	(14%)
Total revenues	**€ 69,368**	**€ 76,625**	**(9%)**

Total revenue decreased by €7.3 million, or 9%, to €69.4 million for the year ended December 31, 2014, from €76.6 million for the year ended December 31, 2013. This decrease was mainly driven by lower recognition of non-refundable upfront payments, as explained below.

Upfront payments predominantly relate to our collaboration agreements with AbbVie for RA, CD and CF.

Under the AbbVie RA and CD collaboration agreement, we received one-time, non-refundable, non-creditable upfront payments in the amount of $150 million (€111.6 million) in March 2012 and $20 million (€15.6 million) in connection with the first amendment to the collaboration agreement in May 2013. At inception and as of December 31, 2012, the period of involvement was estimated at 30 months starting in March 2012. As from April 2013 and as of December 31, 2013, we changed the estimate of our period of involvement to 34 months due to delays that occurred in clinical trials and changed our recognition of the remaining unrecognized upfront payments accordingly. As of June 30, 2014 and December 31, 2014, we changed the estimate of our period of involvement from 34 months to 39 months and 40 months, respectively, due to additional delays and changed our recognition of the remaining unrecognized upfront payments accordingly.

Under the AbbVie CF collaboration program, we received a one-time non-refundable, non-creditable upfront payment of $45.0 million (€34.0 million) in October 2013. Upfront revenue is recognized over the period of our involvement, which is estimated to last until the end of 2015.

As such, amounts of €51.8 million and €45.8 million were recognized as upfront revenue for the years ended December 31, 2013 and 2014, respectively.

Milestone revenues decreased by €0.7 million, or 4%, to €19.8 million for the year ended December 31, 2014 compared to €20.5 million for the year ended December 31, 2013. This decrease was primarily related to fewer milestones achieved in 2014 compared to 2013 as a result of the maturing pipeline of our projects under alliance. For the year ended December 31, 2014, $10 million of milestones (€8.0 million) were recognized in relation with our CF collaboration agreement with AbbVie. Under the RA, CD and CF arrangements with AbbVie, we may be eligible to receive future in-licensing payments up to $250 million, and milestone payments of up to $1,000 million and $350 million, respectively, from AbbVie depending on future progress of the collaborations. Further milestone payments of €11.8 million in 2014 primarily related to partnered programs with Janssen Pharmaceutica; Les Laboratoires Servier, or Servier; and GlaxoSmithKline, or GSK. For the year ended December 31, 2013, €20.5 million of milestones primarily related to partnered programs with Janssen Pharmaceutica, Servier and GSK.

Other revenues decreased by €0.6 million, or 14%, to €3.8 million for the year ended December 31, 2014 compared to €4.4 million for the year ended December 31, 2013, principally due to lower revenues from fee-for- service activities.

Other Income

The following table summarizes our other income for the years ended December 31, 2014 and 2013, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
Grant income	€ 5,646	€ 5,054	12%
Other income	15,008	14,893	1%
Total other income	**€ 20,653**	**€ 19,947**	**4%**

Total other income was composed of grant income and other income and increased by €0.7 million, or 4%, from €19.9 million for the year ended December 31, 2013 to €20.7 million for the year ended December 31, 2014.

The increase in total other income was primarily attributed to increased grant income, which increased by €0.6 million, or 12%, from €5.1 million for the year ended December 31, 2013 to €5.6 million for the year ended December 31, 2014. The majority of this grant income was related to grants from a Flemish agency, representing approximately 90% of all reported grant income in both years.

Other income increased slightly by €0.1 million, or 1%, from €14.9 million for the year ended December 31, 2013 to €15.0 million for the year ended December 31, 2014. Other income was primarily composed of:

- Income from an innovation incentive system of the French government, which represented €7.8 million of other income for the year ended December 31, 2014 compared to €8.1 million for the year ended December 31, 2013.
- Income from Belgian R&D incentives with regard to incurred R&D expenses, which represented €4.3 million of other income for the year ended December 31, 2014 compared to €4.1 million for the year ended December 31, 2013.
- Tax rebates on payroll withholding taxes of R&D personnel in Belgium and The Netherlands, representing €2.4 million of other income for the year ended December 31, 2014 compared to €2.2 million for the year ended December 31, 2013.

R&D Expenditure

The following table summarizes our R&D expenditure for the years ended December 31, 2014 and 2013, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
Personnel costs	€ (31,038)	€ (29,385)	6%
Subcontracting	(54,293)	(44,760)	21%
Disposables and lab fees and premises costs	(16,830)	(15,840)	6%
Other operating expenses	(8,949)	(9,395)	(5%)
Total R&D expenditure	**€(111,110)**	**€ (99,380)**	**12%**

R&D expenditure increased by €11.7 million, or 12%, to €111.1 million for the year ended December 31, 2014, from €99.4 million for the year ended December 31, 2013. This increase was principally due to:

- Increased R&D personnel costs of €1.7 million, or 6%, from €29.4 million for the year ended December 31, 2013 to €31.0 million for the year ended December 31, 2014, which was explained by an

enlarged workforce, principally on the Belgian site (Mechelen). This was driven to a large extent by the new CF alliance with AbbVie (signed in September 2013), and to a smaller extent by the development project portfolio, predominantly our filgotinib project for RA and CD.

- Increased subcontracting costs of €9.5 million, or 21%, from €44.8 million for the year ended December 31, 2013 to €54.3 million for the year ended December 31, 2014. This cost increase was mainly driven by increased subcontracting costs of €5.7 million for the RA and CD collaboration with AbbVie, reflecting the progress of the filgotinib program. To a lesser extent subcontracting costs increased by €2.9 million for the CF collaboration with AbbVie.
- Intensified use of lab consumables was the main driver of the increase in disposables, lab fees and premises costs of €1.0 million, or 6%, from €15.8 million for the year ended December 31, 2013 to €16.8 million for the year ended December 31, 2014.
- Other operating expenses slightly decreased by €0.4 million, or 5%, from €9.4 million for the year ended December 31, 2013 to €8.9 million for the year ended December 31, 2014.

The table below summarizes our research and development expenditure for the years ended December 31, 2014 and 2013, broken down by research and development expenses under alliance and own funded research and development expenses, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
R&D under alliance	€ 76,297	€ 72,783	5%
Galapagos funded R&D	34,813	26,597	31%
Total R&D expenditure	**€ 111,110**	**€ 99,380**	**12%**

We track all R&D expenditures against detailed budgets and allocated them by individual project. The table below summarizes our R&D expenditure for the years ended December 31, 2014 and 2013, broken down by program, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
RA program on filgotinib with AbbVie	€ 30,437	€ 25,919	17%
IBD program on filgotinib with AbbVie	3,406	2,668	28%
IBD program on GLPG1205	6,020	4,318	39%
CF program with AbbVie	14,894	2,468	504%
Pulmonary program on GLPG1690	4,592	2,425	89%
Other	51,762	61,582	(16%)
Total R&D expenditure	**€ 111,110**	**€ 99,380**	**12%**

R&D expenditure under alliance increased by €3.5 million, or 5%, from €72.8 million for the year ended December 31, 2013 to €76.3 million for the year ended December 31, 2014, primarily due to increased spending on the new CF program with AbbVie, which represented €14.9 million for the year ended December 31, 2014 compared to €2.5 million for the year ended December 31, 2013. To a lesser extent, R&D expenditure increased with regard to the RA and CD collaboration with AbbVie for filgotinib by €5.3 million, from €28.6 million for the year ended December 31, 2013 to €33.8 million for the year ended December 31, 2014. The movements above were partially offset by a decrease in other alliance costs, which explains the increase of the R&D costs under alliance by only 5%, or €3.5 million. We also increased our investments in our own funded portfolio by €8.2 million, or 31%, from €26.6 million for the year ended December 31, 2013 to €34.8 million for the year ended December 31, 2014.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the years ended December 31, 2014 and 2013, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
Personnel costs and directors fees	€ (8,087)	€ (7,156)	13%
Other operating expenses	(5,788)	(5,197)	11%
Total general and administrative expenses	**€ (13,875)**	**€ (12,353)**	**12%**

General and administrative expenses amounted to €12.4 million for the year ended December 31, 2013 and increased by €1.5 million, or 12%, to €13.9 million for the year ended December 31, 2014. This increase was principally due to personnel costs, which increased by €0.9 million, or 13%, from €7.2 million for the year ended December 31, 2013 to €8.1 million for the year ended December 31, 2014, resulting from various effects, such as increased costs of share-based payments plans (warrant plans) and change in classification between R&D and general and administrative expenditure for some management functions. In addition, other operating expenses increased by €0.6 million, or 11%, from €5.2 million for the year ended December 31, 2013 to €5.8 million for the year ended December 31, 2014, mainly due to higher professional fees.

Sales and Marketing Expenses

The following table summarizes our sales and marketing expenses for the years ended December 31, 2014 and 2013, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
Personnel costs	€ (579)	€ (994)	(42%)
Other operating expenses	€ (412)	(470)	(12%)
Total sales and marketing expenses	**€ (992)**	**€ (1,464)**	**(32%)**

Sales and marketing expenses decreased by €0.5 million, or 32%, from €1.5 million for the year ended December 31, 2013 to €1.0 million for the year ended December 31, 2014.

Restructuring and Integration Costs

The restructuring and integration costs amounted to €0.7 million for the year ended December 31, 2014 and to €0.3 million for the year ended December 31, 2013 and were entirely related to workforce reductions within certain of our R&D operations.

Financial Income and Expense

The following table summarizes our financial income and expense for the years ended December 31, 2014 and 2013, together with the changes to those items.

	Year ended December 31,		
	2014	2013	% Change
	(Euro, in thousands)		
Finance income:			
Interest on bank deposit	€ 1,155	€ 1,179	(2%)
Other financial income	1,135	1,003	13%
Total financial income	**2,291**	**2,182**	**5%**
Finance expense:			
Interest expenses	(110)	(156)	(30%)
Other financial charges	(757)	(1,246)	(39%)
Total financial expense	**(867)**	**(1,402)**	**(38%)**
Total finance income	**€ 1,424**	**€ 780**	**83%**

Finance income increased slightly by €0.1 million, or 5%, from €2.2 million for the year ended December 31, 2013 to €2.3 million for the year ended December 31, 2014.

Finance expense decreased by €0.5 million, or 38% from €1.4 million for the year ended December 31, 2013 to €0.9 million for the year ended December 31, 2014, primarily reflecting lower exchange rate losses arising from U.S. dollars. Interest expenses related to interests paid on financial lease.

Tax

The following table summarizes our tax result for the years ended December 31, 2014 and 2013.

	Year ended December 31,	
	2014	2013
	(Euro, in thousands)	
Current tax	€ (2,396)	€ —
Deferred tax	293	(676)
Total taxes	**€ (2,103)**	**€ (676)**

Current tax recorded in 2014 for an amount of €2.4 million relates to a tax provision for subsidiaries operating under cost plus transfer pricing arrangements, triggered by a change in estimate in 2014. Deferred tax recorded in 2014 for an amount of €0.3 million relates to one subsidiary operating on a cost plus basis for the group.

Deferred tax charges representing €0.7 million for the year ended December 31, 2013 related to the reversal of a deferred tax asset on tax losses carried forward in Croatia. Due to a revised business strategy of the subsidiary in 2013 (transition towards service company), the company would no longer be in a taxable position or even be profitable in the foreseeable future, which explained the reversal of the deferred tax asset.

Results from Discontinued Operations

The following table summarizes our results from discontinued operations for the years ended December 31, 2014 and 2013.

	Year ended December 31,	
	2014	2013
	(Euro, in thousands, except share and per share data)	
Results from discontinued operations:		
Service revenues	€ 17,502	€ 61,074
Other income	669	1,902
Total revenues and other income	**18,171**	**62,976**
Services cost of sales	(11,283)	(41,297)
General and administrative expenses	(3,772)	(14,077)
Sales and marketing expenses	(255)	(948)
Restructuring and integration costs	(38)	(760)
Gain on sale	67,508	—
Operating income	**70,331**	**5,895**
Finance income / expense (-)	417	(954)
Income before tax	**70,748**	**4,941**
Income taxes	(234)	3,791
Net income from discontinued operations	**€ 70,514**	**€ 8,732**
Basic and diluted income per share from discontinued operations	**€ 2.34**	**€ 0.30**
Weighted average number of shares (in ’000 shares)	30,108	28,787

The service division was sold on April 1, 2014. The above table illustrates the results of the discontinued operations included in our consolidated results of operations for the years ended December 31, 2014 and 2013. For the year ended December 31, 2014, results only relate to the period from January 1, 2014 through the disposal on April 1, 2014.

Service revenues amounted to €17.5 million in the first quarter of 2014 which showed a strong increase compared to the revenue trend in 2013. Other income reported in 2014 represented income from R&D incentives related to one quarter of activity. Services cost of sales, general and administrative expenses and sales and marketing expenses showed a slight increase compared to the trend of the operating costs in 2013, following the growth of the service division.

Net income amounting to €70.5 million in 2014 was mainly driven by the €67.5 million gain on disposal of our service division.

Comparison of Years Ended December 31, 2013 and 2012

The following table summarizes the results of our operations for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31,		% Change
	2013	2012	
	(Euro, in thousands, except share and per share data)		
Revenues	€ 76,625	€ 74,504	3%
Other income	19,947	17,722	13%
Total revenues and other income	**96,572**	**92,226**	5%
Services cost of sales	—	(5,584)	(100%)
Research and development expenditure	(99,380)	(80,259)	24%
General and administrative expenses	(12,353)	(12,118)	2%
Sales and marketing expenses	(1,464)	(1,285)	14%
Restructuring and integration costs	(290)	(2,506)	(88%)
Operating loss	**(16,915)**	**(9,526)**	78%
Finance income	780	1,927	(60%)
Loss before tax	**(16,135)**	**(7,599)**	112%
Income taxes	(676)	164	(512%)
Net loss from continuing operations	**(16,811)**	**(7,435)**	126%
Net income from discontinued operations	**8,732**	**1,714**	410%
Net loss	**€ (8,079)**	**€ (5,721)**	41%
Net loss attributable to:			
Owners of the parent	(8,079)	(5,721)	—
Basic and diluted loss per share	**€ (0.28)**	**€ (0.22)**	—
Basic and diluted loss per share from continuing operations	**€ (0.58)**	**€ (0.28)**	—
Weighted average number of shares (in ’000 shares)	28,787	26,545	—

Revenues

The following table summarizes our revenues for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31,		% Change
	2013	2012	
	(Euro, in thousands)		
Recognition of non-refundable upfront payments	€ 51,751	€ 38,194	35%
Milestone payments	20,488	27,699	(26%)
Other revenues	4,387	8,610	(49%)
Total revenues	**€ 76,625**	**€ 74,504**	3%

Total revenues increased by 3% to €76.6 million for the year ended December 31, 2013, compared to €74.5 million for the year ended December 31, 2012. This increase was driven by a variety of factors, as explained below.

Revenue recognized from upfront non-refundable payments increased by €13.6 million, or 35%, to €51.8 million for the year ended December 31, 2013 compared to €38.2 million for the year ended December 31, 2012.

Upfront payments predominantly relate to our collaboration agreements with AbbVie for RA, CD and CF.

Under the AbbVie RA and CD collaboration agreement, we received one-time, non-refundable, non-creditable upfront payments in the amount of $150 million (€111.6 million) in March 2012 and $20 million (€15.6 million) in connection with the first amendment to the collaboration agreement in May 2013. At inception and as of December 31, 2012, the period of involvement was estimated at 30 months starting in March 2012. As from April 2013 and as of December 31, 2013, we changed the estimate of our period of involvement to 34 months due to delays that occurred in clinical trials and changed our recognition of the remaining unrecognized upfront payments accordingly.

Under the AbbVie CF collaboration program, we received a one-time non-refundable, non-creditable upfront payment of $45.0 million (€34.0 million) in October 2013. Upfront revenue is recognized over the period of our involvement, which is estimated to last until the end of 2015.

As such, amounts of €38.2 million and €51.8 million were recognized as upfront revenue for the years ended December 31, 2012 and 2013, respectively.

Milestone revenues decreased by €7.2 million, or 26%, to €20.5 million for the year ended December 31, 2013 compared to €27.7 million for the year ended December 31, 2012. This decrease was primarily due to a one-off termination fee of €5.8 million received and reported in 2012 following the conclusion of our alliance agreement with Roche. For the year ended December 31, 2013, €20.5 million of milestones primarily related to partnered programs with Janssen Pharmaceutica, Servier and GSK. For the year ended December 31, 2012, €27.7 million of milestones primarily related to partnered programs with Janssen Pharmaceutica, Servier, GSK and Roche.

Other revenues decreased by €4.2 million, or 49%, to €4.4 million for the year ended December 31, 2013 compared to €8.6 million for the year ended December 31, 2012. The Basel service business contributed to a large extent to other revenues reported in 2012, for a total amount of €3.8 million. As explained above, our Basel subsidiary was made dormant end of 2012 and was no longer contributing to our operating income in 2013.

Other Income

The following table summarizes our other income for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31,		
	2013	2012	% Change
	(Euro, in thousands)		
Grant income	€ 5,054	€ 2,217	128%
Other income	14,893	15,506	(4%)
Total other income	**€ 19,947**	**€ 17,722**	13%

Total other income was composed of grant income and other income and increased by €2.2 million, or 13%, from €17.7 million for the year ended December 31, 2012 to €19.9 million for the year ended December 31, 2013.

The increase in total other income was explained by increased grant income, which increased by €2.8 million, or 128%, from €2.2 million for the year ended December 31, 2012 to €5.1 million for the year ended December 31, 2013. The majority of this grant income was related to grants of a Flemish agency, representing over 70% of all reported grant income in 2012 and representing over 90% of all reported grant income in 2013.

Other income decreased slightly by €0.6 million, or 4%, from €15.5 million for the year ended December 31, 2012 to €14.9 million for the year ended December 31, 2013. Other income was primarily composed of:

- Income from an innovation incentive system of the French government represented €8.1 million for the year ended December 31, 2013 compared to €7.5 million for the year ended December 31, 2012.
- Income from Belgian R&D incentives with regard to incurred R&D expenses, and which represented €4.0 million for the year ended December 31, 2013 compared to €4.3 million for the year ended December 31, 2012.
- Tax rebates on payroll taxes in Belgium and The Netherlands, representing €2.2 million of other income in both years in the table above.
- In connection with the sale of a U.S. subsidiary in 2011 an earn-out payment of €1.0 million was paid to us in 2012. This earn-out payment explained the decrease in other income as this was a non-recurring item reported in other income in 2012.

Services Cost of Sales

Cost of sales is no longer reported in our financial statements starting with the year ended December 31, 2013. Cost of sales reported within continuing operations in 2012 was related to our service business in Basel. The termination of those service activities was separate and distinct from the sale of the service division to Charles River on April 1, 2014 and BioFocus DPI AG, or our Basel subsidiary, remains part of the group. In 2012, the termination of the services provided by our Basel subsidiary did not qualify for discontinued operation accounting based on IFRS 5. Since our Basel subsidiary was also not part of the sale of the remaining service division to Charles River on April 1, 2014, our Basel subsidiary was also not presented as part of discontinued operations following that transaction.

R&D Expenditure

The following table summarizes our research and development expenditure for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31,		
	2013	2012	% Change
	(Euro, in thousands)		
Personnel costs	€ (29,385)	€ (28,586)	3%
Subcontracting	(44,760)	(25,393)	76%
Disposables and lab fees and premises costs	(15,840)	(16,923)	(6%)
Other operating expenses	(9,395)	(9,356)	0%
Total R&D expenditure	**€ (99,380)**	**€ (80,259)**	24%

R&D expenditure increased by €19.1 million, or 24%, to €99.4 million for the year ended December 31, 2013, from €80.3 million for the year ended December 31, 2012. This increase was primarily due to:

- Increased R&D personnel costs of €0.8 million, or 3%, from €28.6 million in 2012 to €29.4 million in 2013, which was explained by an enlarged workforce, principally on the Belgian site (Mechelen). This was driven to a large extent by the new CF collaboration agreement with AbbVie, and to a smaller extent, by the development project portfolio, predominantly the filgotinib project.
- Increased subcontracting costs from €25.4 million in 2012 to €44.8 million in 2013, which meant an increase of €19.4 million, or 76%. This cost increase was mainly driven by the progress of filgotinib project partnered with AbbVie for €11.1 million and by the projects GLPG1205 and GLPG1690 in pre-clinical phase for a total amount of €4.0 million.

- Disposables, lab fees and premises costs decreased by €1.1 million, or 6%, from €16.9 million in 2012 to €15.8 million in 2013, owing to tighter cost control.
- Other operating expenses remained stable: €9.4 million in 2013 and 2012.

The table below summarizes our R&D expenditure for the years ended December 31, 2013 and 2012, broken down by research and development expenses under alliance and own funded R&D expenses, together with the changes to those items.

	Year ended December 31,		
	2013	2012	% Change
	(Euro, in thousands)		
R&D under alliance	€ 72,783	€ 57,748	26%
Galapagos funded R&D	26,597	22,511	18%
Total R&D expenditure	**€ 99,380**	**€ 80,259**	**(24%)**

We track all R&D expenditures against detailed budgets and allocated them by individual project. The table below summarizes our R&D expenditure for the years ended December 31, 2013 and 2012, broken down by program, together with the changes to those items.

	Year ended December 31,		
	2013	2012	% Change
	(Euro, in thousands)		
RA program on filgotinib with AbbVie	€ 25,919	€ 17,061	52%
IBD program on filgotinib with AbbVie	2,668	—	—
IBD program on GLPG1205	4,318	1,798	140%
CF program with AbbVie	2,468	—	—
Pulmonary program on GLPG1690	2,425	3,639	(33%)
Other	61,582	57,761	7%
Total R&D expenditure	**€ 99,380**	**€ 80,259**	**24%**

R&D expenditure under alliance increased significantly by €15 million, or 26%, from €57.7 million for the year ended December 31, 2012 to €72.8 million for the year ended December 31, 2013, which can primarily be explained by increased spending on the filgotinib program with AbbVie for RA and CD by €11.5 million and by spending on the CF program with AbbVie that started in 2013 for €2.5 million. We also increased our investment in our own funded portfolio by €4.1 million, or 18%, from €22.5 million for the year ended December 31, 2012 to €26.6 million for the year ended December 31, 2013.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31,		
	2013	2012	% Change
	(Euro, in thousands)		
Personnel costs and directors fees	€ (7,156)	€ (7,352)	(3%)
Other operating expenses	(5,197)	(4,766)	9%
Total general and administrative expenses	**€ (12,353)**	**€ (12,118)**	2%

General and administrative expenses slightly increased by €0.2 million, or 2%, to €12.4 million for the year ended December 31, 2013, compared to €12.1 million for the year ended December 31, 2012.

Sales and Marketing Expenses

The following table summarizes our sales and marketing expenses for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31, 2013	2012	% Change
	(Euro, in thousands)		
Personnel costs	€ (994)	€ (705)	41%
Other operating expenses	(470)	(580)	(19%)
Total sales and marketing expenses	**€ (1,464)**	**€ (1,285)**	14%

Sales and marketing expenses increased by €0.2 million, or 14%, from €1.3 million for the year ended December 31, 2012 to €1.5 million for the year ended December 31, 2013.

Restructuring and Integration Costs

The following table summarizes our restructuring and integration costs for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31, 2013	2012	% Change
	(Euro, in thousands)		
Restructuring costs	€ (290)	€ (2,505)	(88%)
Loss on disposal of assets	—	(1)	(100%)
Total restructuring and integration costs	**€ (290)**	**€ (2,506)**	(88%)

Restructuring and integration costs amounted to €2.5 million for the year ended December 31, 2012 and were principally composed of:

- closing costs for the Basel site recorded in 2012 for an amount of €1.1 million; and
- restructuring costs totaling €1.4 million, mainly related to headcount reduction costs.

The restructuring and integration costs reported in 2013 for an amount of €0.3 million entirely related to headcount reduction costs in Belgium and France within our research and development organization.

Financial Income and Expense

The following table summarizes our financial income and expense for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31, 2013	2012	% Change
	(Euro, in thousands)		
Finance income:			
Interest on bank deposit	€ 1,179	€ 1,012	17%
Other financial income	1,003	2,092	(52%)
Total financial income	**2,182**	**3,103**	(30%)
Finance expense:			
Interest expenses	(156)	(150)	4%
Other financial charges	(1,246)	(1,026)	21%
Total financial expense	**(1,402)**	**(1,176)**	19%
Total finance income	**€ 780**	**€ 1,927**	(60%)

Finance income declined by €0.9 million, or 30%, to €2.2 million for the year ended December 31, 2013 compared to €3.1 million for the year ended December 31, 2012 reflecting the impact of the one-off Currency Translation Adjustments, or CTA, effect in 2012 related to the refund of the share premium reserve of the Swiss entity for an amount of CHF5.7 million, i.e. a realized FX gain on Swiss Francs. Interests on AbbVie payments received primarily contributed to interest income on bank deposits in both 2012 and 2013.

Interest expenses related to interest paid on finance lease. Other financial charges increased by €0.2 million, or 21%, from €1.0 million in 2012 to €1.2 million in 2013, which was primarily due to exchange rate losses arising from U.S. dollars. Other financial charges in 2012 included €0.6 million of costs related to impaired goodwill that has been written off.

Tax

The following table summarizes our tax result for the years ended December 31, 2013 and 2012.

	Year ended December 31,	
	2013	2012
	(Euro, in thousands)	
Current tax	€ —	€ 150
Deferred tax	(676)	14
Total taxes	**€ (676)**	**€ 164**

The current tax recorded in 2012 for a credit amount of €0.2 million related to a Dutch research and development tax credit.

Deferred tax charges representing €0.7 million for the year ended December 31, 2013 related to the reversal of a deferred tax asset on tax losses carried forward in Croatia. Due to a revised business strategy of the subsidiary in 2013 (transition towards service company), the company would no longer be profitable in 2013-2015 timeframe, which explained the reversal of the deferred tax asset.

Result from Discontinued Operations

The following table summarizes our results from discontinued operations for the years ended December 31, 2013 and 2012, together with the changes to those items.

	Year ended December 31,	
	2013	2012
	(Euro, in thousands, except share and per share data)	
Service revenues	€ 61,074	€ 61,765
Other income	1,902	—
Total revenues and other income	**62,976**	**61,765**
Services cost of sales	(41,297)	(42,595)
General and administrative expenses	(14,077)	(12,393)
Sales and marketing expenses	(948)	(849)
Restructuring and integration costs	(760)	(0)
Gain on sale	—	(3,012)
Operating income	**5,895**	**2,915**
Finance expense	(954)	(469)
Income before tax	**4,941**	**2,446**
Income taxes	3,791	(733)
Net income from discontinued operations	**€ 8,732**	**€ 1,714**
Basic and diluted income per share from discontinued operations	**€ 0.30**	**€ 0.06**
Weighted average number of shares (in ’000 shares)	28,787	26,545

The service division sold on April 1, 2014 was reported under discontinued operations.

Services revenues slightly decreased by €0.7 million, or 1%, from €61.8 million in 2012 to €61.1 million in 2013.

The discontinued operations have generated €8.7 million of net profit for the year ended December 31, 2013, compared to a net profit of €1.7 million for the year ended December 31, 2012.

The increase in net income was mainly driven by R&D incentives of €1.9 million reported in other income in 2013 and €4.0 million of tax profit arising from previously unrecognized deferred tax assets.

In 2012 a loss of €3.0 million shown on the line “result on divestment” has been realized upon liquidation of 3 U.K. subsidiaries.

Liquidity and Capital Resources

To date, we have incurred significant operating losses. We have funded our operations through public and private placements of equity securities, upfront and milestone payments received from pharmaceutical partners under our collaboration and alliance agreements, payments under our fee-for-service contracts, funding from governmental bodies, interest income and the net proceeds from the sale of our service division. Our cash flows may fluctuate and are difficult to forecast and will depend on many factors. As of December 31, 2014, our cash and cash equivalents amounted to €187.7 million.

Cash Flows

Comparison for the Years Ended December 31, 2014 and 2013

The following table summarizes the results of our consolidated audited statement of cash flows for the years ended December 31, 2014 and 2013.

	Year ended December 31,	
	2014	2013
	(Euro, in thousands)	
Cash and cash equivalents at beginning of year	**€138,175**	**€ 94,369**
Net cash flows generated/used (-) in operating activities	(75,555)	1,846
Net cash flows generated/used (-) in investing activities	120,606	(11,988)
Net cash flows generated in financing activities	4,214	54,495
Effect of exchange rate differences on cash and cash equivalents	271	(548)
Cash and cash equivalents at end of year	**€187,712**	**€ 138,175**

Cash and cash equivalents at December 31, 2014 amounted to €187.7 million.

Net cash outflow from operating activities increased by €77.4 million to a €75.6 million outflow for the year ended December 31, 2014 compared to a €1.8 million inflow for the year ended December 31, 2013. The higher cash burn from operations recorded in 2014 compared to 2013 was primarily due to cash inflows in 2013 from our collaboration agreements with AbbVie. In first half of 2013 we received an upfront payment from AbbVie for $20 million (€15.6 million) in connection with the first amendment to our collaboration agreement with AbbVie for filgotinib which expanded the initial development plan. In second half of 2013 we received an upfront payment of $45.0 million (€34.0 million) in connection with our global collaboration agreement with AbbVie for CF.

The net cash inflow from investing activities increased by €132.6 million to €120.6 million net cash inflow for the year ended December 31, 2014 compared to €12.0 million net cash outflow for the year ended December 31, 2013, reflecting €130.8 million of net cash and cash equivalents proceeds from the sale of the

service division to Charles River on April 1, 2014 (€129 million headline consideration adjusted with agreed price adjustments and costs of the sale for a total amount of €1.8 million) decreased by €7.4 million held as escrow and presented as restricted cash in our statement of financial position.

The net cash inflow from financing activities decreased by €50.3 million, from €54.5 million net cash inflow for the year ended December 31, 2013 to €4.2 million net cash inflow for the year ended December 31, 2014. The substantial net cash inflow in 2013 can primarily be attributed to €52.8 million of net new funds from issuing ordinary shares through a private placement with institutional investors.

In addition, proceeds received on exercise of warrants contributed to cash generated by financing activities in 2014 and to a lesser extent in 2013.

The consolidated cash flow table above included both continuing and discontinued operations. The table below summarizes the audited statement of cash flows from discontinued operations included in the table above for the years ended December 31, 2014 and 2013.

	Year ended December 31,	
	2014	2013
	(Euro, in thousands)	
Net cash flows generated/used (-) in operating activities	€ (1,722)	€ 7,855
Net cash flows generated/used (-) in investing activities	122,580	(4,308)
Net cash flows generated/used (-) in financing activities	—	(34)
Net cash generated	**€ 120,858**	**€ 3,513**

Comparison for the Years Ended December 31, 2013 and 2012

The following table summarizes the results of our consolidated audited statement of cash flows for the years ended December 31, 2013 and 2012.

	Year ended December 31,	
	2013	2012
	(Euro, in thousands)	
Cash and cash equivalents at beginning of year	**€ 94,369**	**€ 32,277**
Net cash flows generated in operating activities	1,846	65,873
Net cash flows used in investing activities	(11,988)	(6,437)
Net cash flows generated in financing activities	54,495	2,265
Effect of exchange rate differences on cash and cash equivalents	(548)	391
Cash and cash equivalents at end of year	**€ 138,175**	**€ 94,369**

Cash and cash equivalents on December 31, 2013 amounted to €138.2 million.

Net cash flow from operating activities decreased by €64.0 million to a €1.8 million inflow for the year ended December 31, 2013 compared to a €65.9 million inflow for the year ended December 31, 2012, which can primarily be attributed to an upfront fee received in 2012 in connection with the collaboration agreement signed with AbbVie to develop and commercialize filgotinib in February 2012. Under the terms of the agreement, AbbVie made an upfront payment of $150 million (or €111.6 million upon receipt).

The net cash outflow from investing activities increased by €5.6 million to €12.0 million for the year ended December 31, 2013 compared to €6.4 million for the year ended December 31, 2012, reflecting an increase in capital expenditure of €1.4 million with regard to property, plant and equipment as we invested in expanding and upgrading our research laboratory facilities. A net cash outflow of €1.2 million in 2013 related to the acquisition

of a subsidiary in the United Kingdom contributed to higher net cash outflow from investing activities compared to 2012. This subsidiary was part of the sale of the service division to Charles River on April 1, 2014. In addition, €3.0 million of a bank guarantee issued for the rental of the new premises in France to be released on June 30, 2015 were reported as restricted cash in our statement of financial position on December 31, 2013.

Net cash inflow from financing activities increased by €52.2 million for the year ended December 31, 2013 primarily as a result of €52.8 million of net new funds from issuing shares through a private placement with institutional investors in 2013. In addition, proceeds received on exercise of warrants contributed to cash generated by financing activities in 2012 and to a lesser extent in 2013.

The consolidated cash flow table above included both continuing and discontinued operations. The table below summarizes the audited statement of cash flows from discontinued operations included in the table above for the years ended December 31, 2013 and 2012.

	Year ended December 31,	
	2013	2012
	(Euro, in thousands)	
Net cash flows generated in operating activities	€ 7,855	€ 8,013
Net cash flows used in investing activities	(4,308)	(3,802)
Net cash flows used in financing activities	(34)	(113)
Net cash generated	**€ 3,513**	**€ 4,098**

Cash and Funding Sources

During the year ended December 31, 2014, we did not obtain new financing except from the exercise of warrants. As such, the table below summarizes our sources of financing for the years ended December 31, 2014, 2013 and 2012.

	Private placement
	(Euro, in thousands)
2012	—
2013	52,775
2014	—
Total sources of financing	**€ 52,775**

Our sources of financing in 2013 included a private placement of ordinary shares providing total net proceeds of €52.8 million.

As of December 31, 2014, we had no debt, other than finance leases and advances from Oseo, a French public organization for innovation support, for €1.2 million.

Our ongoing financial commitments are listed under “contractual commitments and obligations” and mainly consist of operating lease obligations and purchase commitments.

Funding Requirements

Based on conservative assumptions which exclude income from a potential $250 million license of filgotinib by AbbVie, we believe that our existing cash and cash equivalents of €187.7 million for the year ended December 31, 2014 will enable us to fund our operating expenses and capital expenditure requirements at least through the end of 2016. We believe that the net proceeds of the global offering, together with our existing cash and cash equivalents of €187.7 million for the year ended December 31, 2014, will enable us to fund our

operating expenses and capital expenditure requirements at least through end of 2017. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

Our present and future funding requirements will depend on many factors, including, among other things:

- the terms and timing of milestones, in-licensing payments and expense reimbursement payments, if any, from our collaboration and alliance agreements;
- the progress, timing, scope and costs of pre-clinical testing and clinical trials for any current or future compounds;
- the number and characteristics of potential new compounds we identify and decide to develop;
- our need to expand our development activities and, potentially, our research activities;
- the costs involved in filing patent applications and maintaining and enforcing patents;
- the cost, timing and outcomes of regulatory approvals;
- selling and marketing activities undertaken in connection with the anticipated commercialization of any of our current or future compounds; and
- the amount of revenues, if any, we may derive either directly or in the form of royalty payments from future sales of our products.

We may raise additional capital through the sale of equity or convertible debt securities. In such an event, your ownership interest may be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of the ADSs or our ordinary shares.

For more information as to the risks associated with our future funding needs, see “Risk Factors.”

Off-Balance Sheet Arrangements

Contractual Obligations and Commitments

We have entered into lease agreements for office space and laboratories which qualify as operating leases. We also have certain purchase commitments principally with CRO subcontractors.

The following table presents our contractual obligations and commitments on December 31, 2014 for our continuing operations:

	Payments due by period				
	Total	Less than 1 year	1–3 years	3–5 years	More than 5 years
	(Euro, in thousands)				
Operating lease obligations	€35,030	€ 3,759	€ 8,517	€ 5,931	€ 16,823
Purchase commitments	36,052	28,992	7,060	—	—
Total contractual obligations and commitments	**€71,082**	**€32,751**	**€15,577**	**€ 5,931**	**€ 16,823**

The purchase commitments for less than one year mainly comprise engagements related to clinical studies for €18.6 million, with these making up 64% of our total commitments. Other commitments relate to contracts with CROs and academics for chemistry work, biology work, batch production, and the like.

Contingent Liabilities and Assets

In 2008, a former director of one of our subsidiaries sued for wrongful termination and seeks damages of €1.1 million. We believe that the amount of damages claimed is unrealistically high. In 2014, the court requested an external advisor to evaluate the exact amount of damages. This analysis is still ongoing. Considering the defense elements provided in favor of us and also the latest evolution in the court, the board of directors and management evaluated the risk to be remote to possible, but not likely. Accordingly, it was decided not to record any provision in 2014 as the exposure is considered to be limited.

Our French entity has signed a rental agreement in October 2013 for alternative office premises in the “Parc Biocitech” in Romainville, France (with effect from February 1, 2015) to replace the current premises in Romainville. The agreement has been entered into for a 12-year period. The net rent amounts to €1.4 million on an annual basis. The parent company in Belgium has issued a guarantee on first demand for €2 million to the lessor of the building. Additionally a bank guarantee, amounting to €3 million, was issued for the rental of the new premises. These guaranties were vested upon signature of the contract and will expire on June 30, 2015 after the move into the new facilities.

On March 13, 2014, we announced the signing of a definitive agreement to sell the service division to Charles River for a total consideration of up to €134 million. Charles River agreed to pay us immediate cash consideration of €129 million. Upon achievement of a revenue target 12 months after transaction closing, we will be eligible to receive an earn-out payment of €5 million. Approximately 5% of the total price consideration, including price adjustments, is being held on an escrow account which will be released on June 30, 2015 if no claim has been introduced by Charles River. Following the divestment, we remain for a limited transitional period a guarantor in respect of the lease obligations for certain U.K. premises amounting to £40 million future rent payments. Charles River will fully indemnify Galapagos NV against all liabilities arising in connection with the lease obligation. We evaluated the risk to be remote. Finally, following common practice, we have given customary representations and warranties which are capped and limited in time.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of financial risks: market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk.

Interest Rate Risk

We are currently not exposed to significant interest rate risk. Our only variable interest-bearing financial asset is cash at banks. The effect of an increase or decrease in interest rates would only have an immaterial effect in profit or loss.

Foreign Exchange Risk

We are exposed to foreign exchange risk arising from various currency exposures. Our functional currency is euro, but we receive payments from our main business partner AbbVie in U.S. dollar and acquire some consumables and materials in U.S. dollars, Swiss Francs, GB Pounds and Croatian Kuna.

To limit this risk, we attempt to align incoming and outgoing cash flows in currencies other than euro. In addition, contracts closed by the different entities of the Group are mainly in the functional currencies of that entity, except for the alliance agreements signed with AbbVie for which payments are denominated in U.S. dollars.

In order to further reduce the risk, we implemented a netting system within the group in the course of 2012, which restrains intra-group payments between entities with a different functional currency.

Proceeds from the global offering, if paid in U.S. dollars, will be converted to our functional currency, the euro.

Credit Risk

Our trade receivables consist of a limited amount of creditworthy customers, many of which are large pharmaceutical companies. To limit the risk of financial losses, we developed a policy of only dealing with creditworthy counterparties.

Our cash and cash equivalents are invested primarily in saving and deposit accounts. Saving and deposit accounts generate a small amount of interest income. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted at the beginning of the term.

Liquidity Risk

Depending on the outcome of our research and development results, and based on conservative assumptions, which exclude in-licensing income for filgotinib from AbbVie, we believe that the net proceeds of the global offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements at least through the end of 2017. See "Use of Proceeds."

Critical Accounting Estimates and Judgments

In the application of our accounting policies, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Our estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

Drafting financial statements in accordance with IFRS requires management to make judgments and estimates and to use assumptions that influence the reported amounts of assets and liabilities, the notes on contingent assets and liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

The following are our critical judgments and estimates that we have made in the process of applying our accounting policies and that have the most significant effect on the amounts recognized in our consolidated financial statements presented elsewhere in this prospectus.

Recognition of Clinical Trial Expenses

We recognize expenses incurred in carrying out clinical trials during the course of each clinical trial in line with the state of completion of each trial. This involves the calculation of clinical trial accruals at each period end to account for incurred expenses. This requires estimation of the expected full cost to complete the trial as well as the current stage of trial completion.

Clinical trials usually take place over extended time periods and typically involve a set-up phase, a recruitment phase and a completion phase which ends upon the receipt of a final report containing full statistical analysis of trial results. Accruals are prepared separately for each clinical trial in progress and take into consideration the stage of completion of each trial including the number of patients that have entered the trial and whether we have received the final report. In all cases, the full cost of each trial is expensed by the time we have

received the final report. There have not been any material adjustments to estimates based on the actual costs incurred for each period presented.

Revenue Recognition

Evaluating the criteria for revenue recognition with respect to the Group's research and development and collaboration agreements requires management's judgment to ensure that all criteria have been fulfilled prior to recognizing any amount of revenue. In particular, such judgments are made with respect to determination of the nature of transactions, whether simultaneous transactions shall be considered as one or more revenue-generating transactions, allocation of the contractual price (upfront and milestone payments in connection with a collaboration agreement) to several elements included in an agreement, and the determination of whether the significant risks and rewards have been transferred to the buyer. Collaboration agreements are reviewed carefully to understand the nature of risks and rewards of the arrangement. All of the Group's revenue-generating transactions have been subject to such evaluation by management.

Share-based Payments Plans

The Group determines the costs of the share-based payments plans (i.e., our warrant plans) on the basis of the fair value of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model for these equity instruments, by which the characteristics of the grant have a decisive influence. This assumes also the input into the valuation model of some relevant judgments, like the estimated useful life of the warrant and the volatility.

Pension Obligations

The cost of a defined pension arrangement is determined based on actuarial valuations. An actuarial valuation assumes the estimation of discount rates, estimated returns on assets, future salary increases, mortality figures and future pension increases. Because of the long term nature of these pension plans, the valuation of these is subject to important uncertainties.

Impairment of Goodwill

Changes in management assumptions on profit margin and growth rates used for cash flow predictions could have an important impact on the results of the Group. Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Considering that the consideration received for the sale of the service division is much higher than its net assets value, such estimation of the value in use is no longer necessary at the end of 2013.

Corporate Income Taxes

Significant judgment is required in determining the use of tax loss carry forwards. We recognize deferred tax assets arising from unused tax losses or tax credits only to the extent that we have sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by us. Management's judgment is that such convincing evidence is currently not sufficiently available and a deferred tax asset is therefore not yet recognized, except for one subsidiary operating on a cost plus basis for the group a deferred tax asset was set up in 2014 for an amount of €0.3 million. As of December 31, 2014, we had a total of approximately €220 million of statutory tax losses carried forward of our continuing operations which may be partially offset by future taxable statutory profits for an indefinite period, except for an amount of €18 million in Switzerland, Croatia, the United States and The Netherlands with expiry dates between 2015 and 2029. As of December 31, 2014, the available tax losses carried forward in Belgium amounted to €136 million.

JOBS Act Transition Period

In April 2012, the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act, was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. Given that we currently report and expect to continue to report under IFRS as issued by the IASB, we have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We intend to rely on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an emerging growth company, we may rely on certain of these exemptions, including without limitation, (1) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (2) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which we have more than $1.0 billion in annual revenue; (2) the date we qualify as a "large accelerated filer," with at least $700.0 million of equity securities held by non-affiliates; (3) the issuance, in any three-year period, by our company of more than $1.0 billion in non-convertible debt securities held by non-affiliates; and (4) the last day of the fiscal year ending after the fifth anniversary of the global offering. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

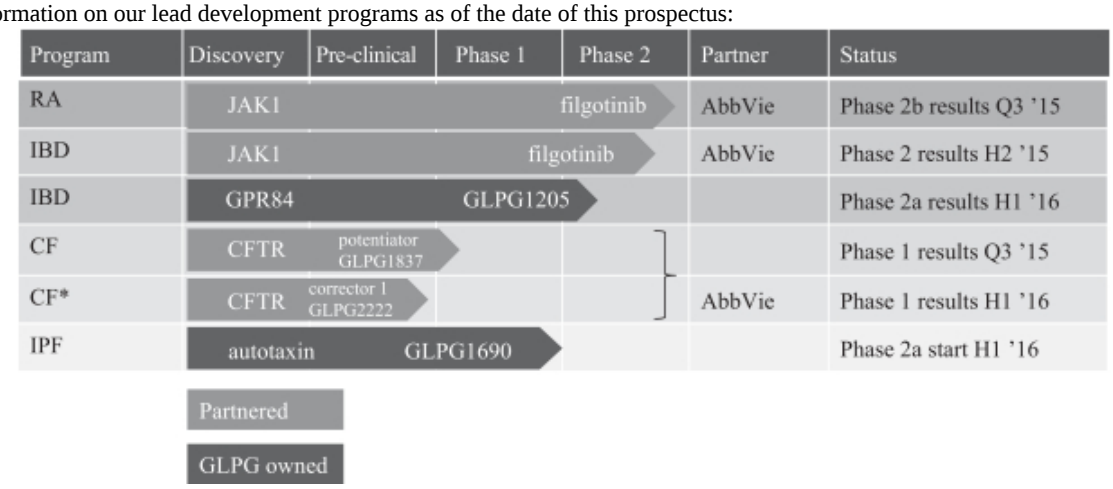
BUSINESS

Overview

Galapagos is seeking to develop a robust portfolio of clinical-stage breakthrough therapies that have the potential to revolutionize existing treatment paradigms

Galapagos is a clinical-stage biotechnology company specialized in the discovery and development of small molecule medicines with novel modes of action, addressing disease areas of high unmet medical need. Execution on our proprietary drug target discovery platform has delivered a pipeline of three Phase 2 programs, two Phase 1 trials, five pre-clinical studies, and 20 discovery small-molecule and antibody programs. While our highly flexible platform offers applicability across a broad set of therapeutic areas, our most advanced clinical candidates are in inflammatory related diseases: rheumatoid arthritis, or RA; inflammatory bowel disease, or IBD; cystic fibrosis, or CF; and pulmonary disease, including idiopathic pulmonary fibrosis, or IPF. Our lead programs include GLPG0634, or filgotinib, in three Phase 2b trials for RA (DARWIN trials) and one Phase 2 trial for Crohn's disease, or CD (FITZROY trial); GLPG1205 in a Phase 2a trial for ulcerative colitis, or UC (ORIGIN trial); GLPG1690, for which we expect to conduct a Phase 2a trial for IPF; and a series of novel potentiators and correctors for CF in Phase 1 and in pre-clinical stages. Almost exclusively, these programs are derived from our proprietary target discovery platform and it is Galapagos' goal to develop these programs into best-in-class treatments.

Filgotinib is being developed under a collaboration agreement with AbbVie, and we expect a licensing decision by AbbVie in the second half of 2015 after delivering the complete data package from the first two DARWIN trials to AbbVie. Our Phase 2 program with GLPG1205 in UC and our Phase 2 program with GLPG1690 in IPF are fully owned by us. Our CF program is a joint research and development alliance with AbbVie. The following table summarizes key information on our lead development programs as of the date of this prospectus:



* A second corrector candidate for the CF program, for use in combination with the potentiator and first corrector candidates described above, is expected to be identified in the first half of 2015 and is expected to enter pre-clinical testing thereafter.

Filgotinib in RA is a selective JAK1 inhibitor with a potential best-in-class product profile

RA is a chronic autoimmune disease that affects almost 1% of the adult population worldwide and it ultimately results in irreversible damage of the joint cartilage and bone. According to a December 2014 GlobalData PharmaPoint report, RA is a $15.6 billion market dominated by injectable, biological therapies.

Despite the prevalence of biologics, mostly anti-tumor necrosis factor, or TNF, therapies, there continues to be a considerable unmet need with regard to efficacy, safety, and convenience of use with existing treatments.

New oral therapies that target the Janus kinase, or JAK, signaling pathway are emerging; some JAK-inhibitors, however, are associated with a range of side effects, including aberrations in low-density lipoprotein, or LDL, cholesterol and red blood cell counts. Filgotinib is a novel oral inhibitor of JAK1. Due to its high selectivity for JAK1, we believe that filgotinib has the potential to offer RA patients improved efficacy and an improved side effect profile as compared to JAK inhibitors that are less selective for JAK1. Clinical trials to date have shown that filgotinib is well-tolerated, with absence of anemia and marginal increase of LDL cholesterol; shows promising activity in treating RA; and is easy to combine with other therapies. Its oral dosage makes it convenient for patient use. We announced topline results after 12 weeks of treatment in the DARWIN 1 trial on April 14, 2015. We expect to announce topline results after 12 weeks of treatment in the DARWIN 2 trial by the end of April 2015 and final results from 24 weeks of treatment in both DARWIN 1 and 2 trials in July 2015. Pending a successful outcome of these trials, a global Phase 3 clinical program in RA is expected to be initiated in the first half of 2016.

Our second treatment focus area is IBD: filgotinib in CD with Phase 2 trial results expected in 2015 and GLPG1205 in Phase 2 addressing a novel target in UC

IBD is a group of inflammatory conditions in the colon and small intestine including CD and UC.

CD is an IBD of unknown cause, affecting up to 200 per 100,000 persons in North America. The market for CD therapies across the 10 main healthcare markets was approximately $3.2 billion in 2012, according to a January 2014 GlobalData PharmaPoint report. There are currently no highly effective oral therapies approved for CD and, similar to RA, treatment is dominated by injectable, biologic treatments including anti-TNF therapies. There continues to be a considerable unmet need with these existing treatments. Dysregulation of the JAK signaling pathway has also been associated with CD, and we believe that filgotinib, with its high selectivity for JAK1, is a highly attractive candidate for the treatment of CD. By inhibiting JAK1 but not JAK2, unwanted effects such as anemia may be prevented. This absence of anemia is of particular importance to IBD patients, who frequently experience fecal blood loss. Filgotinib is currently in Phase 2 clinical development for CD and has shown favorable activity in pre-clinical models for IBD. We expect to complete recruitment for FITZROY, our Phase 2 trial in CD with filgotinib, in 2015. We expect the 10-week results of FITZROY in the second half of 2015.

UC affected nearly 625,000 people in the United States in 2012, according to a December 2013 GlobalData EpiCast report. Although the introduction of anti-TNF biologics has improved the treatment of some patients, only 33% of patients will achieve long-term remission, and many patients lose their response to treatment over time. The medical need for improved efficacy is high and could likely be achieved by a new mechanism of action. GLPG1205 is a selective inhibitor of GPR84, a novel target for inflammatory disorders, which we are exploring in the treatment of UC. We identified GPR84 as playing a key role in inflammation, using our target discovery platform. We initiated ORIGIN, a Phase 2a trial of GLPG1205 in patients with moderate to severe UC, and the first patients received treatment in early 2015. GLPG1205 is fully proprietary to us.

Our third treatment focus area is CF: an area of significant unmet medical need for which we are developing a three-product combination therapy

CF is a rare, life-threatening, genetic disease that affects the lungs and the digestive system, impacting approximately 80,000 patients worldwide with approximately 30,000 patients in the United States. The market for CF therapies, across the six main healthcare markets, exceeded $1 billion in 2012 and is expected to exceed $5 billion in 2018, according to a July 2014 GlobalData OpportunityAnalyzer report. CF patients carry a defective cystic fibrosis transmembrane conductance regulator, or CFTR, gene and are classified based on their specific mutation of the CFTR gene. The Class II mutation is present in approximately 90% of CF patients, yet the only approved therapy for the underlying cause of CF, Vertex Pharmaceuticals', or Vertex', Kalydeco, is for Class III mutations, representing only 3% of total CF patients.

For Class III mutation CF patients, we are developing a novel oral potentiator, GLPG1837, that we believe could be a best-in-class therapy. For the largest patient group with Class II and other mutations, we believe that a combination of medicines will be required. To that aim, we plan to rapidly develop a triple combination therapy comprised of potentiator GLPG1837 and two corrector molecules. GLPG1837 is currently in a Phase 1 clinical trial with topline results expected in the third quarter of 2015. Our first oral corrector candidate, GLPG2222, is anticipated to start a Phase 1 trial in the second half of 2015. We anticipate nomination of a second corrector candidate, or C2, in the first half of 2015, such that we may have all three components of our triple combination therapy in development by mid-2015. In a pre-clinical cellular assay study, we demonstrated that the combination of GLPG1837 plus GLPG2222 and one of our C2 corrector molecules, currently in lead optimization, restored up to 60% of CFTR function in cells from Class II patients. These results are suggestive of a compelling therapeutic option for these patients. We believe that our CF combination therapy addresses unmet need in both homozygous and heterozygous Class II patients. Our pre-clinical data also suggest efficacy of our CF drugs in combination with messenger ribonucleic acid, or mRNA, translation modulation drugs in the Class I mutation, the first indication of a broader spectrum of patients to be addressed with our robust CF program.

Our Strategy

Our ambition is to become a leading global biotechnology company focused on the development and commercialization of novel medicines. Our strategy is to leverage our unique and proprietary target discovery platform, which facilitates our discovery and development of therapies with novel modes of action. Key elements of our strategy include:

- **Rapidly advance the development of filgotinib with our partner, AbbVie, in RA and CD.** Based on the favorable safety and efficacy profile demonstrated in our Phase 2 clinical trials, we believe that filgotinib is a promising candidate for the treatment of RA and other autoimmune diseases like CD. Topline results from 12 weeks of treatment in our Phase 2b trial for DARWIN 1 were first made available on April 14, 2015. The final results from these studies after 24 weeks of treatment are expected in July 2015. Pending a successful outcome of these trials, we expect to initiate a global Phase 3 clinical program in RA in the first half of 2016. In parallel, we are evaluating filgotinib for the treatment of CD. We expect the 10-week results of FITZROY, our 180-patient, 20-week trial of filgotinib in subjects with CD, in the second half of 2015. Pending a successful outcome of the FITZROY trial, we expect to initiate a global Phase 3 clinical program in CD. Filgotinib is being developed under an exclusive collaboration agreement with AbbVie, under which agreement we expect a licensing decision by AbbVie in the second half of 2015.
- **Collaborate with our partner AbbVie to develop a CF franchise of oral therapies composed of novel potentiators and correctors.** We are initially developing a novel potentiator therapy, called GLPG1837, for CF patients that have the Class III (G551D) mutation of the CFTR gene, the same mutation which is targeted by the only approved therapy to address the cause of CF, Kalydeco, marketed by Vertex. However, the most common mutation in the CFTR gene, the Class II (F508del) mutation, is present in approximately 90% of the CF population and is not addressed by Kalydeco. In order to address the unmet need in patients with Class II or other mutations, we believe that a combination of novel potentiator and corrector molecules ultimately will be required. To that aim, we plan to develop a potential triple combination therapy, composed of our GLPG1837 potentiator and two novel corrector molecules. In December 2014, we initiated a Phase 1 trial for GLPG1837 in healthy volunteers. We expect topline results from this trial in the third quarter of 2015. Pending a successful outcome from this trial, we intend to initiate a Phase 2a trial with GLPG1837 in Class III (G551D) patients in the second half of 2015. For the potential triple combination therapy to treat Class II (F508del) patients, we expect to combine GLPG1837 with our novel corrector, GLPG2222, and an additional novel corrector for which we expect to initiate pre-clinical development in the first half of 2015. By the middle of 2015 we expect to have all three components of this therapy in development. In addition, we have preliminary pre-clinical data which suggests that Galapagos candidate drugs in combination with mRNA translation agents potentially can restore clinically meaningful CFTR

function in Class I mutation patients. We have entered into an exclusive collaboration agreement with AbbVie to discover, develop and commercialize these and other novel CF modulators.

- **Advance our Phase 2a clinical trial of GLPG1205 in UC.** In December 2014, we started ORIGIN, a 60-patient, 12-week Phase 2a clinical trial of GLPG1205, an inhibitor of GPR84, a protein which we believe is frequently overexpressed in inflammatory diseases. We expect topline data from this trial in the first half of 2016. Pre-clinical data demonstrated promising activity in an animal model, and Phase 1 data in human volunteers demonstrated a favorable safety, tolerability and pharmacodynamics, or PD, profile. GPR84 antagonists such as GLPG1205 present a novel mode of action for treatment of inflammatory diseases. Up-regulation of GPR84 on inflammatory leukocytes is found in diseases such as IBD and neuro-inflammatory disease, such as multiple sclerosis. GLPG1205 is fully proprietary to us, and we intend to develop this drug further independently.
- **Advance GLPG1690 into a Phase 2 clinical trial in IPF.** In February 2015, we announced the results of a Phase 1 first-in-human trial of GLPG1690, a potent and selective inhibitor of autotaxin, or ATX. The randomized, double-blind, placebo controlled, single center trial was conducted in 40 healthy volunteers in Belgium. In this trial, GLPG1690 was shown to be well-tolerated up to 1000 mg daily dose and demonstrated a favorable pharmacokinetic profile. Moreover, in this trial GLPG1690 also demonstrated the ability to reduce plasma lipid lysophosphathidic acid, or LPA, levels on a sustained basis, implying ATX engagement. We are currently preparing a Phase 2a trial in IPF, and we intend to file a protocol for this trial with the regulatory authorities in Europe before the end of 2015. We currently retain worldwide development and commercialization rights for GLPG1690 and intend to develop this drug independently.
- **Maximize and capture the value of our target discovery platform by becoming a fully integrated biotechnology company.** Our platform has yielded several new mode-of-action therapies across 10 therapeutic areas, demonstrating the potential of our technology platform. In addition to our current clinical programs, which are focused on inflammation, CF and pulmonary disease, we currently have 20 different target-based discovery programs advancing toward clinical development with novel modes of action. Our most mature pre-clinical program is in osteoarthritis where we expect to enter a Phase 1 trial in 2015. We intend to continue to advance more clinical candidates in various therapeutic areas independently. We aim to select promising programs in specialty pharmaceutical and orphan indications for internal development and commercialization to capture greater value for shareholders and establish Galapagos as a fully integrated biotechnology company.

Our Lead Product Candidate: Filgotinib, a Highly Selective Inhibitor of JAK1

Our lead product candidate, filgotinib, which we also refer to as GLPG0634, is a novel, orally-available, selective inhibitor of JAK1 that we are developing for the treatment of RA, CD, and other inflammatory diseases. We discovered and validated filgotinib using our target and drug discovery platform. We believe that this product candidate may address a considerable unmet need in RA. The biologic agents widely used to treat RA can be effective, but often lose patient response over time. It can take several months before patients show improvement and less than half of the patients show a sustained 50% improvement of RA symptoms, referred to as ACR50. ACR50 is a composite measurement of clinical response as recommended by the American College of Rheumatology, or ACR. In addition, existing approaches that target JAKs are associated with a range of side effects, including aberrations in LDL, cholesterol, and red blood cell count. As a result of the challenges with current treatment alternatives, we believe there is a significant opportunity for an effective JAK inhibitor, particularly one with a rapid onset of action, which enables patients to achieve ACR50 and which has a favorable safety profile. With filgotinib, we believe that we have a highly selective JAK1 inhibitor that has the potential to provide a safe, oral, best-in-class treatment for RA.

We are party to an exclusive collaboration agreement with AbbVie to develop and commercialize filgotinib in multiple diseases. Under this agreement, we are responsible for the advancement of four Phase 2 trials in RA and CD. If AbbVie determines that the first two of these trials (DARWIN 1 and 2) meet certain specified contractual criteria, AbbVie will be deemed to have in-licensed the compound. Even if the specified contractual criteria relating to the 24-week results are not met, AbbVie has the opportunity to elect to in-license the compound following our delivery of the final data package from these trials. Should AbbVie in-license these programs, AbbVie will assume sole responsibility for Phase 3 clinical development, global manufacturing and commercialization of filgotinib. We retain an option to exercise certain co-promotion rights in the Netherlands, Belgium and Luxembourg, and we will be entitled to potential future success-based milestone payments and royalties on global commercial sales across all approved indications for this compound, if any. See "—Collaborations—Exclusive Collaboration for JAK Inhibitors."

Our Filgotinib Program for RA

Due to its high selectivity for JAK1, we believe that filgotinib has the potential to offer an improved side effect profile and improved efficacy in RA patients as compared to other JAK inhibitors which are less selective for JAK1. Filgotinib is currently being evaluated for RA in three ongoing Phase 2b trials, which we refer to collectively as DARWIN, in patients with moderate to severe RA who have an inadequate response to methotrexate, or MTX, a common first line treatment for RA. Topline results from 12 weeks of treatment in our Phase 2b trial for DARWIN 1 were first made available on April 14, 2015. In addition, we are conducting DARWIN 3, a long-term follow-up trial that allows patients to remain on filgotinib treatment. Of the patients that have completed DARWIN 1 and DARWIN 2, approximately 98% of these patients have elected to participate in the DARWIN 3 follow-up trial.

RA and Limitations of Current Treatments

RA is a chronic autoimmune disease, characterized by inflammation and degeneration of the joints. It affects almost 1% of the adult population worldwide, with onset typically between the ages of 30 and 50 years, and with a high prevalence in women. Patients suffer from pain, stiffness, and restricted mobility due to a persistent inflammation of multiple joints, which ultimately results in irreversible damage of the joint cartilage and bone. As RA develops, the body's immune cells perceive the body's own protein as foreign and cells called lymphocytes react to this protein. The reaction then causes the release of cytokines, which are chemical messengers that trigger more inflammation and joint damage. The inflammation may spread to other areas in the body, ultimately causing not only joint damage but also chronic pain, fatigue, and loss of function. Inflammation has also been linked to heart disease and the risk of having a heart attack. RA nearly doubles the risk of having a heart attack within the first 10 years of being diagnosed, according to the ACR.

The primary goals in the treatment of RA are to control inflammation and slow or stop disease progression. Initial therapeutic approaches relied on disease-modifying anti-rheumatic drugs, or DMARDS, such as MTX and sulphasalazine. These oral drugs work primarily to suppress the immune system and, while effective in this regard, the suppression of the immune system leads to an increased risk of infections. These drugs are also associated with side effects including nausea, abdominal pain, and serious lung and liver toxicities. Further, because these drugs often take an average of 6–12 weeks to take effect, rheumatologists may also couple them with over-the-counter pain medications or non-steroidal anti-inflammatory drugs, or NSAIDs, to treat the pain and inflammation. Despite these shortcomings, DMARDS are still considered first-line therapies.

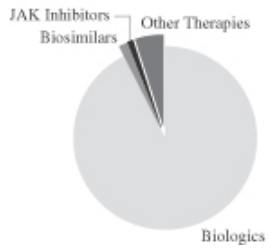
The development of biologics represented a significant advance in RA treatment. Biologic therapies involve the use of antibodies or other proteins produced by living organisms to treat disease. In some people with arthritis, the TNF protein is present in the blood and joints in excessive amounts, thereby increasing inflammation, along with pain and swelling. Biologic therapies have been developed to address this overproduction of TNF by disrupting communication between the body's immune cells. Thus, they block the production of TNF or are designed to attach to and destroy the body's immune B-cells, which play a part in the

pain and swelling caused by arthritis. Anti-TNFs are currently the standard of care for first- and second-line biologic therapies for RA patients who have an inadequate response to DMARDS. Since anti-TNF drugs function through a suppression of the immune system, they also lead to a significant increase in the risk of infections. In addition, all approved anti-TNFs need to be delivered by injection or intravenously, which is inconvenient and painful for some patients, and in some cases self-injection can be particularly difficult for patients who suffer joint pain and damage from RA.

Not all patients achieve sufficient clinical response or maintain clinical response to anti-TNFs over time, resulting in a need to switch or cycle to a new therapy to control their disease. Approximately one-third of RA patients do not adequately respond to anti-TNFs. In addition, anti-TNFs are associated with low rates of disease remission and the response to these agents is not typically durable. In more than 30% of this population, alternative treatment approaches are needed. A significant number of patients treated with an anti-TNF will be cycled to their second and third anti-TNF within 24 months of anti-TNF therapy initiation. A prospective cohort study of RA patients from a UK national register of new anti-TNF treatments showed that, within 15 months of treatment, 12% cycle to a second anti-TNF due to inefficacy, and 15% cycle to a second anti-TNF due to an adverse event. Therapeutic cycling is a serious issue for patients because the efficacy of each successive drug is not known typically for several months, which contributes to progression of disease and continued irreversible structural joint damage. For RA patients who fail or for who anti-TNFs are contra-indicated, biologics with distinct mechanism and the oral agent JAK inhibitors provide alternative treatment opportunities.

Despite these limitations, the global market for RA therapies is large and growing rapidly. The market for RA therapies across the 10 main healthcare markets was $15.6 billion in 2013 and is expected to grow in excess of $19 billion by 2023, according to a December 2014 GlobalData PharmaPoint report. Injectable, biological therapies are the largest component of this market.

2013 10 Main Healthcare Markets for RA: $15.6B



There continues to be a considerable unmet need with regard to efficacy, including sustained efficacy, safety, and convenience of use with these existing first line treatments.

The Potential of JAK Inhibitors

The family of JAKs is composed of four tyrosine kinases, JAK1, JAK2, JAK3, and TYK2, that are involved in the JAK signaling pathway, which regulates normal hematopoiesis, or blood making, inflammation and immune function. Dysregulation of the JAK signaling pathway has been associated with a number of diseases, including RA, psoriasis and other chronic inflammatory diseases. Accordingly, the JAK family has long been an area of interest for drug developers working in these areas.

A growing body of clinical data suggests that the level of selectivity of a JAK therapeutic is highly correlated to its efficacy and safety profile. For example, JAK1 is known to interact with the other JAKs, among others, to transduce cytokine-driven pro-inflammatory signaling, which leads to inflammation in human tissues. Therefore, inhibition of JAK1 is believed to be of therapeutic benefit for a range of inflammatory conditions as well as for other diseases driven by JAK-mediated signal transduction. In contrast, inhibition of the other three kinases (JAK2, JAK3, and TYK2) may not be required for the anti-inflammatory effect, whereas their inhibition may contribute to side effects. For example, inhibition of JAK2 has been linked to anemia, and inhibition of JAK3 to immunosuppression. Non-selective JAK inhibitors have been shown to increase LDL. Therefore, we believe the desired efficacy and safety profile of any JAK inhibitor is directly linked to the selectivity of the product.

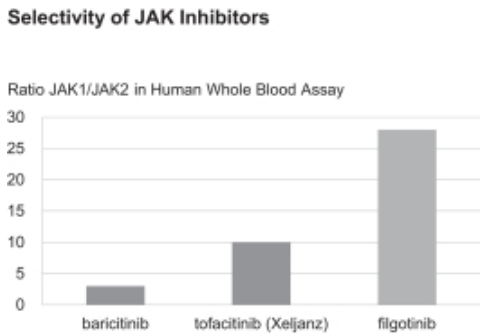
The following table lists the JAK candidates which, to our knowledge, are either currently on the market or are being actively developed for RA by parties other than us, and their selectivity or relative binding affinity for JAK1, JAK2, and JAK3.

JAK Candidate Name	Selectivity Preference	Status	Sponsor
tofacitinib (Xeljanz)	JAK3, JAK1, JAK2	Approved in the United States in November 2012	Pfizer
baricitinib	JAK2, JAK1	Completed one Phase 3; Phase 3 program ongoing	Eli Lilly
decerotinib (VX-509)	JAK3, JAK1	Completed Phase 2b	Vertex
ABT-494	JAK1	Phase 2 ongoing	AbbVie
peficitinib (ASP015K)	JAK3, JAK1, JAK2	Phase 3 recruiting	Astellas

In November 2012, Xeljanz was approved by the FDA as the first and only JAK inhibitor for RA approved for commercial sale in the United States. Xeljanz is intended for the treatment of adult patients with RA who have had an inadequate response to, or who are intolerant of, methotrexate. Xeljanz is a small molecule suitable for oral administration and has strong binding affinity for JAK3 and JAK1, and weaker affinity for JAK2. The safety and effectiveness of Xeljanz were evaluated in seven clinical trials in adult patients with moderately to severely active RA. In all of the trials, patients treated with Xeljanz experienced improvement in clinical response and physical functioning compared to patients treated with placebo. However, the use of Xeljanz has been associated with a range of side effects, including anemia (reduced hemoglobin levels) and elevations in both liver enzyme and lipid levels. For example, in controlled clinical trials for Xeljanz, dose-related elevations in lipid parameters (total cholesterol, LDL cholesterol, HDL cholesterol, triglycerides) were observed at one month of exposure, including a 15% increase in LDL cholesterol in the Xeljanz 5 mg twice daily arm, the approved dosage in the United States. Accordingly, we believe there continues to be a significant unmet medical need in RA and other inflammatory diseases for an orally administered approach with a more favorable side effect profile.

Our Clinical Program for Filgotinib for RA

We are developing a highly selective JAK1 inhibitor, called filgotinib, for treatment of RA, which we believe will address a number of the limitations of existing RA therapies. In a human whole blood assay we demonstrated that filgotinib was more selective for JAK1 than any other compound of which we are aware that is either approved for sale or in clinical development, with a 30-fold selectivity for JAK1 over JAK2. We believe the high selectivity of filgotinib for JAK1 may allow for efficacy equal to or better than that of other approved RA therapies, with an improved safety profile due to less selectivity for JAK2 and JAK3.



Moreover, we believe that filgotinib has the potential to be used as a once-daily therapy, thereby potentially improving ease of administration and patient compliance. We also believe filgotinib can be used safely with concomitant medications, an important feature for this patient population since many of these patients are on other therapies to address co-morbities or other diseases.

Through our extensive DARWIN clinical programs, we hope to demonstrate the following clinical and product benefits of filgotinib for the treatment of RA:

- **Safety**: That filgotinib will be well tolerated, will show absence of treatment-induced anemia, will show marginal increase of LDL cholesterol and will result in an overall lower infection rate as compared to other approved RA therapies.
- **Efficacy**: That filgotinib will enable rapid onset of action with durable efficacy equal to or better than approved biologics and approaches such as anti-TNFs.
- **Convenience**: That filgotinib will enable oral, once-daily dosing.
- **Combination with other therapies**: That filgotinib will be able to be safely combined with other therapies commonly prescribed to RA patients, due to its very low risk of drug-drug interactions.

Filgotinib is currently being evaluated in three ongoing Phase 2b trials in patients with moderate to severe RA and who have demonstrated an inadequate response to MTX. DARWIN 1 and DARWIN 2 are dose finding trials. DARWIN 3 is a long-term follow-up trial that allows patients to roll-over from DARWIN 1 and 2 trials and remain on treatment. The primary objective of the DARWIN trials is efficacy in terms of percentage of subjects achieving an ACR20 response after 12 weeks of treatment. Topline results after 12 weeks of treatment in both of the DARWIN trials are expected in April 2015 and final results after 24 weeks of treatment for these trials are expected in July 2015, providing further insight as to the safety profile due to the fact the patients are treated for a longer period. Secondary trial objectives include efficacy in terms of the percentage of subjects achieving an ACR20 response at 24 weeks of treatment, ACR50 and ACR70 response and other disease activity measures as well as safety and tolerability and effects on subjects' disability, fatigue and quality of life. Filgotinib is being investigated in the United States under an investigational new drug application, or IND, that became effective on November 30, 2012 for the RA indication with Galapagos as sponsor.

Below is an overview of the trial designs for the DARWIN clinical program.

Trial Name	**DARWIN 1 (GLPG0634-CL-203)**	**DARWIN 2 (GLPG0634-CL-204)**
Trial Design	Double-blind, placebo-controlled	
	Add-on to MTX. Seven trial arms: • three daily dose levels: 50 mg, 100 mg and 200 mg • two dose regimens for each dose level: once (q.d.) or twice daily (b.i.d.) • placebo	Monotherapy. Four trial arms: • three daily dose levels: 50 mg, 100 mg and 200 mg • one dose regimen for each dose level: once (q.d.) • placebo
Patient Population	Subjects with moderately to severely active RA who have an inadequate response to MTX (oral or parenteral)	
Trial Objective	Phase 2b dose finding trial to: • evaluate efficacy of different doses and regimens of filgotinib as add-on to MTX	different doses of filgotinib as monotherapy

	• identify minimally and optimally effective dose • assess safety and tolerability • describe parameters for pharmacokinetics, or PK, the characterization of the fate of a drug from its absorption up to its the elimination from the body and PD, the assessment of the effects of drugs on the body	
Number of Subjects Randomized	599	287
Total Treatment Duration	24 weeks	
Re-Randomization	At week 12, subjects on placebo or lower doses of filgotinib who have not achieved 20% improvement in swollen joint count, or SJC, 66, and tender joint count, or TJC, 68, will be re-randomized automatically to another treatment arm with either a 50 mg or 100mg dose. Subjects in the other groups will maintain their randomized treatment until week 24.	
Primary Trial Objective (at Week 12)	Efficacy in terms of percentage of subjects achieving an ACR20 response of: • different doses and dose regimens of filgotinib compared to placebo	• different doses of filgotinib given once daily compared to placebo
Secondary Trial Objectives (at every visit)	• Efficacy in terms of the percentage of subjects achieving an ACR20, ACR50, ACR70, DAS28(CRP) and other disease activity measures • Safety and tolerability • Effects on subjects' disability, fatigue and quality of life of: • different doses and dose regimens of filgotinib compared to placebo	• different doses of filgotinib given once daily compared to placebo
	• Population PK and PD of filgotinib and its metabolite in subjects with RA and investigate the relationship between exposure and efficacy/safety/PD	

DARWIN 3 (GLPG0634-CL-205) is a multicenter, open-label, long-term follow-up safety and efficacy trial of subjects who have completed either DARWIN 1 or DARWIN 2. All subjects will start the trial at the same dose level, either at 200 mg once per day or at 100 mg twice per day (except for males in the U.S. sites of these trials who receive a maximum daily dose of 100 mg), depending on the regimen administered during the preceding trial, with DARWIN 1 subjects continuing to use filgotinib in combination with MTX.

In connection with the DARWIN clinical program, we agreed with the FDA to exclude the 200 mg filgotinib daily dose for male subjects; males will receive a maximum daily dose of 100 mg in the U.S. sites in this trial. This limitation was not imposed by any other regulatory agency in any other jurisdiction in which the DARWIN clinical program is being conducted. See "Risk Factors—Filgotinib, if approved, may be subject to box warnings, labeling restrictions or dose limitations in certain jurisdictions, which could have a material adverse impact on our ability to market filgotinib in these jurisdictions."

Measurements of RA

The severity of RA can be assessed using several indices as recommended by the ACR. The ACR criteria measure improvement in tender or swollen joint counts and include other parameters which take into account the

patient's and physician's assessment of disability. These clinical disease activity parameters are combined to form composite percentages of clinical response that are known as ACR20, ACR50, and ACR70. An ACR20 score represents a 20% improvement in these criteria and is considered a modest improvement in a patient's disease. An ACR50 score and ACR70 score represent a 50% and 70% improvement in the clinical response criteria, respectively, and each is considered evidence of a meaningful improvement in a patient's disease.

The DAS28(CRP), or the Disease Activity Score, considers 28 tender and swollen joint counts, general health (GH; patient assessment of disease activity using a 100 mm visual analog scale, or VAS, with 0=best, 100=worst), plus levels of an inflammatory biomarker (c-Reactive Protein, or CRP, in mg/l). DAS28(CRP) is used to give an overall picture of the disease state, resulting in a score on a scale from 0 to 10 indicating current RA disease activity, whereby remission is £2.6, low disease activity is 2.6 £ 3.2, moderate disease activity is 3.2 £ 5.1, and high disease activity is >5.1.

Topline Data After 12 Weeks of Treatment in DARWIN 1 Trial

We announced topline results after 12 weeks of treatment in the DARWIN 1 trial on April 14, 2015. Results were reported for 594 patients with moderate to severe RA who showed an inadequate response to MTX and who remained on their background therapy of MTX. These patients received filgotinib or placebo and were evaluated up to 12 weeks, the primary endpoint of the study.

Summary of the ACR/DAS28(CRP) scores at 12 weeks' treatment:

		Once–daily dosing			Twice-daily dosing		
	Placebo ***n=86***	**50 mg** ***n=82***	**100 mg** ***n=85***	**200 mg** ***n=86***	**25 mg** ***n=86***	**50 mg** ***n=85***	**100 mg** ***n=84***
ACR20 responders, NRI[1], %	45	56	62	69*	57	59	80***
ACR50 responders, NRI, %	15	32*	39**	43***	28*	34*	55***
ACR70 responders, NRI, %	8	16	20	24*	14	19	31**
DAS28(CRP), mean change from baseline, LOCF §	-1.2	-1.8*	-2.2***	-2.5***	-1.9**	-2.1***	-2.8***

* p< 0.05 vs. placebo; ** p<0.01 vs. placebo; *** p<0.001 vs. placebo; ACR scores based on ITT analysis.
1 Non-responder imputation.
§ Mean baseline DAS28(CRP) varied between 6.0 and 6.2. LOCF is last observation carried forward.

Overall, there were no statistically significant differences for the once-daily and twice-daily dosing regimens. The results suggest a rapid onset of activity after only one week of treatment.

Filgotinib was generally well-tolerated in the trial. Over all dose groups including placebo, 1.7% of patients stopped treatment during the trial for safety reasons. Because of the low number of discontinuations, the actual distribution was not disclosed to ensure a treatment blinding while the trial is still ongoing. Serious (1% overall) and non-serious treatment-emergent adverse events were evenly spread over the dose groups including placebo. The rare frequency side effects remain blinded for the treatment group and include three cases (0.5% of patients) of serious infections. Consistent with its selective JAK1 inhibition, filgotinib led to a dose-dependent improvement in hemoglobin (up to 0.4 g/dL, or 3.5% increase from baseline). There were no relevant effects on liver function tests. There was a dose dependent increase in both LDL and HDL which led to an improved total cholesterol over HDL ratio in patients.

Previous Clinical Trials for Filgotinib for RA

Phase 2a Proof-of-Concept Trial

In November 2011, we announced topline data from our Phase 2a proof-of-concept trial (GLPG0634-CL-201), a four-week trial performed in RA patients with insufficient response to MTX alone. This trial was a

randomized, double-blind, placebo-controlled trial that was conducted in a single center. A total of 36 patients were randomized in a 1:1:1 allocation ratio to receive filgotinib 100 mg (twice-daily), 200 mg (daily) or placebo, respectively. All randomized patients completed the trial.

In the trial, ACR20 at week 4 was achieved by approximately 92% (p-value versus placebo = 0.0094), 75% (p-value versus placebo = 0.0995), and 33% in the 100 mg (twice-daily), 200 mg (daily) and placebo groups, respectively, and up to 40% of the filgotinib-treated patients went into either disease remission or low disease activity. The difference in number of ACR20 responders at week 4 was statistically significant for the pooled GLPG0634 group versus the placebo group (p-value versus placebo = 0.0067). A result is considered to be statistically significant when the probability of the result occurring by random chance, rather than from the efficacy of the treatment, is sufficiently low. The conventional method for measuring the statistical significance of a result is known as the “p-value,” which represents the probability that random chance caused the result (e.g., a p-value = 0.001 means that there is a 0.1% or less probability that the difference between the control group and the treatment group is purely due to random chance). A p-value = 0.05 is a commonly used criterion for statistical significance.

No serious adverse events, or SAEs, were reported on patients who received active treatment with various doses and dose regimens of filgotinib and there were also no permanent discontinuations among patients treated with filgotinib. Median laboratory values and p-values were visually inspected for trends over time, however, no statistical analysis on trends over time was performed. No clinically relevant trends or changes were apparent from these analyses, except for a decrease in platelet count in both filgotinib treatment groups. Vital signs and electrocardiogram, or ECG, parameters were not influenced by filgotinib. Overall, the results of this proof-of-concept trial in patients with RA demonstrate that a daily dose of 200 mg of filgotinib on top of MTX shows promising activity and was generally well-tolerated over four weeks of treatment.

Phase 2a Dose-ranging Trial

In November 2012, we announced topline data from our follow-up Phase 2a dose-ranging trial (GLP0634-CL-202) to confirm the safety profile observed in the Phase 2a proof-of-concept trial. This trial was a four-week, randomized, double-blind, placebo-controlled, dose-ranging trial performed in patients with active RA who had an inadequate response to MTX and was conducted in four countries and involved 19 centers. A total of 91 patients were randomized in a 1:1:1:1:1 allocation ratio to receive once-daily regimens of 30 mg filgotinib, 75 mg filgotinib, 150 mg filgotinib, 300 mg filgotinib or placebo during four weeks, respectively.

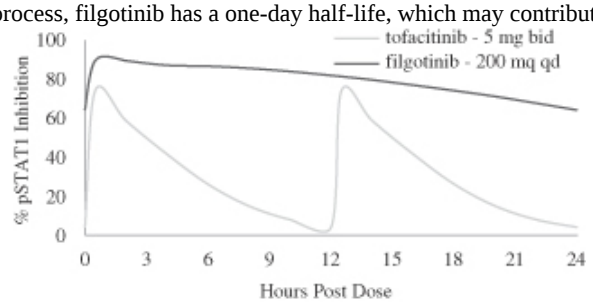
In this trial, ACR20 by week 4 was achieved by 35% (p-value versus placebo = 0.736), 55% (p-value versus placebo = 0.456), 40% (p-value versus placebo = 0.834), 65% (p-value versus placebo = 0.111), and 41% for doses 30 mg, 75 mg, 150 mg, 300 mg and placebo, respectively. Overall activity of filgotinib was confirmed across a wide panel of parameters. Some imbalances among treatment groups in demographic and disease characteristics, as well as the limited size of each treatment group, may explain the relatively high placebo ACR20 response rate and the apparently low ACR20 response rate of the 150 mg/day filgotinib dose group. Overall, more consistent and dose-related results across treatment groups were observed for objective measures of disease activity, such as serum C-reactive protein, or CRP, and for physician’s assessment of disease such as SJC, TJC, and physician’s global assessment, compared with subjects’ subjective assessments, i.e., global and pain assessment, health assessment questionnaire disability index, or HAQ-DI. This was particularly evident in the 150mg dose group, in which subjects had a higher SJC and TJC at baseline than the other arms, and may have resulted in less perceived improvement in pain and global visual analog scale, or VAS, leading to a poor ACR response. We selected the 50, 100, and 200 mg doses for the DARWIN Phase 2b program based on the outcome of this trial.

No SAEs were reported on patients who received active treatment with various doses of filgotinib and there were also no permanent discontinuations among patients treated with filgotinib. No medically significant shifts from baseline in laboratory parameters evaluated were seen. Filgotinib was well-tolerated at all dosages. The

safety profile in this trial was not different to the previous trials conducted on filgotinib. Vital signs and ECG parameters were not significantly influenced by filgotinib.

Phase 1

We evaluated filgotinib in healthy human volunteers in Phase 1 trials and did not achieve a maximum tolerated dose, even at a dose of 450 mg. Through its compound specific metabolization process, filgotinib has a one-day half-life, which may contribute to its once-daily, or QD, efficacy.



Furthermore, the potential for drug-drug interactions for filgotinib and its major metabolite was investigated *in vitro*, and confirmed in healthy subjects and RA patients. As filgotinib does not interact with Cytochromes P450 Enzymes, or CYP, and does not inhibit key drug transporters, or OATs, it can be used safely with concomitant drugs without dose adjustment of filgotinib or concomitant medications.

Our IBD Programs

IBD is a group of inflammatory conditions in the colon and small intestine, with CD and UC representing the two most common forms of the disease. Our IBD program consists of our lead product, filgotinib, an orally-available, highly selective inhibitor of JAK1, and GLPG1205, a molecule that inhibits G-coupled protein receptor 84, or GPR84, a novel target for inflammatory disorders. Filgotinib and GLPG1205 were discovered and validated using our target and drug discovery platform. GLPG1205 was initially developed in collaboration with Janssen Pharmaceutica, which returned its rights in December 2014. The collaboration agreement was terminated by Janssen Pharmaceutica in March 2015. The notices at the time did not specify the reasons for termination. We remain committed to advance the clinical development of this product candidate on our own and will have no further obligation to Janssen Pharmaceutica in this regard.

We have commenced enrollment of FITZROY, a 180-patient, 20-week Phase 2 clinical trial of filgotinib in patients with CD, and we expect to announce 10 week results from this trial in the second half of 2015. Filgotinib is being developed under an exclusive collaboration agreement with AbbVie, under which we expect a licensing decision by AbbVie in the second half of 2015. See “—Collaborations—Exclusive Collaboration for JAK Inhibitors.”

In December 2014, we commenced enrollment of ORIGIN, a 60-patient, 12-week clinical trial of GLPG1205 in patients with UC, and we expect to announce topline data from this trial in the first half of 2016.

CD and Limitations of Current Treatments

CD is an IBD causing chronic inflammation of the gastrointestinal, or GI, tract with a relapsing and remitting course. The prevalence estimates for CD in North America range from 44 cases to 201 cases per 100,000 persons. In Europe, prevalence varies from 37.5 cases to 238 cases per 100,000 persons, according to a January 2014 GlobalData PharmaPoint report. The disease is slightly more common in women, with a peak incidence at the age of 20 to 40 years. The cause of CD is unknown; however, it is believed that the disease may result from an abnormal response by the body’s immune system to normal intestinal bacteria.

The disease is characterized by inflammation that may affect any part of the GI tract from mouth to anus, but most commonly the distal small intestine and proximal colon, causing a wide variety of symptoms including anemia, abdominal pain, diarrhea, vomiting, and weight loss. The characteristic inflammatory response of CD is focal transmural inflammation, frequently associated with granuloma formation, which may evolve to progressive damage over time.

Treatment of CD will depend on severity of the disease. The main goal of treatment is to stop the inflammation in the intestine, prevent flare-ups and keep patients' disease in remission. While mild to moderate symptoms may respond to an antidiarrheal medicine, antibiotics, and other medicines to control inflammation, severe symptoms are often treated with anti-TNF agents. Anti-TNF agents, however, do not work for all patients, and, in patients who do find therapeutic benefit, they can lose their effect over time as a result of relapse. Anti-TNF agents have also demonstrated side effects arising from long term suppression of the immune system including increased rate of infections. Unlike in RA, few biologics have been approved in CD and, as such, caregivers have a more limited number of available treatments.

The market for CD therapies, across the 10 main healthcare markets, was approximately $3.2 billion in 2012 and is estimated to exceed $4.1 billion in 2022, according to a January 2014 GlobalData PharmaPoint report, driven primarily by use of anti-TNF agents. The primary existing brands are shown in the table below.

Brand	**Drug Class**	**Company**
Remicade (infliximab)	Anti-TNF agent	Johnson & Johnson
Humira (adalimumab)	Anti-TNF agent	AbbVie
Cimzia (certolizumab pegol)	Anti-TNF agent	UCB
Tysabri (natalizumab)	Integrin inhibitor	Biogen Idec
mesalamine/olsalazine/ sulfasalazine/balsalazide	Intestinal anti-inflammatory	generic

The Potential of JAK Inhibitors for the Treatment of CD

As with RA, dysregulation of the JAK-STAT signaling pathway has been associated with CD. Accordingly, we believe that drugs with high selectivity for JAK1 and less selectivity for JAK2 and JAK3 are likely to be attractive candidates for development in CD. By inhibition of JAK1 but not JAK2, unwanted effects such as anemia may be prevented. Complications surrounding anemia are of particular importance to IBD patients, who frequently experience fecal blood loss. We therefore believe there continues to be a significant unmet medical need in CD treatment for an oral, highly selective JAK1 inhibitor that allows for the efficacy benefits of a highly selective JAK1 inhibitor with a more favorable side effect profile driven by less selectivity to JAK2 and JAK3.

We are also developing filgotinib for treatment of CD to address the limitations of existing CD therapies. Through our FITZROY clinical program, we hope to demonstrate the following clinical and product benefits of filgotinib for the treatment of CD:

- **Safety**: That filgotinib will be well tolerated, will show an absence of treatment-induced anemia, will show marginal increase of LDL cholesterol and will result in an overall lower infection rate as compared to other approved CD therapies.
- **Efficacy**: That filgotinib will demonstrate rapid onset of action and durable efficacy equivalent to or better than other approved biologic therapies for CD.
- **Convenience:** That filgotinib will enable oral dosing, as there are currently no approved oral therapies for CD.
- **Combination with other therapies:** That filgotinib can be safely combined with other therapies commonly prescribed to CD patients, due to its very low risk of drug-drug interactions.

Our Clinical Program for Filgotinib for CD

Filgotinib is currently in Phase 2 clinical development for CD and has shown favorable activity in pre-clinical models for IBD. We expect to complete recruitment for FITZROY, our Phase 2 trial in CD with filgotinib, in 2015. This innovative trial is designed to enroll up to 180 patients with CD, evaluating the induction of disease remission at 10 weeks and clinical response and other parameters with up to 20 weeks of treatment. Patients are being recruited from 49 centers in Eastern and Western Europe. Topline results of 10 weeks of treatment in the CD trial are expected in the second half of 2015. Pending a successful outcome of the FITZROY trial, a global Phase 3 clinical program in CD is expected. Because the FITZROY trial is not being conducted within the United States, we have not submitted an IND for this product candidate.

Below is an overview of the design for the FITZROY clinical trial.

Trial Name	**FITZROY (GLPG0634-CL-211)**
Trial Design	Double-blind, placebo-controlled add-on to stable background treatment (e.g., corticosteroids, aminosalicylates or CD-related antibiotics). Two trial parts: 10 weeks Part 1 + re-randomization +10 weeks Part 2. Part 1 – two trial arms: • one daily dose level: 200 mg (q.d.) • placebo Part 2 – three trial arms: • two daily dose levels: 100 mg and 200 mg • one dose regimen for each dose level: once (q.d.) • placebo
Patient Population	Subjects with active CD with evidence of mucosal ulceration.
Trial Objective	Proof-of-concept trial of filgotinib for the treatment of active CD.
Anticipated Number of Subjects Randomized	180
Total Treatment Duration	20 weeks
Primary Trial Objective	At week 10: Efficacy in terms of the percentage of subjects achieving clinical remission (CDAI score of less than 150) following 10 weeks of treatment versus placebo.
Secondary Trial Objectives	• Efficacy in terms of percentage of subjects achieving clinical response, clinical remission, endoscopic response, endoscopic remission and mucosal healing compared to placebo • Safety, tolerability and PK • Effect of filgotinib on quality of life, on selected PD/biomarkers and histopathological features of the intestinal mucosa • Develop an exposure-response model between filgotinib /major metabolite exposure and selected PD/biomarkers or efficacy markers

Phase 1 Trial / Pre-clinical Study

In a pre-clinical study, we demonstrated encouraging activity results in a mouse dextran sodium sulfate, or DSS, induced colitis model. In our Phase 1 clinical trial for filgotinib described above, we demonstrated a sustained effect over a 24-hour period with a very low risk of drug-drug interaction.

UC and Limitations of Current Treatments

UC is an IBD causing chronic inflammation of the lining of the colon and rectum. Unlike CD, UC involves damaging inflammation of only the colon and rectum. The disease often presents in young adulthood. In patients with moderate to severe UC the symptoms include frequent loose bloody stools, anemia, abdominal pain, fever, and weight loss. UC affected nearly 625,000 people in the United States in 2012, according to a December 2013 GlobalData EpiCast report.

The ultimate aim in the treatment of UC is to change the natural course of the disease by slowing down or halting its progression, thus avoiding surgery or hospitalization. The current standard treatment for mild-to-moderate UC is 5-aminosalicylates, or 5-ASA. Given either orally or rectally, these drugs work to decrease inflammation in the lining of the intestines. For patients who do not respond to 5-ASA, other treatment options include corticosteroids, immunomodulators, biological therapies, such as anti-TNF agents, and cyclosporin. Surgery may be necessary for patients with refractory UC. The global market for UC therapies was approximately $4.2 billion in 2012, and is estimated to grow to $6.7 billion in 2022, driven primarily by use of biological therapies, according to a September 2014 GlobalData PharmaPoint report.

Changes in UC treatment strategies, accompanied by advances in drug development and the addition of targeted biological therapies, have greatly improved the outcomes for patients. Although the introduction of anti-TNF agents has changed the treatment of refractory patients dramatically, only one-third or fewer patients will achieve long-term remission, and many of those patients will eventually lose their response. In addition, anti-TNF agents have known side effects including increased risk of infections. As such, the medical need in this patient segment is still considered to be significant.

The primary existing brands of UC therapies are shown in the table below.

Brand	**Drug Class**	**Company**
Remicade (infliximab)	Anti-TNF agents	Johnson & Johnson
Humira (adalimumab)	Anti-TNF agents	AbbVie
Simponi (golimumab)	Anti-TNF agents	Johnson & Johnson
Entyvio (vedolizumab)	Integrin inhibitor	Takeda
azathioprine (AZA)	Purine analog (immunosuppressant)	generic
cyclosporine	Immunomodulator	generic
Lialda (mesalamime)	5-ASA	Shire
Asacol HD (mesalamime)	5-ASA	Actavis
Apriso (mesalamime)	5-ASA	Salix
Pentasa (mesalamime)	5-ASA	Ferring

Our Clinical Program for GLPG1205 for UC

GLPG1205 is a selective inhibitor of GPR84, a novel target for inflammatory disorders. GPR84 is a protein involved in the regulation of macrophages, monocytes, and neutrophils in the human immune system and is over-expressed in inflammatory disease patients. GPR84 antagonists such as GLPG1205 present a novel mode of

action for the treatment of inflammatory diseases. GLPG1205 targets diseases associated with up-regulation of GPR84 on inflammatory leukocytes, such as IBD and neuro-inflammatory disease, i.e., multiple sclerosis, through once-daily oral dosing. We identified GPR84 as playing a key role in inflammation, using our target discovery platform and we determined in a pre-clinical IBD model that GLPG1205 prevents colitis disease progression. GLPG1205 is fully proprietary, where we retain all development and commercial rights.

We have initiated ORIGIN, a 60-patient 12-week Phase 2a clinical trial of GLPG1205 in UC and the first patients received treatment in early 2015. The Phase 2a clinical trial is a multicenter, randomized, double-blind, placebo-controlled, exploratory proof-of-concept trial with two parallel 12 weeks of treatment groups in subjects with moderate to severe UC. Because the ORIGIN trial is not being conducted within the United States, we have not submitted an IND for this product candidate.

Below is an overview of the design for the ORIGIN clinical trial.

Trial Name	**ORIGIN (GLPG1205-CL-211)**
Trial Design	Double-blind, placebo-controlled, monotherapy. Two trial arms: • one daily dose level: 100 mg (q.d.) • placebo
Patient Population	Subjects with moderate to severe UC
Trial Aim	Proof-of-concept trial of GLPG1205 for the treatment of active UC
Anticipated Number of Subjects Randomized	60
Total Treatment Duration	12 weeks
Primary Trial Objective	At week 8: Efficacy by use of Mayo score comparing results with baseline versus placebo
Secondary Trial Objectives	• Efficacy by use of partial Mayo score and by use of histopathological Geboes (at week 8) comparing results with baseline versus placebo • Safety, tolerability and PK • Effects of GLPG1205 on selected biomarkers

Phase 1 Trial/ Pre-clinical Study

Pre-clinically we have shown that GPR84 plays a key role in IBD and that GLPG1205 is a selective inhibitor of GPR84. We have demonstrated in our pre-clinical models *in vivo* activity in IBD with our GPR84 inhibitor. GLPG1205 prevents neutrophil and macrophage chemotaxis induced by specific triggers and it prevents colitis disease progression in the chronic mouse IBD model. In a Phase 1 proof-of-concept trial, GLPG1205 was shown to be well tolerated in healthy volunteers up to 100 mg daily. It demonstrated a favorable PK and PD profile and an ability to engage GPR84 on a sustained basis.

Our CF Program

Recent advances in CF research have led to the development of therapies designed to treat the underlying cause of CF rather than to merely address symptoms. We believe this will lead to novel medicines for CF patients with the potential to both improve their quality of life as well as prolong it. CF results from mutations in the gene that encodes the CFTR protein. Although there are more than 1,900 different genetic mutations that cause CF, the Class II (F508del) mutation of CFTR is the most prevalent and is present in approximately 90% of all CF patients and thus represents the largest opportunity within the CF patient population. We are developing therapies that seek to address this significant unmet need.

We initially are developing a novel oral potentiator, GLPG1837, that we believe has the potential to be a best-in-class therapy for Class III (G551D) CF patients, the same mutation which is targeted by the only therapy currently approved to address the cause of CF, Kalydeco, marketed by Vertex. The Class III (G551D) mutation represents approximately 4% of all CF patients. In order to address the unmet need in patients with Class II or other mutations, and to have a clinically meaningful impact on CFTR function, which we estimate to be greater than 50% restoration of CFTR activity in most CF patients, we believe that a combination of novel molecules ultimately will be required. To that aim, we plan to develop a robust portfolio of potentiator and corrector molecules. We believe this will increase our chances of success and will also allow us to achieve the highest possible improvement in CFTR function for CF patients. Accordingly, we are also developing multiple CF corrector molecules that combined with GLPG1837 could be used in combination therapy to treat a broader spectrum of CF patients. We are also investigating possible combinations of our CF drug candidates with those of other companies to improve CFTR restoration across a broad spectrum of CF mutations.

Our novel GLPG1837 potentiator candidate is currently in a Phase 1 clinical trial with topline results expected in the third quarter of 2015. Our first oral corrector candidate, GLPG2222, is in pre-clinical development, with a Phase 1 clinical trial anticipated to begin in the second half of 2015. We have additional corrector programs in early-stage discovery, and we aim to nominate a candidate out of these programs in the first half of 2015. In a pre-clinical cellular assay study, we demonstrated that the combination of GLPG1837 plus GLPG2222 and one of our C2 corrector molecules resulted in up to 60% restoration of CFTR function in cells from Class II patients. These pre-clinical studies suggest to us that a triple combination therapy has the potential to offer a compelling therapeutic option for Class II CF patients. By the middle of 2015 we expect to have all three components of this therapy in development.

In addition, we have preliminary pre-clinical data which suggests that Galapagos candidate drugs in combination with facilitated mRNA translation agents potentially can restore clinically meaningful CFTR function in Class I mutation patients.

We have entered into an exclusive collaboration agreement with AbbVie to discover, develop and commercialize novel CF modulators. AbbVie and we are working collaboratively, contributing technologies and resources to develop and commercialize oral drugs that address the main mutations in CF patients, including Class II and Class III. See “—Collaborations—Exclusive Collaboration for CFTR Modulators (CF).”

We believe our CF modulators have the potential to offer important advantages compared to currently approved therapies as well as other therapies under development:

- disease modifying activity in Class II/III mutations in CF;
- regaining greater than 50% of CFTR activity, important for achieving compelling clinical efficacy;
- improved risk/benefit compared to standard of care;
- small molecules allowing for oral administration;
- adequate safety for chronic use, including pediatric application;
- no adverse interactions with drugs commonly taken by CF patients, including antibiotics and anti-inflammatory drugs; and
- effective in homo- & heterozygous patients.

We believe that we are well positioned in CF due to our:

- robust portfolio of CF modulators, including prolific chemistry with multiple binding modes to modulate CFTR;
- unique assay cascade, including primary cells from CF patients, for screening of candidate drugs that modulate the CFTR protein;

- expertise in working since 2005 with a broad discovery platform containing highly relevant disease assays starting from cells from CF patients; and
- collaborative partnership with AbbVie, which is an expert in combination therapies and committed to the CF field.

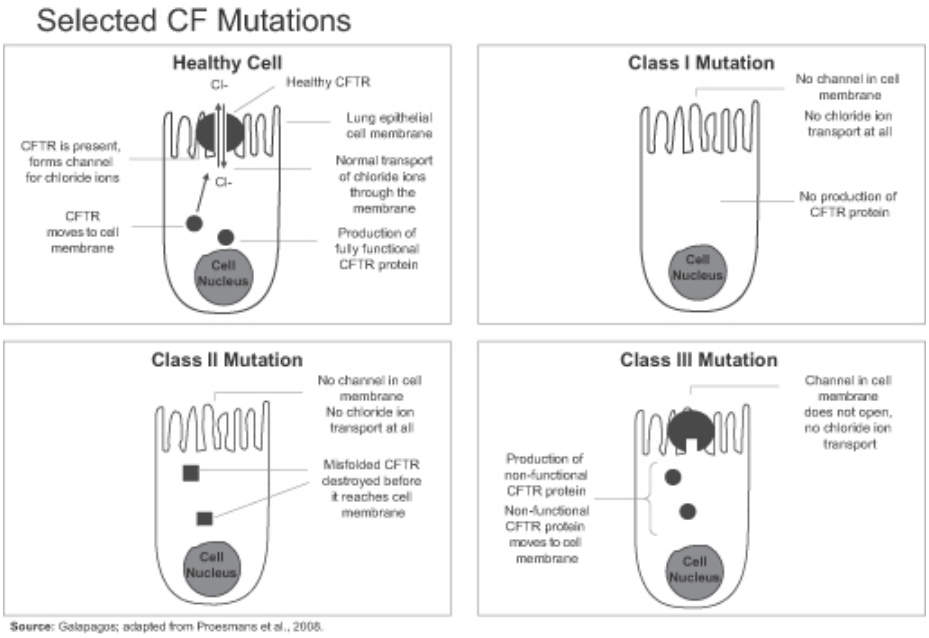
CF

CF is a rare, life-threatening, genetic disease that affects approximately 80,000 patients worldwide and approximately 30,000 patients in the United States. CF is a chronic disease that affects the lungs and digestive system. CF patients, with significantly impaired quality of life, have an average lifespan approximately 50% shorter than the population average, with the median age of death at 27. There currently is no cure for CF. CF patients require lifelong treatment with multiple daily medications, frequent hospitalizations and ultimately lung transplant, which is life-extending but not curative. In the United States, a CF patient on average incurs approximately $50,000 per year, or $1,350,000 over his or her lifetime, in outpatient expenses alone and substantial additional costs for frequent hospitalizations. Kalydeco, the only approved therapy for the underlying cause of CF, adds approximately $300,000 of additional costs per year.

CF is caused by a mutation in the gene for the CFTR protein, which results in abnormal transport of chloride across cell membranes. Transport of chloride is required for effective hydration of epithelial surfaces in many organs of the body. Normal CFTR channel moves chloride ions to outside of the cell. Mutant CFTR channel does not move chloride ions, causing sticky mucous to build up on the outside of the cell. CFTR dysfunction results in dehydration of dependent epithelial surfaces, leading to damage of the affected tissues and subsequent disease, such as lung disease, malabsorption in the intestinal tract and pancreatic insufficiency.

Individuals who carry two copies of a defective CFTR gene, referred to as homozygous, are typically affected by CF and show symptoms of the disease. Individuals who carry one copy of a defective CFTR gene are called carriers. Carriers are typically unaffected by CF and show no symptoms of the disease. Individuals who carry one copy each of two different defective CFTR genes, referred to as heterozygous, are typically affected by CF and show symptoms of the disease. Today, the majority of CF patients are diagnosed at birth through newborn screening and the majority of diagnosed patients have been genotyped, up to 97% in the United States. There are more than 1,900 known mutations in the CFTR gene, some of which result in CF. Mutations in the CFTR gene can be classified into five classes according the mode by which they disrupt the synthesis, traffic and function of CFTR, as described in the table below.

Class	CFTR Dysfunction	CFTR Impact	Commentary	
I	Absent functional CFTR	Protein translation	Leads to no CFTR on cell membrane	“Severe” Mutations ~96% of patients
II	Absent function CFTR	Protein folding	CFTR can’t reach cell surface (F508del most common Class II)	
III	Defective channel regulation	Function	CFTR on cell surface but can’t be activated (G551D most common Class III)	
IV	Defective CFTR channel	Function	CFTR on cell surface but chloride channel is unable to function properly	“Mild” Mutations
V	Reduced function & synthesis	Reduced number & CFTR degradation	CFTR made at insufficient levels or degrades too quickly	



Source: Galapagos; adapted from Proesmans et al., 2008.

Two of the most prevalent mutations in the CFTR gene are Class II and Class III, including the F508del mutation and the G551D mutation, respectively. In Class II patients having insufficient CFTR reaching the membrane, about half of the patient population have the F508del mutation on both alleles, the so-called homozygotes. For clinical trials, these patients form a homogenous group. About the other half of the Class II patient population have the F508del mutation on one allele only and carry another mutation on the second allele; they are called the heterozygotes. Also this other mutation impairs the correct processing of CFTR. As the group is less homogenous, clinical trials have proven to be more difficult. The F508del mutation is sometimes called a “processing” mutation because it results in a defect in the CFTR protein in which the CFTR protein does not reach the surface of cells in sufficient quantities. The G551D mutation, a Class III mutation, is sometimes called a “gating” mutation because it results in a defect in the CFTR protein in which the defective CFTR protein reaches the surface of a cell but does not efficiently transport chloride ions across the cell membrane. Most therapeutic approaches under development for CF target the defects caused by one or both of these mutations. Given the prevalence of the F508del mutation, a compound that corrects the effect of the F508del mutation can, beside for patients with Class II mutations only, also be used for combination therapy approaches in heterozygous patients with Class I and Class III mutations.

The Potential of CFTR Modulators (Potentiators and Correctors) for the Treatment of CF

There is no cure for CF, and to date, all but one of the therapies approved to treat CF patients have been designed to treat the symptoms rather than address the underlying cause of the disease. The market for CF therapies, across the six main healthcare markets, exceeded $1 billion in 2012 and is to exceed $5 billion in 2018 according to a July 2014 GlobalData OpportunityAnalyzer report, primarily driven by introduction of disease modifying treatments. To treat the symptoms of disease, such as CF-associated malnutrition, diabetes, lung disease and systemic inflammation, an aggressive combination of specific therapies is required. To address the cause of the disease, the primary focus has been on a class of drugs known as CFTR modulators.

Two types of disease-modifying CFTR modulators are the primary area of focus for therapies under development. Potentiator molecules are designed to restore the flow of ions through an activated CFTR by influencing the channel’s open probability. Potentiator molecules can only function if CFTR is already present in the cell membrane (Class III/IV) mutations. Corrector molecules are designed to overcome defective protein processing by restoring proper folding of CFTR and allowing for increased surface expression (Class II mutations).

Kalydeco, marketed by Vertex, is currently the only approved therapy to address the cause of CF. Kalydeco is an orally-administered CFTR potentiator for the treatment of patients two years of age and older with CF who have the Class III (G551D) mutation in their CFTR gene. Kalydeco is designed to keep the CFTR protein channels on the cell surface open longer in order to increase the flow of salt and water into and out of the cell. However, this treatment is limited to the subset of patients who suffer from the Class III and other gating mutations of the CFTR gene. Class III mutations occur in only a small percentage of patients with CF (4%).

In contrast, the Class II F508del mutation affects approximately 90% of all CF patients. In these patients, CFTR is not expressed at the cell surface and cannot be potentiated by drugs like Kalydeco (that can only function if CFTR is already present in the cell membrane). Small molecule corrector approaches aim to transport the non-functional Class II CFTR protein to the cell membrane. Other companies currently developing small molecule correctors include Vertex, Pfizer, Genzyme, Targeted Genetics and Bayer. To date, however, there are no approved corrector molecules on the market.

The Class I mutations affect approximately 10% of all CF patients. This mutation shortens the length of the CFTR protein and leads to complete loss of CFTR function. To date, there are no approved molecules on the market to treat this mutation.

Lumacaftor (VX-809), which is being developed by Vertex, is a small molecule corrector being studied in patients with two copies (homozygous) of the Class II (F508del) mutation in their CFTR gene for use in combination with Kalydeco. In June 2014, Vertex announced that its two Phase 3 clinical trials of lumacaftor, when used in combination with Kalydeco in CF patients homozygous for the Class II (F508del) mutation, showed statistically significant improvement in the trial's primary endpoint of improved lung function, compared to placebo. Vertex also showed statistically significant reductions in pulmonary exacerbations in the pooled analysis of both studies. Other signs of clinical improvement were either limited or not statistically different from placebo.

Despite the approval of Kalydeco and the pending approval of Kalydeco/lumacaftor combinations, there is need for better therapies with improved pulmonary function. Though many pediatric patients have normal lung function at the time of diagnosis, physicians generally believe that earlier treatments can have downstream benefits for the patient by slowing the deterioration in lung function.

We believe that restoration of CFTR function in cellular assays may be predictive of clinical outcomes. Specifically, review of Vertex patient and cellular data has shown strong correlation as reflected in Diagram A. In the case of patients with F508del mutation, the administration of Kalydeco and lumacaftor combination resulted in approximately 20% restoration of normal, or wild-type, CFTR. The clinical outcome reflected in Vertex's Phase 3 trial and primary endpoint was that 46% of patients showed an FEV1 improvement of greater than or equal to 5%. Forced expiratory volume (FEV1) levels are a measurement of the volume of air that can be forcibly blown out in one second after full inspiration. Further, as reflected in Diagram B, for patients with G551D mutation, the administration of Kalydeco resulted in approximately 30% restoration of wild-type CFTR. The clinical outcome reflected in Vertex' Phase 3 trial and primary endpoint was that 75% of patients showed an FEV1 improvement of greater than or equal to 5%.

Diagram A

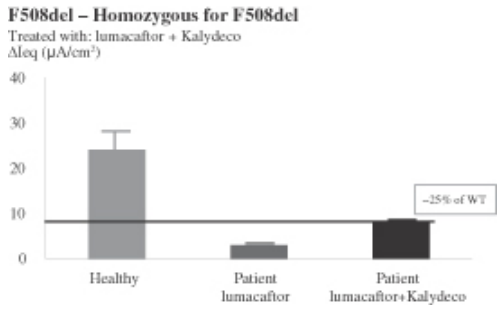
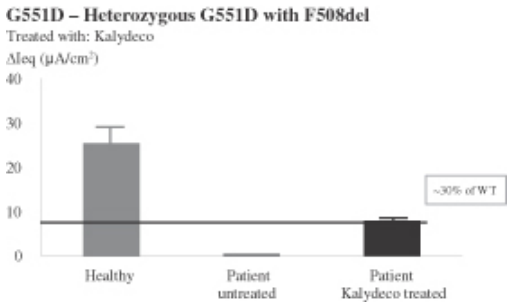


Diagram B



We believe these studies demonstrate that cellular models can be used to identify novel molecules to treat Class II and Class III mutations and select those combinations that can restore wild-type CFTR to greater than 50%, a threshold that we believe needs to be achieved to lead to disease remission in patients.

We also have preliminary pre-clinical data which suggests that our CFTR-modulating candidates when used in combination with facilitated mRNA translation agents potentially can restore clinically meaningful CFTR function in Class I mutation patients.

Galapagos Novel Modulator Combinations for Treating CF

We are developing novel oral corrector-potentiator combinations for the treatment of CF patients with the Class II F508del mutation, including both homozygous and heterozygous patients. Our aim is to develop multiple correctors and multiple potentiators for patients with this mutation, and we have been successful in identifying multiple candidates in each focus area thus far. We do this to increase our chances of success in the event that molecules fail along the development path, but also to achieve the highest possible improvement in CFTR function for these patients. We believe that multiple drugs will ultimately need to be used in combination in order to achieve compelling clinical efficacy.

Therapies that restore CFTR function through a combination of correctors and potentiators improve hydration of the lung surface and subsequent restoration of mucociliary clearance. We are focused on increasing the percentage of wild-type CFTR restored to greater than 50%. We believe that a potentiator/corrector combination restoring more than 50% of healthy function CFTR will have a substantially positive impact on the quality of life of Class II patients and can reverse disease. We also believe it is important to use drug-drug interaction such as interference with the working of antibiotics, an important class of medication for CF patients, as a key screening criterion in our CF programs.

We have identified multiple series of novel corrector molecules that enhance the restoration of CFTR in combination with our novel potentiator, GLPG1837. Based on pre-clinical data, we believe that our potentiator GLPG1837 has the potential to offer a superior efficacy and safety profile compared to Kalydeco, important for Class III positioning, but also important for forming the potentiator component of superior combination therapies for Class II mutation patients as well.

Diagram C below summarizes the results of a pre-clinical evaluation of our GLPG1837 potentiator and Vertex's Kalydeco potentiator in heterozygous donor cells from a single donor with the G551D and F508del mutations. The first bar shows the control. The second bar shows the activity of the Kalydeco potentiator, which achieved approximately 30% wild-type restoration on average in this assay. The third bar shows the activity of our GLPG1837 potentiator, which achieved approximately 50% wild-type restoration on average in this assay.

Diagram D below summarizes the results of a pre-clinical evaluation various corrector plus potentiator combinations in homozygous donor cells from a single donor with the F508del mutation. The first bar shows the control. The second bar shows the activity of the Kalydeco potentiator in combination with the lumacaftor corrector, which achieved approximately 20% wild-type restoration on average in this assay. The third bar shows the activity of our potentiator GLPG1837 in combination with our corrector GLPG2222, which achieved approximately 30% wild-type restoration on average in this assay. The fourth bar shows the activity of our potentiator GLPG1837 in combination with our corrector GLPG2222 and another corrector candidate, which achieved approximately 60% wild-type CFTR restoration across all donor cells in this assay.

Diagram C

'1837: Superior Potentiator

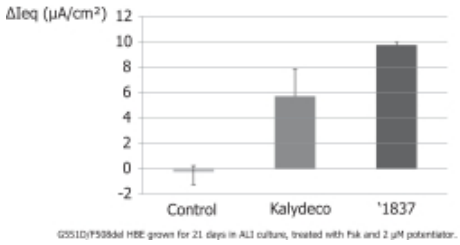
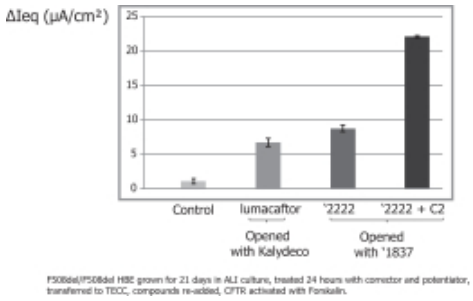


Diagram D



We also have preliminary pre-clinical data which suggests that certain of our candidate drugs, in combination with facilitated mRNA translation agents, may potentially restore clinically meaningful CFTR function in Class I mutation patients.

GLPG1837

Phase 1 Trial

We selected GLPG1837 as a pre-clinical candidate potentiator drug late in 2013. In December 2014, we initiated a Phase 1 clinical trial for GLPG1837. We expect topline results in the third quarter 2015. The trial is a first-in-human, randomized, double-blind, placebo-controlled, single center Phase 1 trial evaluating single, or SAD, and multiple ascending oral doses, or MAD, of GLPG1837 in healthy subjects. The trial is designed to include five cohorts of healthy volunteers that participate to one or more treatment periods. In the SAD part of the trial the ascending doses alternate between cohorts which run in parallel. Other cohorts are executed consecutively and only upon successful completion of the SAD part of the trial. Pending a successful outcome from this trial, we intend to initiate a Phase 2a clinical trial with GLPG1837 in Class III patients. Because this Phase 1 trial is not being conducted within the United States, we have not submitted an IND for this product candidate.

Pre-clinical Data

We presented data from the novel potentiator series from which GLPG1837 was selected showing good metabolic stability and permeability, affording favorable PK profiles and very low risk of drug-drug interactions.

GLPG2222

We have nominated our first corrector candidate, GLPG2222, for further preparations toward entering Phase 1 trials in 2015. Based on pre-clinical data, GLPG2222, in combination with potentiator GLPG1837, restores approximately 30% of healthy CFTR function, and 60% in combination with GLPG1837 plus other molecules from our other corrector series. Because this Phase 1 trial will not be conducted within the United States, we have not submitted an IND for this product candidate.

Other Corrector Series under Development

We have several complementary series of corrector compounds from which to select more correctors to work in combination with GLPG1837 and GLP2222 for the F508del mutation. We intend to select a second corrector candidate in the first half of 2015. We will continue to explore backups for each lead compound of the complementary series.

Our IPF Program

With GLPG1690, a potent and selective inhibitor of ATX, we discovered a novel mode of action with potential application in pulmonary diseases. We identified ATX as playing a key role in inflammation, using an inflammation assay in our unique target discovery platform. Pharmacology and translational studies published by other parties since then suggest that ATX may play a key role in metabolic disease, arthritic pain, oncology, and lung disease.

ATX is a secreted enzyme with lysophospholipase D activity responsible for the production of bioactive LPA. LPA signals through several receptors to control a range of cell activities such as migration, contraction and proliferation. In published studies, LPA levels have been shown to be increased in bronchoalveolar lavage, or BLA, fluid, and in exhaled breath condensate, of IPF patients, and ATX levels have been shown to be elevated in the lung tissue of IPF patients. Bristol-Myers Squibb has initiated a Phase 2 proof-of-concept trial in IPF patients with an LPA1 receptor antagonist.

We evaluated GLPG1690 in a preclinical lung fibrosis model (mouse bleomycin) and observed effects on reducing the fibrotic score, numerically favoring GLPG1690 over pirfenidone, an anti-fibrotic drug for the treatment of IPF.

GLPG1690 has completed a Phase 1 first-in-human trial. We announced Phase 1 results from this trial in February 2015. The aim of this trial was to evaluate the safety, tolerability, PK, and PD of oral single and multiple ascending doses of GLPG1690. The randomized, double-blind, placebo-controlled, single center trial was conducted in 40 healthy volunteers in Belgium. In the first part of the trial, single ascending doses were evaluated. In the second part, GLPG1690 was administered daily for 14 days. In this study, GLPG1690 was shown to be well-tolerated up to 1000 mg daily dose and demonstrated a favorable pharmacokinetic profile. Moreover, in this trial GLPG1690 demonstrated the ability to reduce plasma LPA levels on a sustained basis, implying ATX engagement. Because this Phase 1 trial was not conducted within the United States, we did not submit an IND for this product candidate.

We are currently preparing a Phase 2 trial in idiopathic pulmonary fibrosis, or IPF, and we expect to file the Clinical Trial Application, or CTA, in this respect before the end of 2015.

GLPG1690 was initially developed in collaboration with Janssen Pharmaceutica, which returned its rights in March 2015 as part of the termination of the larger research alliance between Janssen Pharmaceutica and us. The notice at the time did not specify the reasons for termination. We remain committed to advance the clinical development of this product candidate on our own and will have no further obligation to Janssen Pharmaceutica in this regard.

IPF and current treatment options

IPF is a chronic, relentlessly progressive fibrotic disorder of the lungs that typically affects adults over the age of 40. According to an April 2013 GlobalData EpiCast report, the prevalence of IPF is <30/100,000 in both Europe and the United States, and, as such, we believe that IPF is eligible for orphan designation in these jurisdictions. The clinical prognosis of patients with IPF is poor as the median survival at diagnosis is 2–4 years. Currently, no medical therapies have been found to cure IPF. The medical treatment strategy aims to slow the disease progression and improve the quality of life. Lung transplantation may be an option for appropriate patients with progressive disease and minimal comorbidities.

Regulatory agencies have approved Esbriet (pirfenidone) and Ofev (nintedanib) for the treatment of mild to moderate IPF. Both pirfenidone and nintedanib have been shown to slow the rate of functional decline in IPF and are likely to become the standard of care worldwide. These regulatory approvals represent a major breakthrough for IPF patients; yet neither drug improves lung function and the disease in most patients on these therapies continues to progress. Moreover, the adverse effects associated with these therapies are considerable (*e.g.*, diarrhea, liver function test abnormalities with nintedanib versus nausea and rash with pirfenidone). Therefore, there is still a large unmet medical need as IPF remains a major cause of morbidity and mortality. According to an April 2013 GlobalData OpportunityAnalyzer report, growth in the United States and European Union idiopathic IPF markets is expected in the near future with forecasted IPF sales in 2017 of over $1.1 billion.

Our Novel, Proprietary Target Discovery Platform

We believe our target discovery platform provides a significant and substantial competitive advantage in our portfolio of novel mode of action medicines as it:

- closely mimics the *in vivo* situation through a combination of knock down of a given protein in a primary human cell with relevant trigger and readout for a specific disease phenotype;
- allows for the identification of the optimal point to intervene in a disease pathway in order to develop more effective drugs for that disease; and
- enables us to rapidly analyze all of the drugable genome and select pharmaceutically tractable protein targets directly by their ability to regulate key disease biology.

Our product candidates in Phase 2 clinical development, filgotinib and GLPG1205, both act on targets whose role in the specific disease were discovered by us using our discovery platform and are proof of success of our approach. Filgotinib acts on JAK1 and, we believe, has shown potential to have a best-in-class profile in RA clinical trials. GLPG1205 acts as a GPR84 inhibitor and has shown activity in an IBD animal model and is currently being tested in a Phase 2 UC trial.

The human genome is made up of tens of thousands of genes which code for the proteins that make up the human body. Nearly all chronic diseases and disorders are caused by a disruption in the normal function of certain proteins. The main goal of pharmaceutical companies is to design drugs that alter the activity of these proteins so that normal function returns and the cause of the disease is minimized or eliminated. One of the main obstacles in discovering new drugs is to understand exactly which of the body's thousands of proteins play a key role in a particular disease. Once these proteins are discovered, they become targets for drug design. Finding these targets is one of the critical steps in the drug discovery process.

Our approach to target discovery is unique as our discovery platform focuses on target identification using primary human cells, which we believe provides the best system to study the effect that a protein might have on the disease in the human body. Moreover, we concentrate our efforts on so called "drugable" proteins and utilizing our high throughput screening technology can efficiently screen these protein targets in human cells. We believe that our discovery approach increases the chances of success in bringing new mode of action drugs to the market. Since

2009, 23 pre-clinical candidates have been generated by us using the discovery platform, of which 18 have novel modes of action. Of this number, 10 have entered the clinic, of which eight have novel modes of action.

In order to study proteins in human cells, we take advantage of the distinctive properties of adenoviruses. Adenovirus is the virus that causes the common cold and has the capability to infect almost every type of human cell. The adenoviruses we work with have been engineered to act as a shuttle vehicle, allowing the delivery of specific pieces of DNA into human cells. Additionally, these viruses have made replication incompetent, meaning they do not replicate in the human cell they infect, which means they do not interfere with the processes in the cell. We have engineered the viruses to carry small pieces of DNA, specific for the drugable genes. When the virus enters the cell, a short sequence of RNA is produced that is processed in the cell to become "short interfering RNA", or siRNA, that specifically interferes with the mRNA of the protein it was designed for. By using these viruses, we can cause the cells to block, or "knock-down," the production of a certain protein, mimicking what a small molecule drug does in the human body. We have built a collection with these adenoviruses, now in excess of 20,000 viruses, that addresses almost 6,000 drugable genes.

Our drug discovery research is based on the targets discovered using this technology. Once a target is validated, it is tested against large collections of chemical small molecules to identify chemical structures that interact with the target and block or activate protein production. These chemical structures are then optimized to obtain "drug-like" characteristics followed by testing of the drug candidate in the clinic.

We currently have 20 different discovery programs which we are advancing toward clinical development. In addition to additional targets and molecules in our RA, IBD, and CF programs, we explore new modes of action in osteoarthritis, anti-infectives, metabolic diseases, fibrosis and immune inflammation.

Collaborations

We have entered into multiple collaboration agreements with pharmaceutical partners, which have generated approximately $470 million in cash to date to fund discovery and development. We expect to continue to collaborate selectively with pharmaceutical and biotechnology companies to leverage our discovery platform and accelerate product candidate development. Our current alliances with AbbVie include:

Exclusive Collaboration for JAK Inhibitors

In February 2012, we entered into a global collaboration agreement with AbbVie (as successor in interest) to develop and commercialize a JAK1 inhibitor with the potential to treat multiple autoimmune diseases. Under the collaboration agreement, filgotinib (GLPG0634) was selected as the lead compound for study, initially in the field of RA. In April 2013, we entered into an amendment of the collaboration agreement in order to expand the initial development plan for filgotinib in RA. In May 2013, we entered into a second amendment of the collaboration agreement in order to expand the clinical development plan for filgotinib to the field of CD and UC.

In connection with our entry into the collaboration agreement we received a one-time, non-refundable, non-creditable upfront payment in the amount of $150 million, and in connection with the first amendment to the collaboration agreement we received a one-time, non-refundable, non-creditable upfront payment in the amount of $20 million.

The collaboration is managed by a set of joint committees comprised of equal numbers of representatives from each of us and AbbVie. The joint steering committee, or JSC, oversees and coordinates the overall conduct of the collaboration. The joint development committee develops the strategies for and oversees the development of the licensed products. The joint commercialization committee will oversee and develop the strategies for commercialization of co-promoted licensed products in The Netherlands, Belgium and Luxembourg if we elect to exercise our co-promotion option, as described below.

Under the terms of the collaboration, we are required to use commercially reasonable efforts to undertake the Phase 2 clinical development of the lead compound, filgotinib, or any other follow-on compound, provided

the JSC elects to develop such compound instead of filgotinib in accordance with a development plan and budget approved in accordance with the collaboration agreement. In the event the JSC determines that obtaining or maintaining regulatory approval for filgotinib would not be feasible, then AbbVie may select a follow-on JAK1 inhibitor controlled by us to replace filgotinib as the lead compound. Alternatively, AbbVie may elect to terminate the agreement on a country-by-country basis with respect to the country or countries affected by such circumstances.

Following completion of our Phase 2 clinical trial of filgotinib for RA, we are required to submit a complete data package to AbbVie for its evaluation, after which AbbVie will have an opportunity to review and assess such data package and determine in good faith whether certain specified success criteria have been satisfied. If AbbVie determines that the success criteria have been satisfied, AbbVie will have an exclusive worldwide license to develop, manufacture and commercialize filgotinib for all diseases, subject to our co-promotion option in The Netherlands, Belgium and Luxembourg. If AbbVie determines that the success criteria have not been satisfied, it has the option, at its sole discretion, to either acquire this exclusive worldwide license, by delivering written notice to us of its election to enter into such license, or terminate the agreement in its entirety. Following in-licensing by AbbVie, AbbVie will be required to use its commercially reasonable efforts to develop, manufacture, register and commercialize filgotinib at its own cost worldwide, subject to our option to elect to co-promote in The Netherlands, Belgium and Luxembourg.

Upon the in-licensing by AbbVie of filgotinib, we will be entitled to receive a one-time, non-refundable, non-creditable payment in the amount of $200 million, and we will be eligible to receive additional milestone payments potentially amounting to $1.0 billion. In addition, we will be eligible to receive tiered royalty percentages ranging from the low double digits to the lower twenties on net sales of licensed products payable on a product-by-product basis. The royalties payable to us under the collaboration agreement may be reduced under certain circumstances, including if generic competition in a particular territory results in market share losses of a certain percentage. Our right to receive royalties under the collaboration agreement expires, on a product-by-product and country-by-country basis, on the later of: (1) the last day that at least one valid patent claim subject to the agreement and covering the licensed product exists, (2) the tenth anniversary of the first commercial sale of the licensed product in the applicable country, or (3) the expiration of regulatory exclusivity for the licensed product in the applicable country. In the event we exercise our co-promotion option with respect to a licensed product, we would assume a portion of the co-promotion effort in The Netherlands, Belgium and Luxembourg and share in the net profit and net losses in these territories instead of receiving royalties in those territories during the period of co-promotion.

Following completion of our Phase 2 clinical trial of filgotinib for CD, we are required to submit a complete data package to AbbVie for its evaluation, after which AbbVie will have an opportunity to make a good faith determination of whether certain specified success criteria have been satisfied. In the event that AbbVie has in-licensed filgotinib as described above, and AbbVie elects filgotinib for CD, whether by written notice or by initiating a Phase 3 trial of filgotinib for CD or UC, then AbbVie will be required to pay us an additional, one-time, non-refundable, non-creditable payment in the amount of $50 million.

Under the collaboration agreement, we have agreed to not directly or indirectly (including by means of licensing or otherwise), on our own or through a third party, research, develop, commercialize or manufacture any compound or product that inhibits enzymes in the JAK family (including, but not limited to, JAK1s), except as set forth in pre-existing agreements and pursuant to the collaboration agreement.

The collaboration agreement will expire upon the earlier of (1) the expiration of the first review period described above if AbbVie does not proceed with the in-licensing or (2) the expiration of the longest royalty term applicable to licensed products under the agreement if AbbVie does proceed with the in-licensing. Upon expiration of the collaboration agreement under (2), the licenses will become non-exclusive, fully-paid, royalty-free and irrevocable with rights to sublicense. Either we or AbbVie may terminate the agreement for the other

party's uncured material breach; however, if such breach relates solely to a breach with respect to AbbVie's commercialization diligence obligations in the United States, France, Italy, Spain, the United Kingdom or Germany, we may only terminate the agreement with respect to such country. Either we or AbbVie may terminate the agreement in the event of specified insolvency events involving the other party. AbbVie may also terminate the agreement, in its entirety or on a country-by-country basis, for convenience at any time (other than during the review period) upon prior written notice.

If the agreement terminates due to our material breach, all rights and licenses granted to AbbVie will become irrevocable, unrestricted and perpetual, and AbbVie will provide consideration for such rights and licenses in an amount to be mutually agreed between us and AbbVie. AbbVie will also have the right to determine if the license is exclusive or non-exclusive upon termination. If the agreement terminates in its entirety for any other reason, all rights and licenses granted by either party will terminate, and we will have an option to obtain an exclusive or non-exclusive license from AbbVie under certain intellectual property rights to exploit the licensed product that is the subject of development or commercialization at the time of termination. If we exercise such option, we and AbbVie will then negotiate a transition agreement which will include reasonable financial consideration to AbbVie. If the agreement is terminated in a specific territory, all rights and licenses granted by us will be deemed to be amended not to include such territory, and we will have a corresponding option to elect to obtain a license with respect to such terminated country and to enter into a transition agreement with AbbVie.

Either party may, without the consent of the other party, assign the agreement to an affiliate or successor. Any other assignment requires written consent of the other party. However, with respect to an assignment to an affiliate, the assigning party will remain responsible. If we undergo a change in control, AbbVie has the right to terminate the agreement in its entirety. Alternatively, AbbVie may disband all joint committees and undertake exclusive control of their activities if the change of control occurs after AbbVie has in-licensed filgotinib and/or terminate the co-promotion option or our right to co-promote, if the option has already been exercised.

Exclusive Collaboration for CFTR Modulators (CF)

In September 2013, we entered into a global collaboration agreement with AbbVie focused on the discovery and worldwide development and commercialization of potentiator and corrector molecules for the treatment of CF. In connection with our entry into the collaboration agreement we received a one-time, non-refundable, non-creditable upfront payment in the amount of $45 million. As of the date of this prospectus, we have received an additional $10 million as a development milestone payment under this agreement.

The collaboration is managed by a set of joint committees comprised of equal numbers of representatives from each of us and AbbVie. The JSC oversees and coordinates the overall conduct of the collaboration. The joint research committee, or JRC, oversees and coordinates the discovery phase of the collaboration. The joint development committee, or JDC, oversees and coordinates the development phase of the collaboration. The joint commercialization committee will oversee and develop the strategies for commercialization of co-promoted licensed products in The Netherlands, Belgium and Luxembourg if we elect to exercise our co-promotion option, as described below.

Under the terms of the collaboration, we and AbbVie are required to use commercially reasonable efforts to identify and deliver a specified number of potentiator molecules which may be used as a stand-alone product or in combination with a corrector molecule, and a specified number of corrector molecules to be used in combination with a potentiator molecule.

If (i) the JRC determines that a potentiator molecule and/or a corrector molecule have met certain specified criteria, or AbbVie otherwise decides to continue development, and (ii) an IND has been accepted for such potentiator molecule and/or a combination product candidate containing such potentiator and corrector molecules, we and AbbVie will develop and approve (through the JDC) a plan in connection with the Phase 1

and Phase 2 proof-of-concept clinical trials for the molecule or molecules. We are responsible for the Phase 1 and Phase 2 proof-of-concept clinical trials at our expense up to an agreed cost cap, and then each party will be responsible for the excess costs associated with its respective agreed upon development activities.

If certain criteria associated with the Phase 1 and Phase 2 proof-of-concept clinical trials are met or AbbVie otherwise decides to continue development, we and AbbVie will develop and approve (through the JDC) a plan in connection with Phase 3 clinical trials for the molecule or molecules, in which we are responsible for a specified percentage of the costs.

Following approval, AbbVie will have the sole right to commercialize licensed products worldwide, except in China and South Korea, in which we will have the sole right to commercialize licensed products, and further subject to our co-promotion option in The Netherlands, Belgium and Luxembourg. We will be solely responsible for obtaining regulatory and other approvals required for commercialization of licensed products in China and South Korea.

Under the agreement, we are eligible to receive up to $350 million in total additional developmental, regulatory and sales-based milestones. In addition, we will be eligible to receive tiered royalty percentages ranging from the mid-teens to twenty percent on net sales of licensed products payable on a product-by-product basis. The royalties payable to us under the collaboration agreement may be reduced under certain circumstances, including if generic competition on an active ingredient of a licensed product in a particular territory results in market share losses of a certain amount. Our right to receive royalties under the collaboration agreement expires, on a product-by-product and country-by-country basis, on the later of (1) the last day that at least one valid patent claim subject to the agreement and covering the licensed product exists, (2) the tenth anniversary of the first commercial sale of the licensed product in the applicable country, or (3) the expiration of regulatory exclusivity for the licensed product in the applicable country. In the event we exercise our co-promotion option with respect to a licensed product, we would assume a portion of the co-promotion effort in The Netherlands, Belgium and Luxembourg and share in the net profit and net losses in these territories instead of receiving royalties in those territories during the period of co-promotion.

Under the agreement, neither party may directly or indirectly (including by means of licensing, acquisition or otherwise), on its own or through a third party, research, develop, commercialize or manufacture any molecule, compound or product that has as one of its primary mechanisms of action modulation of the activity of CFTR.

The collaboration agreement will expire upon the expiration of the longest royalty term applicable to licensed products under the agreement as described above. Either we or AbbVie may terminate the agreement on a country-by-country basis in our respective jurisdictions if we are unable to secure or maintain regulatory approval for the licensed product. After development, but before the first commercial sale of any licensed product by AbbVie, AbbVie may terminate the agreement for convenience in its entirety or on a country-by-country basis upon prior written notice to us. Either we or AbbVie may terminate the agreement for the other party's uncured material breach; however, if such breach relates solely to a breach with respect to our diligence obligations in China or South Korea or AbbVie's commercialization diligence obligations in the United States, France, Italy, Spain, the United Kingdom or Germany, we or AbbVie may only terminate the agreement with respect to such country. Either we or AbbVie may terminate the agreement in the event of specified insolvency events involving the other party.

If the agreement terminates due to our material breach or as a result of a change of control, all rights and licenses granted to AbbVie will become exclusive or non-exclusive at AbbVie's sole option, irrevocable, unrestricted and perpetual, and AbbVie will provide consideration for such rights and licenses in an amount to be mutually agreed between us and AbbVie. If the agreement terminates in its entirety for any other reason, all rights and licenses granted by either party will terminate, and we will have an exclusive option to obtain an

exclusive or non-exclusive license from AbbVie under certain intellectual property rights to exploit the licensed product that is the subject of development or commercialization at the time of termination. If we exercise such option, we and AbbVie will then negotiate a transition agreement which will, in most termination cases, include reasonable financial consideration to AbbVie.

If the agreement is terminated in a specific territory because of AbbVie's material, uncured breach in such territory, or due to an inability by AbbVie to obtain regulatory approval, all rights and licenses granted by us will be deemed amended not to include such territory, and we will have specified rights for, and AbbVie will take specified actions to assist us in continuing the development, manufacture and commercialization of the licensed product in such territory. If the agreement is terminated in a specific territory because of our material, uncured breach in such territory, or because of our inability to obtain regulatory approval, all rights and licenses granted to AbbVie with respect to that country will become exclusive or non-exclusive at AbbVie's sole option, irrevocable, unrestricted and perpetual, and AbbVie will provide consideration for such rights and licenses in an amount to be mutually agreed between us and AbbVie. In addition, AbbVie will have specified rights for, and we will take specified actions to assist AbbVie in, continuing the development, manufacture and commercialization of the licensed product in such territory.

Either party may, without the consent of the other party, assign the agreement to an affiliate or successor. Any other assignment requires written consent of the other party. However, with respect to an assignment to an affiliate, the assigning party will remain responsible. If we undergo a change in control prior to the first commercial sale of a product, AbbVie has the right to terminate the agreement. At any time, if we undergo a change in control, AbbVie may disband all joint committees and undertake exclusive control of their activities, terminate our right to co-promote and/or terminate our rights and licenses in connection with development and sale of any product in China and South Korea.

Intellectual Property

The proprietary nature of, and protection for, our product candidates, their methods of use, and our platform technologies are an important part of our strategy to develop and commercialize novel medicines. We have obtained patents relating to certain of our product candidates, and are pursuing additional patent protection for them and for our other product candidates and technologies. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. Additionally, we have registered and unregistered trademarks, including amongst others our company name.

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for commercially important products, technologies, inventions and know-how related to our business and our ability to defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of third parties. We also rely on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain the proprietary position of our development programs.

As of March 31, 2015, patent rights held by Galapagos NV relating to our product candidates include the following:

Filgotinib Product Candidate: We have three U.S. patents relating to filgotinib, one pending U.S. patent application, and counterpart patent applications that are pending in Australia, Canada, Europe and other foreign countries. The three issued U.S. patents, and any additional patents that may be granted based on our pending U.S. and foreign patent applications, are currently expected to expire in 2030, not including any potential extensions for the marketed candidate that may be available via supplementary protection certificates or patent term extensions. In addition, we have rights in two pending U.S. applications, with counterpart applications pending under the Patent Cooperation Treaty, or PCT, and in other foreign countries, which are directed to certain physical forms, including polymorphic forms and compositions, of our filgotinib product candidate, and

patents, if granted, based on these patent applications are estimated to expire in 2035, not including any potential extensions that may be available for the marketed product via supplementary protection certificates or patent term extensions. We have additional patents and pending patent applications directed to the use of compounds related to our filgotinib product candidate and these patents, and patents that may be issued based on these pending patent applications, are currently expected to expire from 2029 to 2033, not including any potential extensions that may be available for the marketed product via supplementary protection certificates or patent term extensions.

GLPG1205 Product Candidate: We have one U.S. patent relating to GLPG1205, one pending U.S. patent application, and counterpart foreign patent applications that are pending in Australia, Canada, Europe and other foreign countries. The issued U.S. patent, and any additional patents that may be granted based on our pending U.S. patent application and the counterpart foreign patent applications, are currently expected to expire in 2032, not including any potential extensions that may be available for the marketed product via supplementary protection certificates or patent term extensions.

GLPG1690 Product Candidate: We have one issued U.S. patent relating to GLPG1690, one pending U.S. patent application and a pending patent application under the PCT, as well as patent applications pending in Taiwan and other foreign countries. Patents, if any, that issue based on these pending patent applications are estimated to expire in 2034, not including any potential extensions that may be available for the marketed product via supplementary protection certificates or patent term extensions.

GLPG1837 Product Candidate: We have a pending patent application under the PCT relating to GLPG1837 as well as patent applications pending in the United States, Taiwan and other foreign countries. Patents, if any, that issue based on these pending patent applications are estimated to expire in 2034, not including any potential extensions that may be available for the marketed product via supplementary protection certificates or patent term extensions.

GLPG2222 Product Candidate: We have rights in a pending U.S. provisional patent application relating to GLPG2222. Patents, if any, that issue based on this pending patent application are estimated to expire in 2035, not including any potential extensions that may be available for the marketed product via supplementary protection certificates or patent term extensions.

We also own or have rights in patents relating to our target discovery platform.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the date of filing the application. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed co-owned patent. In addition, in certain instances, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. However, the restoration period cannot be longer than five years and the total patent term including the restoration period must not exceed 14 years following FDA approval. In certain foreign jurisdictions similar extensions as compensation for regulatory delays are also available. The actual protection afforded by a patent varies on a claim by claim and country to country basis for each applicable product and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patent.

Furthermore, the patent positions of biotechnology and pharmaceutical products and processes like those we intend to develop and commercialize are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the breadth of claims allowed in such patents has emerged to date in the United States. The patent situation outside the United States is even more uncertain. Changes in either the patent

laws or in interpretations of patent laws in the United States and other countries can diminish our ability to protect our inventions, and enforce our intellectual property rights and more generally, could affect the value of intellectual property. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents.

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Our ability to maintain and solidify our proprietary position for our product candidates and technology will depend on our success in obtaining effective claims and enforcing those claims once granted. We do not know whether any of the patent applications that we may file or license from third parties will result in the issuance of any patents. The issued patents that we own or may receive in the future, may be challenged, invalidated or circumvented, and the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may be able to independently develop and commercialize similar drugs or duplicate our technology, business model or strategy without infringing our patents. Because of the extensive time required for clinical development and regulatory review of a drug we may develop, it is possible that, before any of our product candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent.

We may rely, in some circumstances, on trade secrets and unpatented know-how to protect our technology. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our consultants, scientific advisors and contractors and invention assignment agreements with our employees. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Our commercial success will also depend in part on not infringing the proprietary rights of third parties. It is uncertain whether the issuance of any third-party patent would require us to alter our development or commercial strategies, or our product candidates or processes, obtain licenses or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our product candidates may have a material adverse impact on us. If third parties have prepared and filed patent applications in the United States that also claim technology to which we have rights, we may have to participate in interference proceedings in the USPTO, to determine priority of invention if the patent applications were filed before March 16, 2013, or in derivation proceedings to determine inventorship for patent applications filed after such date.

In addition, substantial scientific and commercial research has been conducted for many years in the areas in which we have focused our development efforts, which has resulted in third parties having a number of issued patents and pending patent applications relating to such areas. Patent applications in the United States and elsewhere are generally published only after 18 months from the priority date. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made. Therefore, patent applications relating to drugs similar to our current product candidates and any future drugs, discoveries or technologies we might develop may have already been filed by others without our knowledge. For more information on these and other risks related to intellectual property, see “Risk Factors—Risks Related to our Intellectual Property.”

Manufacturing and Supply

We currently do not own or operate manufacturing facilities for the production of product candidates for pre-clinical, clinical or commercial use. We currently outsource to a limited number of external service providers the production of all drug substances and drug products, and we expect to continue to do so to meet the pre-clinical and clinical requirements of our product candidates. We do not have long term agreements with these third parties. We have framework agreements with most of our external service providers, under which they generally provide services to us on a short-term, project-by-project basis.

Currently, our drug raw materials for our manufacturing activities are supplied by multiple source suppliers. We have agreements for the supply of such drug materials with manufacturers or suppliers that we believe have sufficient capacity to meet our demands. In addition, we believe that adequate alternative sources for such supplies exist. However, there is a risk that, if supplies are interrupted, it would materially harm our business. We typically order raw materials and services on a purchase order basis and do not enter into long-term dedicated capacity or minimum supply arrangements.

Manufacturing is subject to extensive regulations that impose various procedural and documentation requirements, which govern record keeping, manufacturing processes and controls, personnel, quality control and quality assurance, among others. The contract manufacturing organizations we use to manufacture our product candidates operate under cGMP conditions. cGMP is a regulatory standard for the production of pharmaceuticals that will be used in humans. For most of our manufacturing processes a back-up GMP manufacturer is in place or can easily be identified.

Competition

Our industry is highly competitive and subject to rapid and significant change. While we believe that our development and commercialization experience, scientific knowledge and industry relationships provide us with competitive advantages, we face competition from pharmaceutical, medical device and biotechnology companies, including specialty pharmaceutical companies, and generic drug companies, academic institutions, government agencies and research institutions.

In the field of RA, therapeutic approaches have traditionally relied on DMARDS such as methotrexate and sulphasalazine as first-line therapy. These oral drugs work primarily to suppress the immune system and, while effective in this regard, the suppression of the immune system leads to an increased risk of infections and other side effects. Accordingly, in addition to DMARDS, monoclonal antibodies targeting TNF, like AbbVie's Humira, or IL-6 like Roche's Actemra, have been developed. These biologics, which must be delivered via injection, are currently the standard of care as first- and second-line therapies for RA patients who have an inadequate response to DMARDS. In November 2012, Xeljanz, marketed by Pfizer, was approved by the FDA as an oral treatment for the treatment of adult patients with RA who have had an inadequate response to, or who are intolerant of, methotrexate. Xeljanz is the first and only JAK inhibitor for RA approved for commercial sale in the United States. We are aware of other JAK inhibitors in development for patients with RA, including a once-daily JAK1/2 inhibitor called baricitinib which is being developed by Lilly and expected to be approved as early as 2016, a JAK3/2/1 inhibitor called ASP015k which is being developed in Japan by Astellas, and a selective JAK1 inhibitor called ABT-494 which is being developed by AbbVie. Filgotinib, which is also a selective JAK1 inhibitor, is being developed in collaboration with AbbVie. We expect that filgotinib, which we are developing to treat patients with moderate to severe RA who have an inadequate response to methotrexate, will compete with all of these therapies. If generic or biosimilar versions of these therapies are approved we would also expect to compete against these versions of the therapies.

In the field of IBD, first line therapies are oral (or local) treatments with several low-cost generic compounds such as mesalazine, more effective in UC, and azathioprine, more effective in CD. Steroids such as budesonide are used in both UC and CD. Companies such as Santarus have developed controlled-release oral

formulation with the aim to have local intestinal delivery of budesonide thereby limiting systemic side effects. For more advanced therapy, monoclonal antibodies with various targets such as TNF and more recently, integrins by vedoluzimab (Entyvio) are approved. We are also aware of other biologics in clinical development for these indications, such as: ustekinumab, developed by Johnson & Johnson, which is in Phase 3 clinical trials and RPC1063, which is being developed by Receptos and has shown efficacy in a Phase 2 trial in UC. There are also several novel oral treatments being explored in Phase 2 and Phase 3, including Pfizer's Xeljanz. The large number of treatments for UC, and somewhat less for CD, presents a substantial level of competition for any new treatment entering the IBD market.

In the field of CF, all but one of the approved therapies to treat CF patients have been designed to treat the symptoms of the disease rather than its cause. Kalydeco, marketed by Vertex, is currently the only approved therapy to address the cause of CF. Kalydeco is a CFTR potentiator to treat CF in patients with a Class III (G551D) mutation of the CFTR gene. Vertex is also developing lumacaftor, a corrector molecule that is intended to address a broader patient population, including patients with a Class II (F508del) mutation of the CFTR gene. Vertex has submitted a combination product (Kalydeco + lumacaftor) for approval in Europe and the United States, and this combination could be approved for sale as early as 2015. We are also aware of other companies, including Novartis, Nivalis Therapeutics and Proteostasis Therapeutics, and non-for-profit organizations like Flatley Discovery Lab, which are actively developing drug candidates for the treatment of CF. These typically target the CFTR protein as potentiators, correctors or other modulators of its activity.

Many of our competitors have significantly greater financial, technical and human resources than we have. Mergers and acquisitions in the pharmaceutical, medical device and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Our commercial opportunity could be reduced or eliminated if our competitors develop or market products or other novel therapies that are more effective, safer or less costly than our current or future product candidates, or obtain regulatory approval for their products more rapidly than we may obtain approval for our product candidates. Our success will be based in part on our ability to identify, develop and manage a portfolio of product candidates that are safer and more effective than competing products.

Government Regulation

Government Regulation and Product Approval

Government authorities in the United States at the federal, state and local level, and in other countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing, export and import of products such as those we are developing.

U.S. Drug Development Process

The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of pre-clinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices, or GLP, regulations;

- submission to the FDA of an investigational new drug application, or IND, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials according to GCP to establish the safety and efficacy of the proposed drug for its intended use;
- preparation and submission to the FDA of a new drug application, or NDA;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product, or components thereof, are produced to assess compliance with cGMP; and
- FDA review and approval of the NDA.

The testing and approval process requires substantial time, effort and financial resources and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all.

Once a pharmaceutical product candidate is identified for development, it enters the pre-clinical testing stage. Pre-clinical tests include laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. An IND sponsor must submit the results of the pre-clinical tests, together with manufacturing information, analytical data and any available clinical data or literature, to the FDA as part of the IND. The sponsor must also include a protocol detailing, among other things, the objectives of the initial clinical trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the initial clinical trial lends itself to an efficacy evaluation. Some pre-clinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions related to a proposed clinical trial and places the trial on a clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Clinical holds also may be imposed by the FDA at any time before or during clinical trials due to safety concerns or non-compliance, and may be imposed on all drug products within a certain class of drugs. The FDA also can impose partial clinical holds, for example, prohibiting the initiation of clinical trials of a certain duration or for a certain dose.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with GCP regulations. These regulations include the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an institutional review board, or IRB, must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and reapprove the study at least annually. An IRB considers, among other things, whether the risks to individuals participating in the clinical trial are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the information regarding the clinical trial and the consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed.

Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. Protocols detail, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, and the parameters to be used to monitor subject safety.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- Phase 1. The product is initially introduced into a small number of healthy human subjects or patients and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion and, if possible, to gain early evidence on effectiveness. In the case of some products for severe or life-threatening diseases, especially when the product is suspected or known to be unavoidably toxic, the initial human testing may be conducted in patients.

- Phase 2. Involves clinical trials in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage and schedule.
- Phase 3. Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit relationship of the product and provide an adequate basis for product labeling.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected suspected adverse events. Phase 1, Phase 2 and Phase 3 testing may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Processes

The results of product development, pre-clinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the drug, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA for a new drug, requesting approval to market the product. The submission of an NDA is subject to the payment of a substantial user fee, and the sponsor of an approved NDA is also subject to annual product and establishment user fees; although a waiver of such fee may be obtained under certain limited circumstances. For example, the agency will waive the application fee for the first human drug application that a small business or its affiliate submits for review. The sponsor of an approved NDA is also subject to annual product and establishment user fees.

The FDA reviews all NDAs submitted to ensure that they are sufficiently complete for substantive review before it accepts them for filing. The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be re-submitted with the additional information. The re-submitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure the product's identity, strength, quality and purity. Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the NDA to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. An advisory committee is a panel of experts, including clinicians and other scientific experts, who provide advice and recommendations when requested by the FDA. The FDA is not bound by the recommendation of an advisory committee, but it considers such recommendations when making decisions.

The approval process is lengthy and difficult and the FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. Even if such data and information are submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data. The FDA will issue a complete response letter if the agency decides not to approve the NDA in its present form. The complete response letter usually describes all of the specific deficiencies that the FDA identified in the NDA that must be satisfactorily addressed before it can be approved. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including Phase 4 clinical trials, to further assess a drug's safety and effectiveness after NDA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Regulation of Combination Products in the United States

Certain products may be comprised of components that would normally be regulated under different types of regulatory authorities, and frequently by different centers at the FDA. These products are known as combination products. Specifically, under regulations issued by the FDA, a combination product may be:

- a product comprised of two or more regulated components that are physically, chemically, or otherwise combined or mixed and produced as a single entity;
- two or more separate products packaged together in a single package or as a unit and comprised of drug and device products, device and biological products, or biological and drug products;
- a drug, or device, or biological product packaged separately that according to its investigational plan or proposed labeling is intended for use only with an approved individually specified drug, or device, or biological product where both are required to achieve the intended use, indication, or effect and where upon approval of the proposed product the labeling of the approved product would need to be changed, e.g., to reflect a change in intended use, dosage form, strength, route of administration, or significant change in dose; or
- any investigational drug, or device, or biological product packaged separately that according to its proposed labeling is for use only with another individually specified investigational drug, device, or biological product where both are required to achieve the intended use, indication, or effect.

Under the Federal Food, Drug, and Cosmetic Act, or FDCA, the FDA is charged with assigning a center with primary jurisdiction, or a lead center, for review of a combination product. That determination is based on the "primary mode of action" of the combination product. Thus, if the primary mode of action of a device-drug combination product is attributable to the drug product, the FDA center responsible for premarket review of the drug product would have primary jurisdiction for the combination product. The FDA has also established an Office of Combination Products to address issues surrounding combination products and provide more certainty to the regulatory review process. That office serves as a focal point for combination product issues for agency reviewers and industry. It is also responsible for developing guidance and regulations to clarify the regulation of combination products, and for assignment of the FDA center that has primary jurisdiction for review of combination products where the jurisdiction is unclear or in dispute.

Expedited Programs

Fast Track Designation

The FDA has a Fast Track program that is intended to expedite or facilitate the process for reviewing new drugs that meet certain criteria. Specifically, new drugs are eligible for Fast Track designation if they are intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and demonstrate the potential to address unmet medical needs for the condition. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a new drug may request the FDA to designate the drug as a Fast Track product concurrently with, or at any time after, submission of an IND, and the FDA must determine if the drug candidate qualifies for fast track designation within 60 days of receipt of the sponsor's request.

In addition to other benefits, such as the ability to use surrogate endpoints and engage in more frequent interactions with the FDA, the FDA may initiate review of sections of a Fast Track drug's NDA before the application is complete. This rolling review is available if the applicant provides, and the FDA approves, a schedule for the submission of each portion of the NDA and the applicant pays applicable user fees. However, the FDA's time period goal for reviewing an application does not begin until the last section of the NDA is submitted. Additionally, the Fast Track designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Accelerated Approval

Under FDA's accelerated approval regulations, the FDA may approve a drug for a serious or life- threatening illness that provides meaningful therapeutic benefit to patients over existing treatments based upon a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. In clinical trials, a surrogate endpoint is a marker, such as a measurement of laboratory or clinical signs of a disease or condition that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. A drug candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of post-approval clinical trials sometimes referred to as Phase 4 trials to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, will allow the FDA to withdraw the drug from the market on an expedited basis. All promotional materials for drug candidates approved under accelerated regulations are subject to prior review by the FDA.

Breakthrough Designation

The Food and Drug Administration Safety and Innovation Act, or FDASIA, amended the FDCA to require the FDA to expedite the development and review of a breakthrough therapy. A drug product can be designated as a breakthrough therapy if it is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that it may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. A sponsor may request that a drug product be designated as a breakthrough therapy concurrently with, or at any time after, the submission of an IND, and the FDA must determine if the drug candidate qualifies for breakthrough therapy designation within 60 days of receipt of the sponsor's request. If so designated, the FDA shall act to expedite the development and review of the product's marketing application, including by meeting with the sponsor throughout the product's development, providing timely advice to the sponsor to ensure that the development program to gather pre-clinical and clinical data is as efficient as practicable, involving senior managers and experienced review staff in a cross-disciplinary review, assigning a cross-disciplinary project lead for the FDA review team to facilitate an efficient review of the

development program and to serve as a scientific liaison between the review team and the sponsor, and taking steps to ensure that the design of the clinical trials is as efficient as practicable.

Priority Review

Priority review is granted where there is evidence that the proposed product would be a significant improvement in the safety or effectiveness of the treatment, diagnosis, or prevention of a serious condition. If criteria are not met for priority review, the application is subject to the standard FDA review period of ten months after FDA accepts the application for filing. Priority review designation does not change the scientific/medical standard for approval or the quality of evidence necessary to support approval.

Post-Approval Requirements

Any products for which we receive FDA approval are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with FDA promotion and advertising requirements. Moreover, each component of a combination product retains their regulatory status (as a drug or device, for example) and is subject to the requirements established by the FDA for that type of component. The FDA strictly regulates labeling, advertising, promotion and other types of information on products that are placed on the market. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label. Further, manufacturers must continue to comply with cGMP requirements, which are extensive and require considerable time, resources and ongoing investment to ensure compliance. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval.

Manufacturers and other entities involved in the manufacturing and distribution of approved products are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. The cGMP requirements apply to all stages of the manufacturing process, including the production, processing, sterilization, packaging, labeling, storage and shipment of the product. Manufacturers must establish validated systems to ensure that products meet specifications and regulatory standards, and test each product batch or lot prior to its release. We rely, and expect to continue to rely, on third parties for the production of clinical quantities of our product candidates. Future FDA and state inspections may identify compliance issues at the facilities of our contract manufacturers that may disrupt production or distribution or may require substantial resources to correct.

The FDA may withdraw a product approval if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. Further, the failure to maintain compliance with regulatory requirements may result in administrative or judicial actions, such as fines, untitled or warning letters, holds on clinical trials, product recalls or seizures, product detention or refusal to permit the import or export of products, refusal to approve pending applications or supplements, restrictions on marketing or manufacturing, injunctions or civil or criminal penalties.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations, guidances, and policies are often revised or reinterpreted by the agency in ways that may significantly affect our business and our product candidates. It is impossible to predict whether further legislative or FDA regulation or policy changes will be enacted or implemented and what the impact of such changes, if any, may be.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of the use of our product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA plus the time between the submission date of an NDA and the approval of that application. Only one patent applicable to an approved drug is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The U.S. Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we intend to apply for restorations of patent term for some of our currently owned or licensed patents to add patent life beyond their current expiration dates, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant NDA; however, there can be no assurance that any such extension will be granted to us.

Market exclusivity provisions under the FDCA can also delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example, new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the original active agent. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the pre-clinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of exclusivity in the United States. Pediatric exclusivity, if granted, provides an additional six months to an existing exclusivity or statutory delay in approval resulting from a patent certification. This six-month exclusivity, which runs from the end of other exclusivity protection or patent delay, may be granted based on the voluntary completion of a pediatric clinical trial in accordance with an FDA-issued "Written Request" for such a clinical trial.

Orphan Drugs

Under the Orphan Drug Act, the FDA may grant orphan drug designation to drugs intended to treat a rare disease or condition—generally a disease or condition that affects fewer than 200,000 individuals in the United States or that affects more than 200,000 individuals in the United States and for which there is no reasonable expectation that costs of research and development of the drug for the indication can be recovered by sales of the drug in the United States. Orphan drug designation must be requested before submitting an NDA.

After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the

duration of, the regulatory review and approval process. The first NDA applicant to receive FDA approval for a particular active ingredient to treat a particular disease or condition with FDA orphan drug designation is entitled to a seven-year exclusive marketing period in the United States for that product, for that indication. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA application user fee.

During the exclusivity period, the FDA may not approve any other applications to market the same drug for the same disease or condition, except in limited circumstances, such as if the second applicant demonstrates the clinical superiority of its product to the product with orphan drug exclusivity through a demonstration of superior safety, superior efficacy, or a major contribution to patient care. “Same drug” means, a drug that contains the same identity of the active moiety if it is a drug composed of small molecules, or of the principal molecular structural features if it is composed of macromolecules and is intended for the same use as a previously approved drug, except that if the subsequent drug can be shown to be clinically superior to the first drug, it will not be considered to be the same drug. Drug exclusivity does not prevent FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition.

Pediatric Information

Under the Pediatric Research Equity Act of 2003, NDAs or supplements to NDAs must contain data adequate to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. Recently, the FDASIA amended the FDCA to require that a sponsor who is planning to submit a marketing application for a drug product that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or PSP, within sixty days of an end-of-phase 2 meeting or as may be agreed between the sponsor and the FDA. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of data or full or partial waivers. The FDA and the sponsor must reach agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from pre-clinical studies, early phase clinical trials, and/or other clinical development programs.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to disclose the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

Pharmaceutical Coverage, Pricing and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any drug products for which we may obtain regulatory approval. In the United States, sales of any products for which we may receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors. Third-party payors include government authorities, managed care providers, private health insurers and other organizations. The process for determining whether a payor will provide coverage for a

drug product may be separate from the process for setting the reimbursement rate that the payor will pay for the drug product. Third-party payors may limit coverage to specific drug products on an approved list, or formulary, which might not include all of the FDA-approved drugs for a particular indication. Moreover, a payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost- effectiveness of medical products and services, in addition to their safety and efficacy. In order to obtain coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of any products, in addition to the costs required to obtain regulatory approvals. Our product candidates may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit.

The U.S. government and state legislatures have shown significant interest in implementing cost containment programs to limit the growth of government-paid health care costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively, the Healthcare Reform Law, contains provisions that may reduce the profitability of drug products, including, for example, increased rebates for drugs reimbursed by Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programs. Adoption of government controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceuticals.

The marketability of any products for which we receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, an increasing emphasis on cost containment measures in the United States has increased and we expect will continue to increase the pressure on pharmaceutical pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Other Healthcare Laws and Compliance Requirements

If we obtain regulatory approval of our products, we may be subject to various federal and state laws targeting fraud and abuse in the healthcare industry. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order, or recommendation of, an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs;
- federal civil and criminal false claims laws and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payors that are false or fraudulent, or making a false statement or record material to payment of a false claim or avoiding, decreasing, or concealing an obligation to pay money to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;
- the federal transparency laws, including the federal Physician Payment Sunshine Act, that requires applicable manufacturers of covered drugs to disclose payments and other transfers of value provided to physicians and teaching hospitals and physician ownership and investment interests;
- HIPAA, as amended by the Health Information Technology and Clinical Health Act, or HITECH, and its implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information; and
- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

The Healthcare Reform Law broadened the reach of the fraud and abuse laws by, among other things, amending the intent requirement of the federal Anti-Kickback Statute and the applicable criminal healthcare fraud statutes contained within 42 U.S.C. § 1320a-7b. Pursuant to the statutory amendment, a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. In addition, the Healthcare Reform Law provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act or the civil monetary penalties statute. Many states have adopted laws similar to the federal Anti-Kickback Statute, some of which apply to the referral of patients for healthcare items or services reimbursed by any source, not only the Medicare and Medicaid programs.

The federal False Claims Act prohibits anyone from, among other things, knowingly presenting, or causing to be presented, for payment to federal programs (including Medicare and Medicaid) claims for items or services that are false or fraudulent. Although we would not submit claims directly to payors, manufacturers can be held liable under these laws if they are deemed to "cause" the submission of false or fraudulent claims by, for example, providing inaccurate billing or coding information to customers or promoting a product off-label. In addition, our future activities relating to the reporting of wholesaler or estimated retail prices for our products, the reporting of prices used to calculate Medicaid rebate information and other information affecting federal, state, and third-party reimbursement for our products, and the sale and marketing of our products, are subject to scrutiny under this law. For example, pharmaceutical companies have been prosecuted under the federal False Claims Act in connection with their off-label promotion of drugs. Penalties for a False Claims Act violation include three times the actual damages sustained by the government, plus mandatory civil penalties of between $5,500 and $11,000 for each separate false claim, the potential for exclusion from participation in federal healthcare programs, and, although the federal False Claims Act is a civil statute, conduct that results in a False Claims Act violation may also implicate various federal criminal statutes. In addition, private individuals have the ability to bring actions under the federal False Claims Act and certain states have enacted laws modeled after the federal False Claims Act.

Patient Protection and Affordable Health Care Act

In March 2010, the Healthcare Reform Law was enacted, which includes measures that have or will significantly change the way health care is financed by both governmental and private insurers. Among the provisions of the Healthcare Reform Law of greatest importance to the pharmaceutical industry are the following:

- The Medicaid Drug Rebate Program requires pharmaceutical manufacturers to enter into and have in effect a national rebate agreement with the Secretary of the Department of Health and Human Services as a condition for states to receive federal matching funds for the manufacturer's outpatient drugs

furnished to Medicaid patients. Effective in 2010, the Healthcare Reform Law made several changes to the Medicaid Drug Rebate Program, including increasing pharmaceutical manufacturers' rebate liability by raising the minimum basic Medicaid rebate on most branded prescription drugs from 15.1% of average manufacturer price, or AMP, to 23.1% of average manufacturer price, or AMP, and adding a new rebate calculation for ''line extensions'' (i.e., new formulations, such as extended release formulations) of solid oral dosage forms of branded products, as well as potentially impacting their rebate liability by modifying the statutory definition of AMP. The Healthcare Reform Law also expanded the universe of Medicaid utilization subject to drug rebates by requiring pharmaceutical manufacturers to pay rebates on Medicaid managed care utilization as of 2010 and by expanding the population potentially eligible for Medicaid drug benefits, to be phased-in by 2014. The Centers for Medicare & Medicaid Services, or CMS, have proposed to expand Medicaid rebate liability to the territories of the United States as well. In addition, the Healthcare Reform Law provides for the public availability of retail survey prices and certain weighted average AMPs under the Medicaid program. The implementation of this requirement by the CMS may also provide for the public availability of pharmacy acquisition of cost data, which could negatively impact our sales.

- In order for a pharmaceutical product to receive federal reimbursement under the Medicare Part B and Medicaid programs or to be sold directly to U.S. government agencies, the manufacturer must extend discounts to entities eligible to participate in the 340B drug pricing program. The required 340B discount on a given product is calculated based on the AMP and Medicaid rebate amounts reported by the manufacturer. Effective in 2010, the Healthcare Reform Law expanded the types of entities eligible to receive discounted 340B pricing, although, under the current state of the law, with the exception of children's hospitals, these newly eligible entities will not be eligible to receive discounted 340B pricing on orphan drugs when used for the orphan indication. In addition, as 340B drug pricing is determined based on AMP and Medicaid rebate data, the revisions to the Medicaid rebate formula and AMP definition described above could cause the required 340B discount to increase.
- Effective in 2011, the Healthcare Reform Law imposed a requirement on manufacturers of branded drugs to provide a 50% discount off the negotiated price of branded drugs dispensed to Medicare Part D patients in the coverage gap.
- Effective in 2011, the Healthcare Reform Law imposed an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs, apportioned among these entities according to their market share in certain government healthcare programs, although this fee would not apply to sales of certain products approved exclusively for orphan indications.
- The Healthcare Reform Law required pharmaceutical manufacturers to track certain financial arrangements with physicians and teaching hospitals, including any "transfer of value" made or distributed to such entities, as well as any investment interests held by physicians and their immediate family members. Manufacturers were required to begin tracking this information in 2013 and to report this information to CMS beginning in 2014. The reported information was made publicly available in a searchable format on a CMS website beginning in September 2014.
- As of 2010, a new Patient-Centered Outcomes Research Institute was established pursuant to the Healthcare Reform Law to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research. The research conducted by the Patient- Centered Outcomes Research Institute may affect the market for certain pharmaceutical products.
- The Healthcare Reform Law created the Independent Payment Advisory Board which, beginning in 2014, will have authority to recommend certain changes to the Medicare program to reduce expenditures by the program that could result in reduced payments for prescription drugs. Under certain circumstances, these recommendations will become law unless Congress enacts legislation that will achieve the same or greater Medicare cost savings.
- The Healthcare Reform Law established the Center for Medicare and Medicaid Innovation within CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending,

potentially including prescription drug spending. Funding has been allocated to support the mission of the Center for Medicare and Medicaid Innovation from 2011 to 2019.

European Union Drug Review Approval

In the European Economic Area, or EEA (which is comprised of the 28 Member States of the European Union plus Norway, Iceland and Liechtenstein), medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. There are two types of marketing authorizations: the Community MA, which is issued by the European Commission through the Centralized Procedure based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, a body of the EMA, and which is valid throughout the entire territory of the EEA; and the National MA, which is issued by the competent authorities of the Member States of the EEA and only authorizes marketing in that Member State's national territory and not the EEA as a whole.

The Centralized Procedure is compulsory for human medicines for the treatment of human immunodeficiency virus (HIV) or acquired immune deficiency syndrome (AIDS), cancer, diabetes, neurodegenerative diseases, auto-immune and other immune dysfunctions, and viral diseases; for veterinary medicines for use as growth or yield enhancers; for medicines derived from biotechnology processes, such as genetic engineering; for advanced-therapy medicines, such as gene-therapy, somatic cell-therapy or tissue-engineered medicines; and for officially designated 'orphan medicines' (medicines used for rare human diseases). The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or for products which are in the interest of public health in the European Union. The National MA is for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in another Member State through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure. Under the Decentralized Procedure an identical dossier is submitted to the competent authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State, or RMS. If the RMS proposes to authorize the product, and the other Member States do not raise objections, the product is granted a national MA in all the Member States where the authorization was sought. Before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

Regulation in the European Union

Product development, the regulatory approval process, and safety monitoring of medicinal products and their manufacturers in the European Union proceed in much the same manner as they do in the United States. Therefore, many of the issues discussed above apply similarly in the context of the European Union. In addition, drugs are subject to the extensive price and reimbursement regulations of the various European Union Member States.

Clinical Trials

As is the case in the United States, the various phases of pre-clinical and clinical research in the European Union are subject to significant regulatory controls. The Clinical Trials Directive 2001/20/EC, as amended, (and which will be replaced from May 2016 or later by Regulation (EU) No 536/2014) provides a system for the approval of clinical trials in the European Union via implementation through national legislation of the Member States. Under this system, approval must be obtained from the competent national authorities of the European Union Member States in which the clinical trial is to be conducted. Furthermore, a clinical trial may only be started after a competent ethics committee has issued a favorable opinion on the clinical trial application, which must be supported by an investigational medicinal product dossier with supporting information prescribed by the

Clinical Trials Directive and corresponding national laws of the Member States and further detailed in applicable guidance documents. A clinical trial may only be undertaken if provision has been made for insurance or indemnity to cover the liability of the investigator or sponsor. In certain countries, the sponsor of a clinical trial has a strict (faultless) liability for any (direct or indirect) damage suffered by trial subjects. The sponsor of a clinical trial, or its legal representative, must be based in the European Economic Area. European regulators and ethics committees also require the submission of adverse event reports during a study and a copy of the final study report.

Marketing Approval

Marketing approvals under the European Union regulatory system may be obtained through a centralized or decentralized procedure. The centralized procedure results in the grant of a single marketing authorization that is valid for all (currently 28) European Union Member States and three EFTA members (Norway, Iceland, Liechtenstein).

Pursuant to Regulation (EC) No. 726/2004, as amended, the centralized procedure is mandatory for drugs developed by means of specified biotechnological processes, advanced therapy medicinal products, drugs for human use containing a new active substance for which the therapeutic indication is the treatment of specified diseases, including but not limited to acquired immune deficiency syndrome, neurodegenerative disorders, auto-immune diseases and other immune dysfunctions, as well as drugs designated as orphan drugs. The CHMP also has the discretion to permit other products to use the centralized procedure if it considers them sufficiently innovative or they contain a new active substance.

In the marketing authorization application, or MAA, the applicant has to properly and sufficiently demonstrate the quality, safety and efficacy of the drug. Under the centralized approval procedure, the CHMP, possibly in conjunction with other committees, is responsible for drawing up the opinion of the EMA on any matter concerning the admissibility of the files submitted in accordance with the centralized procedure, such as an opinion on the granting, variation, suspension or revocation of a marketing authorization, and pharmacovigilance.

The CHMP and other committees are also responsible for providing guidelines and have published numerous guidelines that may apply to our product candidates. These guidelines provide additional guidance on the factors that the EMA will consider in relation to the development and evaluation of drug products and may include, among other things, the pre-clinical studies required in specific cases; and the manufacturing and control information that should be submitted in a MAA; and post-approval measures required to monitor patients and evaluate the long term efficacy and potential adverse reactions. Although these guidelines are not legally binding, we believe that our compliance with them is likely necessary to gain approval for any of our product candidates.

The maximum timeframe for the evaluation of an MAA by the CHMP under the centralized procedure is 210 days after receipt of a valid application. This period will be suspended until such time as the supplementary information requested by the CHMP, has been provided by the applicant. Likewise, this time-limit will be suspended for the time allowed for the applicant to prepare oral or written explanations. When an application is submitted for a marketing authorization in respect of a drug which is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation, the applicant may request an accelerated assessment procedure. If the CHMP accepts such request, the time-limit of 210 days will be reduced to 150 days but it is possible that the CHMP can revert to the standard time-limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment.

If the CHMP concludes that the quality, safety and efficacy of the product are sufficiently proven, it adopts a positive opinion. This is sent to the European Commission which drafts a decision. After consulting with the Member States, the European Commission adopts a decision and grants a marketing authorization, which is valid for the whole of the European Economic Area, or EEA. The marketing authorization may be subject to certain

conditions, which may include, without limitation, the performance of post-authorization safety and/or efficacy studies.

European Union legislation also provides for a system of regulatory data and market exclusivity. According to Article 14(11) of Regulation (EC) No. 726/2004, as amended, and Article 10(1) of Directive 2001/83/EC, as amended, upon receiving marketing authorization, new chemical entities approved on the basis of a complete independent data package benefit from eight years of data exclusivity and an additional two years of market exclusivity. Data exclusivity prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic (abbreviated) application. During the additional two-year period of market exclusivity, a generic marketing authorization can be submitted, and the innovator's data may be referenced, but no generic medicinal product can be marketed until the expiration of the market exclusivity. The overall ten-year period will be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder, or MAH, obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity and the innovator is able to gain the period of data exclusivity, another company nevertheless could also market another version of the drug if such company obtained marketing authorization based on an MAA with a complete independent data package of pharmaceutical test, pre-clinical tests and clinical trials. However, products designated as orphan medicinal products enjoy, upon receiving marketing authorization, a period of 10 years of orphan market exclusivity—see also "—Orphan Drug Regulation." Depending upon the timing and duration of the EU marketing authorization process, products may be eligible for up to five years' supplementary protection certification, or SPC, pursuant to Regulation (EC) No. 469/2009. Such SPCs extend the rights under the basic patent for the drug.

Additional rules apply to medicinal products for pediatric use under Regulation (EC) No. 1901/2006. Potential incentives include a six-month extension of any supplementary protection certificate granted pursuant to Regulation (EC) No. 469/2009, however not in cases in which the relevant product is designated as orphan medicinal products pursuant to Regulation (EC) No. 141/2000, as amended. Instead, medicinal products designated as orphan medicinal product may enjoy an extension of the ten-year market exclusivity period granted under Regulation (EC) No. 141/2000 to twelve years subject to the conditions applicable to orphan drugs.

Orphan Drug Regulation

In the European Union, Regulation (EC) No. 141/2000, as amended, states that a drug will be designated as an orphan drug if its sponsor can establish:

- that it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the Community when the application is made, or that it is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that the marketing of the drug in the European Union would generate sufficient return to justify the necessary investment; and
- that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the European Union or, if such method exists, that the drug will be of significant benefit to those affected by that condition.

Regulation (EC) No. 847/2000 sets out further provisions for implementation of the criteria for designation of a drug as an orphan drug. An application for the designation of a drug as an orphan drug must be submitted at any stage of development of the drug before filing of a marketing authorization application.

If a European Union-wide community marketing authorization in respect of an orphan drug is granted or if all the European Union Member States have granted marketing authorizations in accordance with the procedures

for mutual recognition, the European Union and the Member States will not, for a period of 10 years, accept another application for a marketing authorization, or grant a marketing authorization or accept an application to extend an existing marketing authorization, for the same therapeutic indication, in respect of a similar drug. This period may however be reduced to six years if, at the end of the fifth year, it is established, with respect to the drug concerned, that the criteria for orphan drug designation are no longer met, in other words, when it is shown on the basis of available evidence that the product is sufficiently profitable not to justify maintenance of market exclusivity. Notwithstanding the foregoing, a marketing authorization may be granted, for the same therapeutic indication, to a similar drug if:

- the holder of the marketing authorization for the original orphan drug has given its consent to the second applicant;
- the holder of the marketing authorization for the original orphan drug is unable to supply sufficient quantities of the drug; or
- the second applicant can establish in the application that the second drug, although similar to the orphan drug already authorized, is safer, more effective or otherwise clinically superior.

Other incentives available to orphan drugs in the European Union include financial incentives such as a reduction of fees or fee waivers and protocol assistance. Orphan drug designation does not shorten the duration of the regulatory review and approval process.

Manufacturing and Manufacturers' License

Pursuant to Directive 2003/94/EC, as transposed into the national laws of the Member States, the manufacturing of investigational medicinal products and approved drugs is subject to a separate manufacturer's license and must be conducted in strict compliance with cGMP requirements, which mandate the methods, facilities, and controls used in manufacturing, processing, and packing of drugs to assure their safety and identity. Manufacturers must have at least one qualified person permanently and continuously at their disposal. The qualified person is ultimately responsible for certifying that each batch of finished product released onto the market has been manufactured in accordance with cGMP and the specifications set out in the marketing authorization or investigational medicinal product dossier. cGMP requirements are enforced through mandatory registration of facilities and inspections of those facilities. Failure to comply with these requirements could interrupt supply and result in delays, unanticipated costs and lost revenues, and subject the applicant to potential legal or regulatory action, including but not limited to warning letters, suspension of manufacturing, seizure of product, injunctive action or possible civil and criminal penalties.

Wholesale Distribution and License

Pursuant to Directive 2001/83/EC, the wholesale distribution of medicinal products is subject to the possession of an authorisation to engage in activity as a wholesaler in medicinal products. Possession of a manufacturing authorization includes authorization to distribute by wholesale the medicinal products covered by that authorization. The distribution of medicinal products must comply with the principles and guidelines of good distribution practices, or GDP.

Advertising

In the European Union, the promotion of prescription medicines is subject to intense regulation and control, including EU and national legislation as well as self-regulatory codes (industry codes). Advertising legislation inter alia includes a prohibition on direct-to-consumer advertising. All prescription medicines advertising must be consistent with the product's approved summary of products characteristics, and must be factual, accurate, balanced and not misleading. Advertising of prescription medicines pre-approval or off-label is not allowed.

Some jurisdictions require that all promotional materials for prescription medicines be subjected to either prior internal or regulatory review and approval.

Other Regulatory Requirements

A marketing authorization holder, or MAH, for a medicinal product is legally obliged to fulfill a number of obligations by virtue of its status as an MAH. The MAH can delegate the performance of related tasks to third parties, such as distributors or marketing partners, provided that this delegation is appropriately documented and the MAH maintains legal responsibility and liability.

The obligations of an MAH include:

Manufacturing and batch release. MAHs should guarantee that all manufacturing operations comply with relevant laws and regulations, applicable good manufacturing practices, with the product specifications and manufacturing conditions set out in the marketing authorization and that each batch of product is subject to appropriate release formalities.

Availability and continuous supply. Pursuant to Directive 2001/83/EC, as transposed into the national laws of the Member States, the MAH for a medicinal product and the distributors of the said medicinal product actually placed on the market in a Member State shall, within the limits of their responsibilities, ensure appropriate and continued supplies of that medicinal product to pharmacies and persons authorized to supply medicinal products so that the needs of patients in the Member State in question are covered.

Pharmacovigilance. MAHs are obliged to establish and maintain a pharmacovigilance system, including a qualified person responsible for oversight, submit safety reports to the regulators and comply with the good pharmacovigilance practice guidelines adopted by the EMA.

Advertising and promotion. MAHs remain responsible for all advertising and promotion of its products, including promotional activities by other companies or individuals on their behalf and in some cases must conduct internal or regulatory pre-approval of promotional materials. Regulation in this area also covers interactions with healthcare practitioners and/or patient groups, and in some jurisdictions legal or self-regulatory obligations to disclose such interactions exist.

Medical affairs/scientific service. MAHs are required to disseminate scientific and medical information on its medicinal products to healthcare professionals, regulators and patients. Legal representation and distributor issues. MAHs are responsible for regulatory actions or inactions of their distributors and agents.

Preparation, filing and maintenance of the application and subsequent marketing authorization. MAHs must maintain appropriate records, comply with the marketing authorization’s terms and conditions, fulfill reporting obligations to regulators, submit renewal applications and pay all appropriate fees to the authorities. We may hold any future marketing authorizations granted for our product candidates in our own name, or appoint an affiliate or a collaboration partner to hold marketing authorizations on our behalf. Any failure by an MAH to comply with these obligations may result in regulatory action against an MAH and ultimately threaten our ability to commercialize our products.

Price and Reimbursement

In the European Union, the pricing and reimbursement mechanisms by private and public health insurers vary largely by country and even within countries. The public systems reimbursement for standard drugs is determined by guidelines established by the legislator or responsible national authority. The approach taken varies by Member State. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed. Other Member States allow companies to fix their

own prices for medicines, but monitor and control company profits and may limit or restrict reimbursement. The downward pressure on healthcare costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products and some of EU countries require the completion of studies that compare the cost-effectiveness of a particular product candidate to currently available therapies in order to obtain reimbursement or pricing approval. Special pricing and reimbursement rules may apply to orphan drugs. Inclusion of orphan drugs in reimbursement systems tend to focus on the medical usefulness, need, quality and economic benefits to patients and the healthcare system as for any drug. Acceptance of any medicinal product for reimbursement may come with cost, use and often volume restrictions, which again can vary by country. In addition, results based rules of reimbursement may apply.

Employees

As of December 31, 2014, we had 417 employees. Our employees in France and Croatia are represented by a labor union and/or covered by a collective bargaining agreement. We have never experienced any employment related work stoppages, and we consider our relations with our employees to be good. We have also engaged and may continue to engage independent contractors to assist us with our clinical project activities. At each date shown, we had the following employees (excluding certain employees of our service division that was sold in April 2014), broken out by department and geography:

	At December 31,		
	2012	2013	2014
Function:			
Executive officers	4	4	4
Research	234	252	213
Development	30	36	38
Research services	105	101	102
Corporate and support	64	66	60
Total	**437**	**459**	**417**
Geography:			
Leiden, The Netherlands	62	70	31
Mechelen, Belgium	117	134	138
Romainville, France	134	133	128
Zagreb, Croatia	124	122	120
Total	**437**	**459**	**417**

Facilities

We lease our principal executive, operational offices and laboratory space, which consists of 5,471 square meters, located in Mechelen, Belgium. The lease for this facility expires on May 31, 2024. We believe our current facility is sufficient to meet our needs. We also have facilities in Romainville, France; Zagreb, Croatia; and Leiden, The Netherlands.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Our Board of Directors

We currently have six directors, less than a majority of whom are citizens or residents of the United States.

Under our articles of association, our board of directors must be composed of between five and nine members, of which at least three are independent directors as defined by the Belgian Companies Code. Half of the members of our board of directors must be non-executive directors. Within these limits, the number of directors is determined by our shareholders. Directors are elected, re-elected and may be removed at a shareholders' general meeting with a simple majority vote of our shareholders. Pursuant to our articles of association, our directors serve four-year terms.

The following table sets forth certain information with respect to the current members of our board of directors, including their ages, as of March 31, 2015:

Name	Age	Term(1)	Position(s)
Onno van de Stolpe	55	2017	Director and Chief Executive Officer
Rajesh Parekh, MA, DPhil(2)	54	2017	Chairman of the Board of Directors
Harrold van Barlingen, Ph.D.(3)	49	2018	Director
Werner Cautreels, Ph.D.(2)(3)	62	2018	Director
Howard Rowe, JD(3)	45	2018	Director
Katrine Bosley(2)	46	2017	Director

(1) The term of the mandates of the directors will expire immediately after the annual shareholders' meeting held in the year set forth next to the director's name.
(2) Member of the nomination and remuneration committee.
(3) Member of the audit committee.

The address for our directors is Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium.

Our board of directors has determined that five out of six of the members of the board are independent under the NASDAQ Stock Market listing requirements and that three out of six of the members of the board of directors are independent under Belgian law.

The following is the biographical information of the members of our board of directors:

Onno van de Stolpe founded our company in 1999 and has served as our Chief Executive Officer and a member of our board of directors from 1999 to the present. From 1998 to 1999, he was the Managing Director of Genomics at IntroGene B.V. (later Crucell N.V., which was acquired by Johnson & Johnson Services, Inc. in 2011). Prior to joining IntroGene in 1998, he was Managing Director of Molecular Probes Europe B.V. He established this European headquarters after joining Molecular Probes, Inc. in the United States. Previously, he worked for The Netherlands Foreign Investment Agency in California, where he was responsible for recruiting biotechnology and medical device companies to locate in The Netherlands. Mr. Van de Stolpe started his career as Manager of Business Development at MOGEN International N.V. in Leiden. He received an MSc degree from Wageningen University. Mr. Van de Stolpe currently also serves as a member of the supervisory board of the Stichting Institute for Human Organ and Disease Model Technologies and has previously served as a member of the board of directors of DCPrime B.V.

Rajesh Parekh, MA, DPhil has served as the Chairman of our board of directors since 2004. Dr. Parekh is a General Partner at Advent Life Sciences LLP, which he joined in 2005. During an academic career at Oxford

University, he co-founded Oxford GlycoSciences PLC, where he served as Chief Scientific Officer and Chief Executive Officer from 1988 until its sale to Celltech Group PLC (now UCB SA) in 2003. He has founded or served on the boards of several life sciences companies in the United States and Europe including Celldex Therapeutics, Inc.; Avila Therapeutics, Inc.; EUSA Pharma (Europe) Limited; Thiakis Limited; and Amsterdam Molecular Therapeutics (AMT) Holding N.V. (now uniQure). Dr. Parekh currently serves as a member of the board of directors of Cellnovo Limited, PE Limited, F2G Limited, LuxFold S.A., Biocartis NV and Levicept Limited. He is also a member of the Supervisory Board of the Novartis Venture Fund. He received his MA in Biochemistry and DPhil in Molecular Medicine from the University of Oxford, where he has also been a Senior Research Fellow and Professor.

Harrold van Barlingen, Ph.D. has served as a member of our board of directors since 2005. Dr. Van Barlingen is the managing director and founder of Thuja Capital B.V., Thuja Capital Holding B.V. and Thuja Capital Management B.V. Prior to founding Thuja Capital, he headed the life sciences effort of AlpInvest Partners B.V. from 2001 to 2006, managing a portfolio of over 30 companies. Previously, he was at the Boston Consulting Group, or BCG, where he worked as a consultant in management and strategy from 1999 to 2002. Prior to BCG, Dr. Van Barlingen headed the continental activities of The Lewin Group (a Quintiles subsidiary), an internationally active firm specialized in the field of health economics. He holds an MSc in Medical Biology and a PhD in Medicine, both from Utrecht University. From 1991 to 1992 he was a visiting scientist at the University of Chicago. He is the author of a wide variety of peer-reviewed scientific and pharmaco-economics papers. He currently serves on the supervisory boards of Encare Biotech B.V., TheraSolve NV (chairman), Hemics B.V. (chairman) and arGEN-X N.V. In addition, during the last five years he also served on the boards of Okapi Sciences NV and Curacyte GmbH.

Werner Cautreels, Ph.D. has served as a member of our board of directors since 2009. Dr. Cautreels is the President, Chief Executive Officer and member of the board of Selecta Biosciences, Inc. Previously, Dr. Cautreels joined Solvay Pharmaceuticals SA in 1998 where he was Global Head of R&D and later Global Chief Executive Officer from 2005 onwards, until it was acquired by Abbott Laboratories Inc. in February 2010. Prior to joining Solvay he was employed by Sanofi S.A., Sterling Winthrop, Inc. and Nycomed Amersham PLC in a variety of R&D management positions in Europe and in the United States from 1979 to 1998. Dr. Cautreels was a director of Innogenetics NV and ArQule, Inc. from 1999 until 2006. He was the President of the Belgian-Luxemburg Chamber of Commerce for Russia and Belarus until June 2010. He graduated from the University of Antwerp, with a Doctorate in Chemistry, specializing in mass spectrometry. He received his management and financial education from the Harvard Business School. Dr. Cautreels currently serves as a member of the board of directors of Seres Health, Inc.

Howard Rowe, JD has served as a member of our board of directors since 2010. Mr. Rowe is Managing Director at Hayfin Capital Management LLP. Prior to joining Hayfin Capital Management, Mr. Rowe was a Managing Director with The Goldman Sachs Group, Inc. where he had multiple healthcare responsibilities over his 12 years at the firm. His most recent roles at Goldman Sachs were as part of the European Special Situations and Principal Strategies teams where he established and led the private healthcare investing effort. During that time he served on the boards of EUSA Pharma (Europe) Limited, Healthcare Brands International Limited, SmallBone Innovations, Inc. and Ikonisys, Inc. Prior to his investing activities, Mr. Rowe was a senior member of the European Healthcare Investment Banking team, where he advised numerous corporate clients on M&A and corporate finance activities. Before joining Goldman Sachs, he was a corporate lawyer with the law firm Sullivan & Cromwell LLP. Mr. Rowe received his Bachelor of Science in Psychobiology from the University of Southern California and his JD from Harvard Law School. Mr. Rowe currently serves as a member of the board of directors of MedAvante, Inc.

Katrine Bosley has served as a member of our board of directors since 2013. Ms. Bosley is the President, Chief Executive Officer and member of the board of directors of Editas Medicine, Inc. From 2009 to 2012, Ms. Bosley was President and Chief Executive Officer of Avila Therapeutics, Inc., which was acquired by Celgene Corporation in 2012. Prior to her time at Avila Therapeutics, Ms. Bosley was Vice President, Strategic

Operations at Adnexus, a Bristol-Myers Squibb R&D Company, and was Vice President, Business Development at Adnexus Therapeutics, Inc., before that. Ms. Bosley joined Adnexus Therapeutics from Biogen Idec, Inc. where she had roles in business development, commercial operations and portfolio strategy in the United States and Europe. Earlier, she was part of the healthcare team at the venture firm Highland Capital Partners, Inc. Ms. Bosley graduated from Cornell University with a B.A. in Biology. Ms. Bosley has also served as a member of the board of directors of Coco Therapeutics Limited and currently serves as Chairman of the board of Genocea Biosciences, Inc. and as a board member of Scholar Rock, LLC.

Director Independence

As a foreign private issuer, under the listing requirements and rules of NASDAQ, we are not required to have independent directors on our board of directors, except that our audit committee is required to consist fully of independent directors, subject to certain phase-in schedules. However, our board of directors has determined that, under current listing requirements and rules of NASDAQ and taking into account any applicable committee independence standards, Rajesh Parekh, Harrold van Barlingen, Werner Cautreels, Howard Rowe and Katrine Bosley are "independent directors." In making such determination, our board of directors considered the relationships that each non-executive director has with us and all other facts and circumstances our board of directors deemed relevant in determining the director's independence, including the number of ordinary shares beneficially owned by the director and his or her affiliated entities (if any).

The independence criteria under the applicable NASDAQ Stock Market Listing Rules differ from the independence criteria set forth in Article 526*ter* of the Belgian Companies Code. Under Article 526*ter* of the Belgian Companies Code, Werner Cautreels, Howard Rowe and Katrine Bosley are "independent directors."

Role of the Board in Risk Oversight

Our board of directors is responsible for the oversight of our risk management activities and has delegated to the audit committee the responsibility to assist our board in this task. While our board oversees our risk management, our management is responsible for day-to-day risk management processes. Our board of directors expects our management to consider risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the board of directors. We believe this division of responsibilities is the most effective approach for addressing the risks we face.

Board Practices

Our board of directors can set up specialized committees to analyze specific issues and advise the board of directors on those issues.

Except for our executive committee, the committees are advisory bodies only and the decision-making remains within the collegial responsibility of the board of directors. The board of directors determines the terms of reference of each committee with respect to the organization, procedures, policies and activities of the committee.

Our board of directors has set up and appointed an executive committee, an audit committee and a nomination and remuneration committee. The composition and function of all of our committees will comply with all applicable requirements of the Belgian Companies Code, the Exchange Act, the exchanges on which the ordinary shares and ADSs are listed and SEC rules and regulations.

Committees

Executive Committee

Our board of directors has established an executive committee in accordance with article 524*bis* of the Belgian Companies Code. The following table sets forth certain information with respect to the current members of our executive committee as of March 31, 2015:

Name	Age	Position(s)
Onno van de Stolpe	55	Chief Executive Officer
Piet Wigerinck, Ph.D.	50	Chief Scientific Officer
Bart Filius, MBA	44	Chief Financial Officer
Andre Hoekema, Ph.D.	57	Senior Vice President Corporate Development

The address for the members of our executive committee is Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium.

There is no potential conflict of interest between the private interests or other duties of the members of the executive committee listed above and their duties to us.

Below are the biographies of those members of our executive committee who do not also serve on our board of directors:

Piet Wigerinck, Ph.D. joined our company in April 2008 from Tibotec-Virco Comm. VA (a subsidiary of Johnson & Johnson Services, Inc.) where he was the Vice President, Drug Discovery, Early Development and CM&C, and a member of the Management Board. He started his professional career as a medicinal chemist at Janssen Research Foundation in 1992. He then joined Tibotec Group NV in 1998, where, under his leadership, TMC114 (PrezistaTM) and TMC435 (OlysioTM) were selected and moved forward into clinical trials. Dr. Wigerinck played a key role in Tibotec's expansion into novel diseases such as Hepatitis C and advanced several compounds into Phase 1 and Phase 2 clinical trials. He brings over 15 years of research and development experience from both large pharmaceutical companies and biotechnology companies to our company. Dr. Wigerinck holds a Ph.D. from the K.U. Leuven and is inventor on more than 25 patent applications.

Bart Filius, MBA has served as our Chief Financial Officer since December 2014. Prior to that, Bart worked over 13 years at Sanofi S.A. since 2001, where he was the Chief Financial Officer of Sanofi Europe during the last three years. Earlier at Sanofi, Mr. Filius was the Country Manager and Chief Financial Officer of Sanofi in The Netherlands. Before that, he was Vice President for Mergers & Acquisitions, during which time Mr. Filius led and completed the divestiture of various franchises. Prior to joining Sanofi, Bart was a strategy consultant at Arthur D. Little. Mr. Filius has an MBA degree from INSEAD and a bachelor's degree in business from Nyenrode Business University.

Andre Hoekema, Ph.D. is responsible for M&A, licensing and Intellectual Property at Galapagos. He had the lead in rolling out our pharmaceutical alliance strategy since its start in 2006, and is the architect of our two collaborations with AbbVie (filgotinib and CF). Dr. Hoekema joined Galapagos in March 2005 from Invitrogen Corporation, where he was Managing Director of Corporate Development Europe, overseeing licensing and M&A for Invitrogen Europe. He brings 20 years of biotech experience from positions at Molecular Probes Europe B.V. (Managing Director of the European office), Crucell N.V. (Director of Business Development and Intellectual Property), Koninklijke DSM N.V., MOGEN International N.V. (Research and Project Management), and Genentech, Inc. (postdoctoral researcher). Dr. Hoekema studied Chemistry and holds a Ph.D. from Leiden University. During his Ph.D. work, he invented the binary vector system for the genetic modification of plants, which he published in Nature in 1983; this has since then become the global standard in the field of agricultural

biotech. He is the author of more than 30 peer-reviewed scientific papers, and an inventor of over 20 series of patent applications, resulting in 15 patents issued in the United States. Dr. Hoekema currently serves as a member of the supervisory board of VitalNext B.V.

The executive committee exercises the powers delegated to it by the board of directors, such powers not being related to the general strategy of the company or to other actions which are reserved for the board of directors according to legal requirements, articles of association or the corporate governance charter of the company.

The tasks of the executive committee include the following matters: the research, identification and development of strategic possibilities and proposals which may contribute to our company's development in general, the drafting and development of policy guidelines to be approved by our board of directors, our company's management through, among other things, the implementation of policy guidelines, the supervision of the performance of the business in comparison with the strategic goals, plans and budgets, and the support of the chief executive officer with the day-to-day management of our company.

Notwithstanding the above, and according to its "evocation right," our board of directors retains the right to deliberate and decide on matters which have in principle been delegated to our executive committee, but for which our board of directors is of the opinion that they require deliberation at the board of directors' level.

Audit Committee

Our audit committee consists of three members: Werner Cautreels (Chairman), Harrold van Barlingen and Howard Rowe.

Our board of directors has determined that all members of our audit committee are independent under Rule 10A-3 of the Exchange Act and the applicable rules of the NASDAQ Stock Market and that Werner Cautreels qualifies as an "audit committee financial expert" as defined under the Exchange Act.

Our audit committee assists our board of directors in overseeing the accuracy and integrity of our accounting and financial reporting processes and audits of our consolidated financial statements, the implementation and effectiveness of an internal control system and our compliance with legal and regulatory requirements, the independent auditors' qualifications and independence and the performance of the independent auditors.

Our audit committee's duties and responsibilities to carry out its purposes include, among others:

- ensuring the integrity of our financial reporting, including review of period information before it is made public;
- evaluating our system of internal controls set up by our executive committee, including evaluation and approval of the explanatory notes on internal controls in our annual reports;
- reviewing the functions of our internal risk management system and the efficacy of these systems;
- assessing the necessity for setting up an internal audit function; and
- supervising our relationship with our external auditors during the external audit process, including evaluation of our auditors' independence.

The committee reports regularly to our board of directors on the exercise of its functions. It informs our board of directors about all areas in which action or improvement is necessary in its opinion and produces recommendations concerning the necessary steps that need to be taken. The audit review and the reporting on that review cover us and our subsidiaries as a whole. The members of the audit committee are entitled to receive all information which they need for the performance of their function, from our board of directors, executive committee and employees. Every member of the audit committee shall exercise this right in consultation with the chairman of the audit committee.

Nomination and Remuneration Committee

Our nomination and remuneration committee consists of three members: Rajesh Parekh (Chairman), Katrine Bosley and Werner Cautreels.

Our board of directors has determined that all members of our nomination and remuneration committee are independent under the applicable rules of the NASDAQ Stock Market.

Concerning our company's nomination policy, this committee's duties and responsibilities to carry out its purposes include, among others:

- making and evaluating proposals to our board of directors with regard to the election and re-election of non-executive directors;
- advising on the size and composition of the board of directors periodically;
- making selection criteria and nomination procedures for members of the executive committee; and
- advising on proposals relating to the appointment or dismissal of the members of the executive committee.

Concerning our company's remuneration policy, this committee's duties and responsibilities to carry out its purposes include, among others:

- making and evaluating proposals to our board of directors with regard to the remuneration policy for non-executive directors and the proposals which have to be submitted to the shareholders;
- making and evaluating proposals to our board of directors relating to the remuneration policy for members of our executive committee;
- making proposals relating to individual remuneration, including bonuses; and
- discussing and evaluating the operations and performance of the executive committee at least once a year.

General Information About Our Directors and Members of Our Executive Committee

As of the date of this prospectus and except as set out below, none of the directors or members of our executive committee for at least the previous five years:

- holds any convictions in relation to fraudulent offenses;
- holds an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation, with the exception of Rajesh Parekh, who was Chairman of CoCo Therapeutics Limited, and Katrine Bosley, who served as a member of its board of directors, when it entered a members' voluntary liquidation process in December 2014, following negative pre-clinical results;
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

Family Relationships

There are no family relationships among any of the members of our executive committee or directors.

Corporate Governance Practices

Along with our articles of association, we adopted a corporate governance charter in accordance with the recommendations set out in the Belgian Corporate Governance Code issued on March 12, 2009 by the Belgian Corporate Governance Committee. The Belgian Corporate Governance Code is based on a "comply or explain" system: Belgian listed companies are expected to follow the Belgian Corporate Governance Code, but can deviate from specific provisions and guidelines (though not the principles) provided they disclose the justification for such deviations.

Our board of directors complies with the Belgian Corporate Governance Code, but believes that certain deviations from its provisions are justified in view of our particular situation. These deviations include the grant of warrants to non-executive directors. In this way, we have additional possibilities to attract competent non-executive directors and to offer them an attractive additional remuneration without the consequence that this additional remuneration weighs on our financial results. Furthermore, the grant of warrants is a commonly used method in the sector in which we operate. Without this possibility, we would be subject to a considerable disadvantage compared to competitors who do offer warrants to their non-executive directors. Our board of directors is of the opinion that the grant of warrants has no negative impact on the functioning of the non-executive directors.

Warrant Plan 2010 (C), Warrant Plan 2013 (B) and Warrant Plan 2014 (B), each pertaining to the issuance of warrants to a new member of our executive committee, were approved by our board of directors, based on a general authorization of the shareholders' meeting. Pursuant to provision 7.13 of the Belgian Corporate Governance Code, however, schemes under which executive officers are remunerated in shares, share options or any other right to acquire shares should be subject to prior shareholder approval by way of a resolution at the general shareholders' meeting. However, given (1) the fact that the adoption of these warrant plans falls within the scope of the authorizations to our board of directors granted by the extraordinary shareholders' meetings of June 2, 2009 and May 23, 2011 to use the authorized capital for the issue of warrants in the framework of the remuneration policy for employees, directors and independent consultants of our company and its subsidiaries and (2) the interest of our company in having the relevant beneficiaries join us as soon as possible, we are of the opinion that it was not desirable to convene a shareholders' meeting to grant its express prior approval for the adoption of Warrant Plans 2010 (C), 2013 (B) and 2014 (B).

Our board of directors reviews its corporate governance charter from time to time and makes such changes as it deems necessary and appropriate. Additionally, our board of directors adopted a written charter for each of the executive committee, the audit committee and the nomination and remuneration committee, which are part of the corporate governance charter.

Differences between Our Corporate Governance Practices and the Listing Rules of the NASDAQ Stock Market

The Listing Rules of the NASDAQ Stock Market include certain accommodations in the corporate governance requirements that allow foreign private issuers, to follow "home country" corporate governance practices in lieu of the otherwise applicable corporate governance standards of the NASDAQ Stock Market. The application of such exceptions requires that we disclose each of the NASDAQ Stock Market Listing Rules that we do not follow and describe the Belgian corporate governance practices we do follow in lieu of the relevant NASDAQ Stock Market corporate governance standard.

If and when the ADSs are listed on NASDAQ, we intend to continue to follow Belgian corporate governance practices in lieu of the corporate governance requirements of the NASDAQ Stock Market in respect of the following:

- **Quorum at Shareholder Meetings**. NASDAQ Stock Market Listing Rule 5620(c) requires that for any shareholders' meeting, the quorum must be no less than 33 ⅓% of the outstanding ordinary shares.

There is no quorum requirement under Belgian law for our shareholders' meetings, except as provided for by law in relation to decisions regarding certain matters. See "Description of Share Capital—Description of the Rights and Benefits Attached to Our Shares—Right to Attend and Vote at Our Shareholders' Meetings—Quorum and Majority Requirements."

- **Compensation Committee**. NASDAQ Stock Market Listing Rule 5605(d)(2) requires that compensation of officers must be determined by, or recommended to, the board of directors for determination, either by a majority of the independent directors, or a compensation committee comprised solely of independent directors. NASDAQ Stock Market Listing Rule 5605(e) requires that director nominees be selected, or recommended for selection, either by a majority of the independent directors or a nominations committee comprised solely of independent directors. Under Belgian law, we are not subject to such composition requirements. Pursuant to Article 526*quater* of the Belgian Companies Code and the principles and guidelines of the Belgian Corporate Governance Code, we are required to set up a remuneration committee within our board of directors. In addition, the Belgian Corporate Governance Code provides that the board of directors should set up a nomination committee, which can be combined with the remuneration committee. Our board of directors has set up and appointed a nomination and remuneration committee.
- **Executive Session**. NASDAQ Stock Market Listing Rule 5605(b)(2) requires that independent directors must have regularly scheduled meetings at which only independent directors are present. We do not intend to require our independent directors to meet separately from the full board of directors on a regular basis or at all, although the board of directors is supportive of its independent members voluntarily arranging to meet separately from the other members of our board of directors when and if they wish to do so.
- **Charters**. NASDAQ Stock Market Listing Rules 5605(c)(1), (d)(1) and (e)(2) require that each committee of the board of directors must have a formal written charter. Pursuant to the Belgian Corporate Governance Code, our board of directors has drawn up a corporate governance charter including, amongst others, the internal rules of our committees.
- **Shareholder Approval for Certain Issuances of Securities**. NASDAQ Stock Market Listing Rule 5635 requires that a company obtain shareholder approval prior to making certain issuances of securities. Pursuant to the Belgian Companies Code and subject to the conditions set forth therein and in our articles of association, our board of directors is allowed to issue shares through the use of authorized capital limited to the maximum amount of our share capital. The authorized capital may however not be used for (i) capital increases by contribution in kind exclusively reserved for one of our shareholders holding shares to which more than 10% of the voting rights are attached, (ii) the issuance of shares at a price lower than the accounting par value (*fractiewaarde/pair comptable*) of the then outstanding shares of the same class, or (iii) the issuance of warrants intended mainly for one or more specified persons other than our or our subsidiaries' employees. Restrictions on the use of the authorized capital also exist in case a public take-over bid on us has been announced.

Code of Business Conduct and Ethics

Prior to the completion of the global offering, we expect to adopt a Code of Business Conduct and Ethics, or the Code of Conduct, that is applicable to all of our employees, members of our executive committee and directors. Following the completion of the global offering, the Code of Conduct will be available on our website at *www.glpg.com*. The audit committee of our board of directors will be responsible for overseeing the Code of Conduct and will be required to approve any waivers of the Code of Conduct for employees, members of our executive committee and directors. We expect that any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website.

Compensation of Directors and Members of Executive Committee

The aggregate compensation paid and benefits in kind granted by us to our current members of the executive committee and directors, excluding share-based compensation, for the year ended December 31, 2014, was €1,501,252 and £50,000. For the year ended December 31, 2014, €151,606 of the amounts set aside or accrued to provide pension, retirement or similar benefits to our employees was attributable to members of our executive committee.

For a discussion of our employment arrangements with the members of our executive committee and consulting arrangement with our directors, see the section of this prospectus titled "Related-Party Transactions—Agreements with Our Directors and Members of Executive Committee." For more information regarding warrant grants, see the section of this prospectus titled "—Warrant Plans."

Except the arrangements described in the section of this prospectus titled "Related-Party Transactions—Agreements with Our Directors and Members of Executive Committee," there are no arrangements or understanding between us and any of the members of our executive committee or directors providing for benefits upon termination of their employment, other than as required by applicable law.

Compensation of Our Board of Directors

The remuneration of our directors (other than Rajesh Parekh and our chief executive officer) and the grant of warrants to our directors is submitted by our board of directors for approval to the general shareholders' meeting and is only implemented after such approval. The procedure for establishing the remuneration policy and setting remuneration for members of our board of directors is determined by our board of directors on the basis of proposals from the nomination and remuneration committee, taking into account relevant benchmarks from the biotechnology industry.

Pursuant to the decision of the annual general shareholders' meeting of April 29, 2014, the total maximum amount of the annual remuneration for all directors together (other than Rajesh Parekh and our chief executive officer) for the exercise of their mandate as a director of our company is fixed, on an aggregate basis, at €200,000 (plus expenses). The same annual general shareholders' meeting granted a power of attorney to our board of directors to determine the remuneration of the individual board members within the limits of such aggregate amount. Pursuant to this power of attorney, our board of directors determined, upon recommendation of the nomination and remuneration committee, the allocation of the aggregate annual remuneration for directors as follows:

- remuneration for non-executive directors who do not represent a shareholder (i.e., Harrold Van Barlingen and Howard Rowe): €20,000;
- remuneration for non-EU-based directors who do not represent a shareholder and/or for directors who actively and on a regular basis provide independent clinical, scientific and/or transactional advice to the board of directors (i.e., Werner Cautreels, Vicki Sato and Katrine Bosley): €40,000; and
- additional remuneration for the chairman of the audit committee (i.e., Werner Cautreels): €5,000.

The aforementioned levels of remuneration are a continuation of the fees as paid in previous years.

In the event a director has a presence rate at board meetings that is below 75%, the amounts referred to above will be proportionally decreased. Directors representing a shareholder on the board of directors would only receive reimbursement of the expenses incurred for participating in the board of directors (there were no such directors in 2014, nor are there currently).

The remuneration of the non-executive directors does not contain a variable part; hence no performance criteria apply to the remuneration of the non-executive directors.

The chairman of our board of directors, Rajesh Parekh, does not receive remuneration like the other directors. However, pursuant to a consultancy contract dated August 1, 2005 between our company and Dr. Parekh, he receives an annual fee of £50,000 as compensation for giving strategic advice to our company.

The following table sets forth the fees received by our non-executive directors for the performance of their mandate as a board member, during the year ended December 31, 2014:

Name	Fees earned (€)
Rajesh Parekh	—
Harrold van Barlingen	20,000
Werner Cautreels	45,000
Howard Rowe	20,000
Vicki Sato(1)	40,000
Katrine Bosley	40,000
Total	165,000

(1) Ms. Sato resigned from our board of directors effective December 31, 2014.

Our executive director, Onno van de Stolpe, does not receive any specific or additional remuneration for his service on our board of directors, as this is included in his total remuneration package in his capacity as member of our executive committee. For more information regarding Mr. Van de Stolpe's compensation, see the section of this prospectus titled "—Compensation of Members of the Executive Committee."

The table below provides an overview as of March 31, 2015 of the warrants held by the non-executive directors.

Name	Warrant awards		
	Number of ordinary shares underlying warrants	Warrant exercise price (€)	Warrant expiration date
Rajesh Parekh.	31,250	4.00	2/1/2017
	5,400	9.95	5/22/2016
	3,780	14.19	9/2/2020
	5,400	19.38	5/15/2021
	5,400	14.54	7/24/2022
Total	**51,230**		
Harrold van Barlingen	2,520	9.95	5/22/2016
	2,520	14.19	9/2/2020
	2,520	19.38	5/15/2021
	2,520	14.54	7/24/2022
Total	**10,080**		
Werner Cautreels	2,520	9.95	5/22/2016
	2,520	14.19	9/2/2020
	3,780	19.38	5/15/2021
	3,780	14.54	7/24/2022
Total	**12,600**		
Howard Rowe	7,500	9.95	5/22/2016
	2,520	14.19	9/2/2020
	2,520	19.38	5/15/2021
	2,520	14.54	7/24/2022
Total	**15,060**		
Katrine Bosley	7,500	19.38	5/15/2021
	2,520	14.54	7/24/2022
Total	**10,020**		

No loans, quasi-loans or other guarantees were given to the non-executive directors during the year ended December 31, 2014.

Compensation of Members of the Executive Committee

The compensation of the members of our executive committee is determined by our board of directors based on the recommendations by our nomination and remuneration committee.

The remuneration of the members of our executive committee consists of different components:

- **Fixed remuneration**: a basic fixed fee designed to fit responsibilities, relevant experience and competences, in line with market rates for equivalent positions. The amount of fixed remuneration is evaluated and determined by the board of directors every year, upon recommendation of the nomination and remuneration committee.
- **Variable remuneration (short term and long term)**: members of the executive committee may be entitled to a bonus, depending on the level of achievement of the criteria from the Senior Management Bonus Scheme (i.e., corporate objective for that year). The maximum bonus of the chief executive officer is set at 100% of his yearly fixed salary. The actual bonus of the chief executive officer is

determined by our board of directors, upon recommendation of the nomination and remuneration committee, and is based on the achievement of corporate and individual objectives. The maximum aggregate bonus pot for the other members of the executive committee is set at 60% of their combined salaries. The actual bonuses of these executive officers are determined by our board of directors, upon recommendation of the nomination and remuneration committee, and are based on the achievement of corporate and individual objectives. For each year, 50% of this variable remuneration is paid in early January of the following year, and the other 50% is deferred for three years and is adjusted in light of the change of the company's share price relative to the Euronext Next Biotech Index.

- **Incentive plan**: warrants have been granted and may be granted in the future, to the members of the executive committee. For a description of the main characteristics of our warrant plans, see the section of this prospectus titled "—Warrant Plans."
- **Other**: group's pension, company car and payments for invalidity and healthcare cover and other fringe benefits of non-material value.

No loans, quasi-loans or other guarantees were given to members of our executive committee during the year ended December 31, 2014.

The following table sets forth information regarding compensation earned by Onno van de Stolpe, our chief executive officer, during the year ended December 31, 2014.

	Compensation (€)
Fixed remuneration (gross)	428,491
Variable remuneration (short term)(1)	134,000
Variable remuneration (long term)(2)	—
Pension/Life	66,544
Other benefits	18,600
Total	647,635

(1) 50% of the performance bonus for the year 2014, paid in January 2015. The remaining 50% is deferred for three years and is adjusted in light of the change of our company's share price relative to the Euronext Next Biotech Index.
(2) No performance bonus was awarded for the year 2011, as three out of five of the corporate objectives for 2011 were not achieved. Therefore, no deferred part of the bonus for the year 2011 was paid out in 2014.

In addition, Mr. Van de Stolpe was granted (and accepted) 100,000 warrants under Warrant Plan 2014. The exercise price of these warrants is €14.54. These warrants are exercisable as from January 1, 2018.

The following table sets forth information concerning the aggregate compensation earned during the year ended December 31, 2014 by the other current members of our executive committee.

	Compensation (€)
Fixed remuneration (gross)	520,063
Variable remuneration (short term)(1)	100,000
Variable remuneration (long term)(2)	—
Pension/Life	85,062
Other benefits	23,492
Total	728,617

(1) 50% of the performance bonus for the year 2014, paid in January 2015. The remaining 50% is deferred for three years and is adjusted in light of the change of our company's share price relative to the Euronext Next Biotech Index.

(2) No performance bonus was awarded for the year 2011, as three out of five of the corporate objectives for 2011 were not achieved. Therefore, no deferred part of the bonus for the year 2011 was paid out in 2014.

In addition, the other members of the executive committee were granted (and accepted) an aggregate amount of 80,000 warrants under Warrant Plan 2014, with an exercise price of €14.54, and 150,000 warrants under Warrant Plan 2014 (B), with an exercise price of €11.93.

The table below provides an overview as of March 31, 2015 of the warrants held by the members of our executive committee.

	Warrant awards		
Name	Number of ordinary shares underlying warrants	Warrant exercise price (€)	Warrant expiration date
Onno van de Stolpe.	15,000	6.76	2/1/2017
	125,000	6.91	7/3/2018
	108,126	8.65	6/27/2015
	16,874	8.65	6/27/2020
	100,000	9.95	5/22/2016
	100,000	14.19	9/2/2020
	100,000	19.38	5/15/2021
	100,000	14.54	7/24/2022
Total	**665,000**		
Other Officers	30,000	6.76	2/1/2017
	12,500	8.60	12/14/2018
	30,000	8.65	6/27/2020
	92,500	5.60	6/25/2021
	40,000	5.87	3/31/2017
	70,000	11.55	4/26/2018
	50,000	9.95	5/22/2019
	70,000	14.19	9/2/2020
	50,000	19.38	5/15/2021
	80,000	14.54	7/24/2022
	150,000	11.93	10/13/2022
Total	**675,000**		

Warrant Plans

We have established a number of warrant plans, under which we have granted warrants free of charge to the recipients, i.e., employees of our group and directors and independent consultants of our company. For warrant plans issued prior to 2011, the warrants offered to the employees and independent consultants vest according to the following schedule: 10% of the warrants vest on the date of the grant; an additional 10% vest at the first anniversary of the grant; an additional 20% vest at the second anniversary of the grant; an additional 20% vest at the third anniversary of the grant; and an additional 40% vest at the end of the third calendar year following the grant. The warrants granted under warrant plans created from 2011 onwards vest at the end of the third calendar year following the year of the grant, with no intermediate vesting. The warrants offered to directors vest over a period of 36 months at a rate of 1/36th per month. Warrants cannot be exercised before the end of the third calendar year following the year of the grant. Pursuant to a resolution adopted at the extraordinary general shareholders' meeting held on May 23, 2011, a provision has been incorporated in the warrant plans, which provides that in the event of a change of control of our company, all outstanding warrants vest immediately and will be immediately exercisable.

After the reverse 4:1 share split approved by the shareholders' meeting held on March 29, 2005, four warrants under Warrant Plan 2002 Belgium entitle the warrant holder to subscribe for one ordinary share. For the warrant plans created from 2005 onwards, one warrant entitles the warrant holder to subscribe for one ordinary share. In the summaries and tables below, the numbers of warrants issued under Warrant Plan 2002 Belgium are divided by four to avoid a mixture of rights.

Generally, unless our board of directors at the time of the grant of the warrant determines a higher exercise price, the exercise price of a warrant will be equal to the lower of the following prices:

- the last closing price of our ordinary shares on Euronext Amsterdam prior to the date on which the warrant is offered; or
- the average closing price of our ordinary shares on Euronext Amsterdam over the thirty-day period preceding the date on which the warrant is offered.

For beneficiaries of the warrant plan that are not employees of our group, the exercise price cannot be lower than the average closing price of our ordinary shares on Euronext Amsterdam over the thirty-day period preceding the date of issuance of the warrants.

However, for the warrants offered under Warrant Plan 2002 (B), since the ordinary shares of our company were not yet traded or listed on a stock exchange at the time of the relevant offers, the exercise price was to be determined by our board of directors at the time of the offer and had to be at least equal to the market value of the former Class D shares, as determined by the board of directors and as certified by the auditor of our company. In addition, the exercise price could not be lower than (1) the book value of the existing shares as appearing from the last approved annual accounts of the company at the date of the offer and (2) €1.

Since 2002, an aggregate of 6,851,664 warrants were granted. Of these 6,851,664 warrants:

- 144,612 warrants lapsed because they were not timely exercised by their beneficiaries;
- 1,067,433 warrants lapsed due to their beneficiaries no longer being employed by the company; and
- 2,620,314 warrants have been exercised.

As a result, as of March 31, 2015, there were 3,019,305 warrants outstanding which represent approximately 9.8% of the total number of all our issued and outstanding voting financial instruments.

The table below sets forth the details of all warrants granted under the warrant plans in force as per March 31, 2015, including the plan under which the warrants were granted, the offer date, exercise price, expiry date, number of warrants exercised, number of warrants voided and number of warrants outstanding. In addition, we plan to issue a new Warrant Plan 2015, pursuant to which we may offer up to 625,740 new warrants to our employees, directors and independent consultants, subject to (i) the absence of comments from the FSMA, (ii) shareholder approval with respect to the offer of warrants to our directors and executive committee members and (iii) acceptance by the plan's beneficiaries. Aside from the warrants set forth in the below table and the

contemplated new Warrant Plan 2015, there are currently no other stock options, options to purchase securities, convertible securities or other rights to subscribe for or purchase outstanding securities.

Warrant Plan	Offer date	Exercise price (€)	Number of warrants granted	Number of warrants exercised	Number of warrants voided	Number of warrants still outstanding	Exercisable from	Expiry date
2002 B	3/6/2002	4.00	553,705	423,698	130,007	—	1/1/2006	3/6/2010
	9/2/2002	4.00	27,125	14,150	12,975	—	1/1/2006	9/2/2010
	3/6/2003	4.00	5,250	1,287	3,963	—	1/1/2007	3/31/2007
	4/1/2003	4.00	7,500	7,500	—	—	1/1/2007	4/1/2011
	6/15/2004	4.00	2,000	2,000	—	—	1/1/2008	6/15/2012
	7/9/2004	4.00	31,250	—	—	31,250	1/1/2008	2/1/2017
	7/22/2004	4.00	7,500	—	7,500	—	1/1/2008	3/31/2008
	1/31/2005	6.76	159,375	70,000	44,375	45,000	1/1/2009	2/1/2017
Total			**793,705**	**518,635**	**198,820**	**76,250**		
2005	7/4/2005	6.91	145,000	20,000	—	125,000	1/1/2009	7/3/2018
	11/23/2005	8.35	125,000	52,500	50,000	22,500	1/1/2009	11/22/2018
	12/15/2005	8.60	12,500	—	—	12,500	1/1/2009	12/14/2018
	2/13/2006	8.61	40,000	8,000	32,000	—	1/1/2010	3/31/2010
	2/13/2006	8.73	53,500	50,972	2,528	—	1/1/2010	3/31/2010
	11/22/2006	8.65	82,600	61,285	21,315	—	1/1/2010	11/21/2019
Total			**458,600**	**192,757**	**105,843**	**160,000**		
2006 BNL	2/13/2006	8.61	112,953	86,882	12,291	13,780	1/1/2010	2/12/2019
	11/22/2006	8.65	87,090	16,450	70,640	—	1/1/2010	11/21/2019
	2/14/2007	9.57	102,900	9,170	93,730	—	1/1/2011	08/31/2011
	5/4/2007	9.22	17,500	10,000	—	7,500	1/1/2011	5/3/2020
	6/28/2007	8.65	735	—	—	735	1/1/2011	6/27/2020
	12/21/2007	7.12	25,110	11,071	11,939	2,100	1/1/2011	12/20/2020
Total			**346,288**	**133,573**	**188,600**	**24,115**		
2006 UK	6/1/2006	8.70	302,191	230,963	71,228	—	1/1/2010	9/30/2014
	11/22/2006	8.65	13,965	11,907	2,058	—	1/1/2010	11/21/2014
	12/19/2006	9.18	77,700	31,885	45,815	—	1/1/2010	12/18/2014
	6/28/2007	8.43	30,585	20,085	10,500	—	1/1/2011	6/27/2015
	12/21/2007	7.25	945	945	—	—	1/1/2011	12/20/2015
Total			**425,386**	**295,785**	**129,601**	**—**		
2007	6/28/2007	8.65	108,126	—	—	108,126	1/1/2011	6/27/2015
	6/28/2007	8.65	256,314	118,497	53,173	84,644	1/1/2011	6/27/2020
Total			**364,440**	**118,497**	**53,173**	**192,770**		
2007 RMV	10/25/2007	8.65	108,850	55,475	4,900	48,475	1/1/2011	10/24/2020
Total			**108,850**	**55,475**	**4,900**	**48,475**		
2008	6/26/2008	5.60	201,445	66,004	7,326	128,115	1/1/2012	6/25/2021
Total			**201,445**	**66,004**	**7,326**	**128,115**		
2008 (B)	6/26/2008	5.60	57,500	50,000	7,500	—	1/1/2012	6/25/2013
Total			**57,500**	**50,000**	**7,500**	**—**		
2009	4/1/2009	5.87	555,000	361,750	65,000	128,250	1/1/2013	3/31/2017
Total			**555,000**	**361,750**	**65,000**	**128,250**		

Warrant Plan	Offer date	Exercise price (€)	Number of warrants granted	Number of warrants exercised	Number of warrants voided	Number of warrants still outstanding	Exercisable from	Expiry date
2009 (B)	6/2/2009	7.09	135,100	131,670	3,430	—	1/1/2013	6/1/2014
Total			**135,100**	**131,670**	**3,430**	**—**		
2010	4/27/2010	11.55	466,500	237,250	49,750	179,500	1/1/2014	4/26/2018
	4/27/2010	11.55	40,000	11,000	—	29,000	4/27/2014	4/26/2018
Total			**506,500**	**248,250**	**49,750**	**208,500**		
2010 (B)	4/27/2010	11.55	195,040	190,108	4,932	—	1/1/2014	4/26/2015
Total			**195,040**	**190,108**	**4,932**	**—**		
2010 (C)	12/23/2010	11.74	75,000	—	—	75,000	1/1/2014	12/22/2018
Total			**75,000**	**—**	**—**	**75,000**		
2011	5/23/2011	9.95	561,500	255,500	129,000	177,000	1/1/2015	5/22/2019
	5/23/2011	9.95	57,500	—	7,500	50,000	5/23/2015	5/22/2019
Total			**619,000**	**255,500**	**136,500**	**227,000**		
2011 (B)	5/23/2011	9.95	129,220	2,310	1,470	125,440	1/1/2015	5/22/2016
Total			**129,220**	**2,310**	**1,470**	**125,440**		
2012	9/3/2012	14.19	448,640	—	100,650	347,990	1/1/2016	9/2/2020
	9/3/2012	14.19	32,500	—	5,000	27,500	9/3/2016	9/2/2020
Total			**481,140**	**—**	**105,650**	**375,490**		
2013	5/16/2013	19.38	602,790	—	149,550	453,240	1/1/2017	5/15/2021
Total			**602,790**	**—**	**149,550**	**453,240**		
2013 (B)	9/18/2013	15.18	75,000	—	—	75,000	1/1/2017	6/30/2017
Total			**75,000**	**—**	**—**	**75,000**		
2014	7/25/2014	14.54	571,660	—	—	571,660	1/1/2018	7/24/2022
Total			**571,660**	**—**	**—**	**571,660**		
2014 (B)	10/14/2014	11.93	150,000	—	—	150,000	1/1/2018	10/13/2022
Total			**150,000**	**—**	**—**	**150,000**		
Grand Total			**6,851,664**	**2,620,314**	**1,212,045**	**3,019,305**		

RELATED-PARTY TRANSACTIONS

Since January 1, 2012, there has not been, nor is there currently proposed, any material transaction or series of similar material transactions to which we were or are a party in which any of the members of our board of directors or senior management, holders of more than 10% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than the compensation and shareholding arrangements we describe in "Management" and "Principal Shareholders," and the transactions we describe below.

Transactions with Our Principal Shareholders

See "Description of Share Capital—History of Securities Issuances."

Agreements with Our Directors and Members of Executive Committee

Employment and Management Arrangements

Onno van de Stolpe

On March 1, 2002, we entered into a management agreement with Onno van de Stolpe for the position of Managing Director and Chief Executive Officer for an indefinite period. Effective March 1, 2011, Mr. Van de Stolpe's management agreement with Galapagos NV was reduced from a full-time basis to a part-time basis, for approximately 40% of his time, at which time he entered into (1) an employment agreement with Galapagos B.V. on a part-time basis, for approximately 35% of his time, and (2) a management agreement with Galapagos SASU for approximately 25% of his time. Mr. Van de Stolpe currently receives (1) a base remuneration from Galapagos NV of €182,519 (including an annual pension scheme contribution amounting to €19,000), (2) a base salary from Galapagos B.V. of €159,704 (including an 8% holiday bonus) and (3) a base salary from Galapagos SASU of €114,074.

Bart Filius

On September 15, 2014, Galapagos B.V. entered into an employment agreement, subject to Dutch law, with Bart Filius for the position of Chief Financial Officer, starting December 1, 2014 for an indefinite period.

Andre Hoekema

On January 31, 2005, Galapagos B.V. entered into an employment agreement, subject to Dutch law, with Andre Hoekema for the position of Senior Vice President Corporate Development and member of the executive committee, for an indefinite period.

Piet Wigerinck

On February 28, 2008, we entered into a management agreement with Piet Wigerinck for the position of Senior Vice President Drug Development and member of the executive committee, for an indefinite period. Mr. Wigerinck was appointed Chief Scientific Officer effective March 1, 2012. The management agreement stipulates that Mr. Wigerinck shall perform his duties thereunder on an independent basis.

Consulting Arrangements

Parekh Enterprises Ltd

On August 1, 2005, we entered into a management agreement with Parekh Enterprises Ltd, duly represented by Rajesh Parekh, for the provision of consultancy services to the company consisting of the strategic positioning

of our company, the evaluation of corporate transactions, the managing of relations with existing and potential investors and with stock markets and other matters of strategic importance for the company. Parekh Enterprises Ltd currently receives an annual fixed fee of £50,000 (exclusive VAT) which is invoiced by Parekh Enterprises Ltd on a quarterly basis. The management agreement stipulates that Parekh Enterprises Ltd shall perform its duties thereunder on an independent basis.

Indemnification Agreements

In connection with the global offering, we intend to enter into indemnification agreements with each of our directors and each member of our executive committee. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Transactions with Related Companies

From time to time, in the ordinary course of our business we may contract for services from companies in which certain of the members of our executive committee or directors may serve as director or advisor. The cost of these services is negotiated on an arm's length basis and none of these arrangements is material to us.

Related-Party Transactions Policy

Article 524 of the Belgian Companies Code provides for a special procedure that applies to intragroup or related party transactions with affiliates. The procedure applies to decisions or transactions between us and our affiliates that are not one of our subsidiaries. Prior to any such decision or transaction, our board of directors must appoint a special committee consisting of three independent directors, assisted by one or more independent experts. This committee must assess the business advantages and disadvantages of the decision or transaction, quantify its financial consequences and determine whether the decision or transaction causes a disadvantage to us that is manifestly illegitimate in view of our policy. If the committee determines that the decision or transaction is not illegitimate but will prejudice us, it must analyze the advantages and disadvantages of such decision or transaction and set out such considerations as part of its advice. Our board of directors must then make a decision, taking into account the opinion of the committee. Any deviation from the committee's advice must be justified. Directors who have a conflict of interest are not entitled to participate in the deliberation and vote. The committee's advice and the decision of the board of directors must be notified to our auditor, who must render a separate opinion. The conclusion of the committee, an excerpt from the minutes of the board of directors and the opinion by the auditor must be included in our annual report. This procedure does not apply to decisions or transactions in the ordinary course of business under customary market conditions and security documents, or to transactions or decisions with a value of less than 1% of our net assets as shown in our consolidated annual accounts.

In addition to this, our corporate governance charter provides for guidelines for transactions between our company and our directors or members of the executive committee. According to such guidelines:

- it is expected from all directors and members of the executive committee that they avoid all acts, standpoints or interests which are conflicting with, or which give the impression that they are conflicting with, the interests of our company;
- all transactions between our company and our directors, members of the executive committee or representatives need the approval of our board of directors. Such transactions could only be allowed at arm's length (normal market conditions);
- our directors and members of the executive committee are, by way of example, not allowed, directly or indirectly, to enter into agreements with our company which relate to supply of materials or delivery of services (other than in the framework of their mandate for our company), except with the explicit approval of our board of directors;

- in the event our directors, members of the executive committee or their permanent representatives are confronted with a potential conflict of interest with regard to a decision or a transaction of our company, they shall immediately inform the chairman of the board of directors thereof. Conflict of interest means a conflict of proprietary interest, but also functional conflict of interest or conflicts of a family nature (up to second degree);
- in the event Article 523 of the Belgian Companies Code applies, our director or the member of the executive committee shall not participate in the deliberation on the subject matter; and
- in the event Article 523 of the Belgian Companies Code does not apply, the existence of the conflict of interest shall be written down in the minutes (but shall not be published) and the director or the member of the executive committee shall not vote.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 31, 2015 for:

- each person who is known by us to own beneficially more than 5% of our outstanding ordinary shares;
- each member of our board of directors;
- the members of our executive committee (excluding our chief executive officer), on an aggregated basis; and
- all members of our board of directors and executive committee as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares that can be acquired within 60 days of March 31, 2015. The percentage ownership information shown in the table prior to the global offering is based upon 30,870,677 ordinary shares outstanding as of March 31, 2015. The percentage ownership information shown in the table after the global offering is based upon ordinary shares outstanding, assuming the sale of shares and ADSs by us in the global offering and no exercise of the underwriters' options to purchase additional shares and ADSs. The percentage ownership information shown in the table after the global offering if the underwriters' options to purchase additional shares and ADSs are exercised in full is based upon ordinary shares outstanding, assuming the sale of shares and ADSs by us in the global offering and assuming the exercise in full of the underwriters' options to purchase additional ADSs and shares.

Except as otherwise indicated, all of the shares reflected in the table are ordinary shares and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

In computing the number of ordinary shares beneficially owned by a person and the percentage ownership of that person, we deemed outstanding ordinary shares subject to warrants held by that person that are immediately exercisable or exercisable within 60 days of March 31, 2015. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Beneficial ownership representing less than 1% is denoted with an asterisk (*). The information in the table below is based on information known to us or ascertained by us from public filings made by the shareholders. Except as otherwise indicated in the table below, addresses of the directors, members of our executive committee and named beneficial owners are in care of Galapagos NV, Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium.

Name of beneficial owner	Shares beneficially owned prior to offering		Shares beneficially owned after offering	Shares beneficially owned after offering if underwriters' option is exercised in full
	Number	Percentage	Percentage	Percentage
5% shareholders:				
Johnson & Johnson	2,350,061(1)(2)	7.61%		
Van Herk Investments B.V.	1,586,727(1)(3)	5.14		
The Capital Group Companies, Inc.	1,554,436(1)(4)	5.04		
Directors and members of executive committee:				
Rajesh Parekh, MA, DPhil	116,650(5)	*		
Onno van de Stolpe	829,226(6)	2.65		
Harrold van Barlingen, PhD	11,820(7)	*		
Werner Cautreels, PhD	5,040(8)	*		
Howard Rowe, JD	7,500(9)	*		
Katrine Bosley	—	—		
Members of our executive committee (excluding our chief executive officer)	350,352(10)	1.12		
All members of our board of directors and executive committee as a group (9 persons)	1,320,588(11)	4.18%	%	%

(1) At the time of the most recent transparency notification.

(2) Consists of (i) 1,113,964 shares held by Tibotec-Virco Comm. VA and (ii) 1,236,097 shares held by Crucell Holland B.V. Johnson & Johnson is the ultimate controlling person of these entities. The address for Johnson & Johnson is One Johnson & Johnson Plaza, New Brunswick, NJ 08933.

(3) Consists of 1,586,727 shares held by Van Herk Investments B.V. Adrianus van Herk is the controlling person of this entity and has sole voting and investment power with respect to the shares held by this entity. Adrianus van Herk disclaims beneficial ownership of all shares except to the extent of his pecuniary interest. The address of Van Herk Investments B.V. is Lichtenauerlaan 30, 3062 ME Rotterdam, The Netherlands.

(4) Consists of 1,554,436 shares held directly by Capital Research and Management Company. The Capital Group Companies, Inc. is the controlling entity of this entity. The address of The Capital Group Companies, Inc. is 333 South Hope Street, 55th Floor, Los Angeles, CA 90071.

(5) Consists of (i) 80,000 shares and (ii) 36,650 shares issuable upon the exercise of warrants that are immediately exercisable or exercisable within 60 days of March 31, 2015.

(6) Consists of (i) 464,226 shares and (ii) 365,000 shares issuable upon the exercise of warrants that are immediately exercisable or exercisable within 60 days of March 31, 2015.

(7) Consists of (i) 9,300 shares and (ii) 2,520 shares issuable upon the exercise of warrants that are immediately exercisable or exercisable within 60 days of March 31, 2015.

(8) Consists of (i) 2,520 shares and (ii) 2,520 shares issuable upon the exercise of warrants that are immediately exercisable or exercisable within 60 days of March 31, 2015.

(9) Consists of 7,500 shares issuable upon the exercise of warrants that are immediately exercisable or exercisable within 60 days of March 31, 2015.

(10) Consists of (i) 25,352 shares and (ii) 325,000 shares issuable upon the exercise of warrants that are immediately exercisable or exercisable within 60 days of March 31, 2015.

(11) Includes 739,190 shares issuable upon the exercise of warrants that are immediately exercisable or exercisable within 60 days of March 31, 2015.

Each of our shareholders is entitled to one vote per ordinary share. None of the holders of our shares will have different voting rights from other holders of shares after the closing of this offering. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

DESCRIPTION OF SHARE CAPITAL

The following description is a summary of certain information relating to our share capital, certain provisions of our articles of association and the Belgian Companies Code. Because this description is a summary, it may not contain all information important to you. Accordingly, this description is qualified entirely by references to our articles of association. A copy of our articles of association will be publicly available as an exhibit to the registration statement of which this prospectus forms a part.

The following description includes comparisons of certain provisions of our articles of association and the Belgian Companies Code applicable to us and the Delaware General Corporation Law, or the DGCL, the law under which many publicly listed companies in the United States are incorporated. Because such statements are summaries, they do not address all aspects of Belgian law that may be relevant to us and our shareholders or all aspects of Delaware law which may differ from Belgian law, and they are not intended to be a complete discussion of the respective rights.

Share Capital

Share Capital and Shares

Our share capital is represented by ordinary shares without par value. Our share capital is fully paid-up. Our shares are not separated into classes. As of March 31, 2015 our issued and paid-up share capital amounted to €166,996,209.57 represented by 30,870,677 ordinary shares without par value, each representing an identical fraction of our share capital. As of March 31, 2015, we had seven shareholders who held shares in registered form, representing 1.75% of our ordinary shares. The remainder of our ordinary shares are in dematerialized form. As of March 31, 2015, neither we nor any of our subsidiaries held any of our own shares.

As of March 13, 2015, assuming that all of our ordinary shares represented by ADSs are held by residents of the United States, we estimated that approximately 25% of our outstanding ordinary shares were held in the United States by 13 holders of record.

Other Outstanding Securities

In addition to the shares already outstanding, we have granted warrants, which upon exercise will lead to an increase in the number of our outstanding shares. A total of 3,019,305 warrants (where each warrant entitles the holder to subscribe for one new share) were outstanding and granted as of March 31, 2015. For further information, see “Management—Warrant Plans.”

History of Securities Issuances

As of January 1, 2012, our share capital amounted to €142,928,662.81, represented by 26,421,441 shares. All shares were issued, fully paid up and of the same class. Since January 1, 2012, the following events have changed the number of our issued and outstanding shares:

- On April 5, 2012, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €740,589.74 (plus €359,072.53 in issuance premium) and the issuance of 137,414 new ordinary shares.
- On June 29, 2012, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €101,161.59 (plus €59,091.48 in issuance premium) and the issuance of 18,699 new ordinary shares.

- On July 12, 2012, our board of directors decided, within the framework of the authorized capital, to create a maximum of 530,140 warrants, for the benefit of our directors, employees and certain independent consultants under a new warrant plan, or Warrant Plan 2012. After acceptances, the total number of warrants *de facto* created and granted under this plan is 481,140.
- On September 14, 2012, warrants were exercised at various exercise prices under Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €116,688.29 (plus €28,133.01 in issuance premium) and the issuance of 21,569 new ordinary shares.
- On December 17, 2012, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €928,485.84 (plus €408,400.79 in issuance premium) and the issuance of 171,624 new ordinary shares.
- On December 31, 2012, our share capital amounted to €144,815,588.27, represented by 26,770,747 shares. All shares were issued, fully paid up and of the same class.
- On April 5, 2013, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2008, Warrant Plan 2008 (B), Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €1,068,913.21 (plus €113,013.18 in issuance premium) and the issuance of 197,581 new ordinary shares.
- On April 29, 2013, within the framework of the authorized capital and with cancellation of the preferential subscription rights, our board of directors decided to increase our share capital by €14,589,855.71 (plus €39,346,764.29 in issuance premium) by means of a private placement with institutional investors, resulting in the issuance of 2,696,831 new ordinary shares.
- On May 16, 2013, our board of directors decided, within the framework of the authorized capital, to create a maximum of 648,490 warrants for the benefit of our directors, employees and certain independent consultants under a new warrant plan, or Warrant Plan 2013. After acceptances, the total number of warrants *de facto* created and granted under this plan is 602,790.
- On July 1, 2013, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €487,673.63 (plus €96,526.77 in issuance premium) and the issuance of 90,143 new ordinary shares.
- On September 18, 2013, our board of directors decided, within the framework of the authorized capital, to create a maximum of 75,000 warrants for the benefit of one of our employees under a new warrant plan, or Warrant Plan 2013 (B). After acceptance, the total number of warrants *de facto* created and granted under this plan is 75,000.
- On October 21, 2013, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €193,239.79 (plus €49,634.41 in issuance premium) and the issuance of 35,719 new ordinary shares.
- On December 6, 2013, warrants were exercised at various exercise prices under Warrant Plan 2007 RMV and Warrant Plan 2009. The exercise resulted in a share capital increase of €16,365.25 (plus €2,851.00 in issuance premium) and the issuance of 3,025 new ordinary shares.
- On December 31, 2013, our share capital amounted to €161,171,635.86, represented by 29,794,046 shares. All shares were issued, fully paid up and of the same class.
- On April 10, 2014, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK,

Warrant Plan 2007 RMV, Warrant Plan 2009, Warrant Plan 2009 (B), Warrant Plan 2010 and Warrant Plan 2010 (B). The exercise resulted in a share capital increase of €1,648,919.31 (plus €732,291.00 in issuance premium) and the issuance of 304,791 new ordinary shares.

- On July 4, 2014, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009, Warrant Plan 2010 and Warrant Plan 2010 (B). The exercise resulted in a share capital increase of €981,952.87 (plus €880,348.67 in issuance premium) and the issuance of 181,507 new ordinary shares.
- On July 25, 2014, our board of directors decided, within the framework of the authorized capital, to create a maximum of 666,760 warrants for the benefit of our directors, employees and an independent consultant under a new warrant plan, or Warrant Plan 2014. After acceptances, the total number of warrants *de facto* created and granted under this plan is 571,660.
- On September 25, 2014, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK and Warrant Plan 2010. The exercise resulted in a share capital increase of €66,326.60 (plus €63,677.32 in issuance premium) and the issuance of 12,260 new ordinary shares.
- On October 14, 2014, our board of directors decided, within the framework of the authorized capital, to create a maximum of 150,000 warrants for the benefit of one of our employees under a new warrant plan, or Warrant Plan 2014 (B). After acceptance, the total number of warrants *de facto* created and granted under this plan is 150,000.
- On December 9, 2014, warrants were exercised at various exercise prices under Warrant Plan 2005 and Warrant Plan 2006 Belgium/The Netherlands. The exercise resulted in a share capital increase of €35,300.25 (plus €20,901.00 in issuance premium) and the issuance of 6,525 new ordinary shares.
- On March 26, 2015, warrants were exercised at various exercise prices under Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2007, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009, Warrant Plan 2010, Warrant Plan 2010 (B), Warrant Plan 2011 and Warrant Plan 2011 (B). The exercise resulted in a share capital increase of €3,092,074.68 (plus €2,726,958.80 in issuance premium) and the issuance of 571,548 new ordinary shares.

All of the share issuances listed above were for cash consideration. The authorized capital as approved by our extraordinary general shareholders' meeting of May 23, 2011 amounted to €142,590,770.44. As of December 31, 2014, €24,763,847.61 of the authorized capital was used, so that an amount of €117,826,922.83 still remained available under the authorized capital. As of the date of this prospectus, our board of directors may decide to issue up to 21,779,468 ordinary shares pursuant to this authorization, without taking into account however the shares that we will issue in this global offering, issuances under the contemplated new Warrant Plan 2015 or subsequent issuances under our warrant programs or otherwise.

The following table shows the reconciliation of the number of ordinary shares outstanding as of December 31, 2012, 2013 and 2014 and March 31, 2015:

Issued capital	Share capital (€)	Number of shares
As of December 31, 2012	144,815,588.27	26,770,747
Changes during 2013	16,356,047.59	3,023,299
As of December 31, 2013	161,171,635.86	29,794,046
Changes during 2014	2,732,499.03	505,083
As of December 31, 2014	163,904,134.89	30,299,129
Changes during the three months ended March 31, 2015	3,092,074.68	571,548
As of March 31, 2015	166,996,209.57	30,870,677

Articles of Association and Other Share Information

Corporate Profile

Our legal and commercial name is Galapagos NV. We are a limited liability company incorporated in the form of a *naamloze vennootschap / société anonyme* under Belgian law. We are registered with the Register of Legal Entities (Antwerp, division Mechelen) under the enterprise number 0466.460.429. Our principal executive and registered offices are located at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium and our telephone number is +32 15 34 29 00. Our agent for service of process in the United States is CT Corporation System.

We were incorporated in Belgium on June 30, 1999 for an unlimited duration. Our fiscal year ends December 31.

Corporate Purpose

Our corporate purpose as set forth in Article 3 of our articles of association is as follows: "The company's purpose consists of:

(a) the development, the construction and exploitation of gene libraries for functional genomics research;

(b) the research for the development of health products for human beings and animals, pharmaceutical products and other products relating thereto;

(c) the development, testing, scaling up, and exploitation of gene therapy procedures, as well as the development, evaluation and exploitation of clinical applications of such procedures;

(d) for its own account or for the account of third parties, the performance of research in the field of or in connection with biological and industrial technology, genetics and human and animal life in general; and

(e) the acquisition, sale and licensing of patents, trademarks, industrial and intellectual property, whether or not secret, and licenses.

For such purposes the company may, in Belgium and abroad, acquire or lease any license, movable or immovable property necessary or useful for its commercial or industrial purpose, operate, sell or lease same, build factories, establish subsidiaries and branches, and establish premises. It may engage in all operations with banks, post cheque, invest capital, contract or grant loans and credit facilities, whether or not mortgaged. The company may, by means of contribution, participation, loans, credit facility, subscription of shares, acquisition of shares and other commitments, participate in other companies, associations or enterprises, both existing as to be incorporated, and whether or not having a purpose similar to the purpose of the company. The company may merge with other companies or associations.

The company may incorporate subsidiaries both under Belgian and under foreign law. The company may acquire or establish any property that is necessary or useful for its operations or its corporate purpose."

Board of Directors

Belgian law does not specifically regulate the ability of directors to borrow money from our company.

Article 523 of the Belgian Companies Code provides that if one of our directors directly or indirectly has a personal financial interest that conflicts with a decision or transaction that falls within the powers of our board of directors, the director concerned must inform our other directors before our board of directors makes any decision on such transaction. The auditor must also be notified. The director may neither participate in the deliberation nor vote on the conflicting decision or transaction. An extract of the minutes of the meeting of our board of directors that sets forth the financial impact of the matter on the company and justifies the decision of our board of directors must be published in our annual report. The auditor's report on the annual accounts must

contain a description of the financial impact on us of each of the decisions of our board of directors where directors' conflicts of interests arise.

The DGCL generally permits transactions involving a Delaware corporation and an interested director of that corporation if (i) the material facts as to the director's relationship or interest and as to the transaction are disclosed and a majority of disinterested directors consent, (ii) the material facts are disclosed as to the director's relationship or interest and a majority of shares entitled to vote thereon consent or (iii) the transaction is fair to the corporation at the time it is authorized by the board of directors, a committee of the board of directors or the stockholders.

We rely on a provision in the Listing Rules of the NASDAQ Stock Market that allows us to follow Belgian corporate law with respect to certain aspects of corporate governance. This allows us to continue following certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on NASDAQ. For example, the Listing Rules of the NASDAQ Stock Market require that for any shareholders' meeting, the quorum must be no less than 33 ⅓% of the outstanding ordinary shares. There is no quorum requirement under Belgian law for our shareholders' meetings, except as provided for by law in relation to decisions regarding certain matters. See "Description of Share Capital—Description of the Rights and Benefits Attached to Our Shares—Right to Attend and Vote at Our Shareholders' Meetings—Quorum and Majority Requirements."

Form and Transferability of Our Shares

All of our shares belong to the same class of securities and are in registered form or in dematerialized form. All of our outstanding shares are fully paid-up and freely transferable, subject to any contractual restrictions.

Currency

Our share capital, which is represented by our outstanding ordinary shares, is denominated in euros.

Changes to Our Share Capital

Changes to our share capital are decided by our shareholders, which may at any time resolve to increase or decrease our share capital. Any such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described below in "—Description of the Rights and Benefits Attached To Our Shares—Right to Attend and Vote at Our Shareholders' Meeting—Quorum and Majority Requirements." No shareholder is liable to make any further contribution to our share capital other than with respect to shares held by such shareholder that would not be fully paid-up.

Share Capital Increases by Our Board of Directors

Subject to the quorum and majority requirements described below in "—Description of the Rights and Benefits Attached To Our Shares—Right to Attend and Vote at Our Shareholders' Meeting—Quorum and Majority Requirements," our shareholders' meeting may authorize our board of directors, within certain limits, to increase our share capital without any further approval being required from our shareholders' meeting. Such pre-authorized capital increase is referred to as authorized capital. This authorization can only be granted for a renewable period of a maximum of five years and may not exceed the amount of the registered share capital at the time of the authorization. On May 23, 2011, our shareholders' meeting renewed the authorization in respect of the authorized capital for a period of five years.

Without prejudice to more restrictive rules set forth by law, our board of directors was authorized at our shareholders' meeting to increase our registered capital at one or more times in an amount up to €35,647,692.61, i.e., 25% of the share capital existing at the moment of the convening to the shareholders' meeting granting this authority.

Without prejudice to the previous paragraph and without prejudice to more restrictive rules set forth by law, our board of directors was authorized at our shareholders' meeting to increase our share capital at one or more times in an amount up to €142,590,770.44, i.e., 100% of the share capital existing at the moment of the convening to the shareholders' meeting granting this authority, upon a unanimous resolution of our board of directors at which all directors are present or represented and relating to (1) the entire or partial financing of a transaction through the issue of new shares of the company, whereby "transaction" is defined as a merger or acquisition (in shares and/or cash), a corporate partnership and/or an in-licensing deal, (2) the issuance of warrants in connection with our remuneration policy for our and our subsidiaries' employees, directors and independent advisors, and (3) the defense of the company against a hostile take-over bid, and (4) the strengthening of our cash position. The maximum amount with which our share capital can be increased in the framework of the authorized capital as mentioned in this paragraph, is to be reduced by the amount of any capital increase realized in the framework of the authorized capital as mentioned in the previous paragraph. Normally, the authorization of the board of directors to increase our share capital through contributions in kind or in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended if we are notified by the Belgian Financial Services and Markets Authority, or FSMA, of a public takeover bid on our financial instruments. The shareholders can, however, authorize the board of directors to increase the share capital by issuing shares in an amount of not more than 10% of the existing shares at the time of such a public takeover bid. Our board of directors is currently not authorized to do so.

As of March 31, 2015, €24,763,847.61 of the authorized capital was used, so that an amount of €117,826,922.83 still remained available under the authorized capital. As of the date of this prospectus, our board of directors may decide to issue up to 21,779,468 ordinary shares pursuant to this authorization, without taking into account however the shares that we will issue in this global offering, issuances under the contemplated new Warrant Plan 2015, or subsequent issuances under our warrant programs or otherwise.

Preferential Subscription Rights

In the event of a share capital increase for cash through the issuance of new shares, or in the event we issue convertible bonds or warrants, our existing shareholders have a preferential right to subscribe, pro rata, to the new shares, convertible bonds or warrants. These preferential subscription rights are transferable during the subscription period. Our board of directors may decide that preferential subscription rights that were not exercised by any shareholders shall accrue proportionally to the other shareholders that have already exercised their preferential subscription rights and may fix the practical terms for such subscription.

Our shareholders' meeting may resolve to limit or cancel this preferential subscription right, subject to special reporting requirements. Such resolution must satisfy the same quorum and majority requirements as the decision to increase our share capital.

Shareholders may also decide to authorize our board of directors to limit or cancel the preferential subscription right within the framework of the authorized capital, subject to the terms and conditions set forth in the Belgian Companies Code. Our board of directors currently has the authority, until May 22, 2016, to increase the share capital within the framework of the authorized capital, and the right to limit or cancel the preferential subscription right within the framework of the authorized capital. See also "—Share Capital Increases by Our Board of Directors" above.

Under the DGCL, stockholders of a Delaware corporation have no preemptive rights to subscribe for additional issues of stock or to any security convertible into such stock unless, and to the extent that, such rights are expressly provided for in the corporation's certificate of incorporation.

Purchases and Sales of Our Own Shares

We may only repurchase our own shares pursuant to an authorization of our shareholders' meeting taken under the conditions of quorum and majority provided for in the Belgian Companies Code. Pursuant to the

Belgian Companies Code, such a decision requires a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a majority of at least 80% of the share capital present or represented. If there is no quorum, a second meeting must be convened. No quorum is required at the second meeting, but the relevant resolution must be approved by a majority of at least 80% of the share capital present or represented.

Within such authorization, we may only repurchase our own shares if the amount that we would use for repurchase is available for distribution. Currently we have no such an authorization and we neither have any funds available for distribution, nor own any of our own shares.

Under the DGCL, a Delaware corporation may purchase or redeem its own shares, unless the capital of the corporation is impaired or the purchase or redemption would cause an impairment of the capital of the corporation.

Description of the Rights and Benefits Attached To Our Shares

Right to Attend and Vote at Our Shareholders' Meeting

Annual Shareholders' Meeting

Pursuant to our articles of association, our annual shareholders' meeting is held each year on the last Tuesday of the month of April, at 2 p.m. (Central European Time), at our registered office or at any other place in Belgium mentioned in the convening notice of the meeting. If this date is a public holiday in Belgium or in The Netherlands, the meeting is held on the following day that is a business day both in Belgium and in The Netherlands, at the same time.

Special and Extraordinary Shareholders' Meetings

Our board of directors or the auditor (or the liquidators, if appropriate) may, whenever our interests so require, convene a special or extraordinary shareholders' meeting. Such shareholders' meeting must also be convened when one or more shareholders holding at least one-fifth of our share capital so requests.

Under the DGCL, special meetings of the stockholders of a Delaware corporation may be called by such person or persons as may be authorized by the certificate of incorporation or by the bylaws of the corporation, or if not so designated, as determined by the board of directors. Stockholders generally do not have the right to call meetings of stockholders, unless that right is granted in the certificate of incorporation or the bylaws.

Notices Convening Shareholders' Meetings

Convening notices of our shareholders' meetings contain the agenda of the meeting, indicating the items to be discussed as well as any proposed resolutions that will be submitted at the meeting. One or more shareholders holding at least 3% of our share capital may request for items to be added to the agenda of any convened meeting and submit proposed resolutions in relation to existing agenda items or new items to be added to the agenda, provided that:

- they prove ownership of such shareholding as at the date of their request and record their shares representing such shareholding on the record date; and
- the additional items for the agenda and any proposed resolutions have been submitted in writing by these shareholders to the board of directors at the latest on the twenty-second day preceding the day on which the relevant shareholders' meeting is held.

The shareholding must be proven by a certificate evidencing the registration of the relevant shares in the share register of the company or by a certificate issued by the authorized account holder or the clearing organization certifying the book-entry of the relevant number of dematerialized shares in the name of the relevant shareholder(s).

The convening notice must be published in the Belgian Official Gazette (*Belgisch Staatsblad/Moniteur belge*) at least thirty days prior to the shareholders' meeting. In the event a second convening notice is necessary and the date of the second meeting is mentioned in the first convening notice, that period is seventeen days prior to the second shareholders' meeting. The notice must also be published in a national newspaper thirty days prior to the date of the shareholders' meeting, except if the meeting concerned is an annual shareholders' meeting held at the municipality, place, day and hour mentioned in the articles of association and its agenda is limited to the examination of the annual accounts, the annual report of the board of directors, the annual report of the auditor, the vote on the discharge of the directors and the auditor and the vote on the items referred to in Article 554, paragraphs 3 and 4 of the Belgian Companies Code (i.e., in relation to a remuneration report or severance pay). Convening notices of all our shareholders' meetings and all related documents, such as specific board and auditor's reports, are also published on our website.

Convening notices must also be sent thirty days prior to the shareholders' meeting to the holders of registered shares, holders of registered bonds, holders of registered warrants, holders of registered certificates issued with our cooperation and to our directors and auditor. This communication is made by ordinary letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication, without having to give evidence of the fulfillment of such formality.

Under the DGCL, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders of a Delaware corporation must be given to each stockholder entitled to vote at the meeting not less than ten nor more than sixty days before the date of the meeting and shall specify the place, date, hour and, in the case of a special meeting, the purpose of the meeting.

Admission to Meetings

A shareholder is only entitled to participate in and vote at a shareholders' meeting, irrespective of the number of shares he owns on the date of the shareholders' meeting, provided that his shares are recorded in his name at midnight (Central European Time) at the end of the fourteenth day preceding the date of the shareholders' meeting, or the record date:

- in case of registered shares, in our register of registered shares; or
- in case of dematerialized shares, through book-entry in the accounts of an authorized account holder or clearing organization.

In addition, we (or the person designated by us) must, at the latest on the sixth day preceding the day of the shareholders' meeting, be notified as follows of the intention of the shareholder to participate in the shareholders' meeting:

- in case of registered shares, the shareholder must, at the latest on the above-mentioned date, notify us (or the person designated by us) in writing of his intention to participate in the shareholders' meeting and of the number of shares he intends to participate in the shareholders' meeting with by returning a signed paper form, or, if permitted by the convening notice, by sending an electronic form (signed by means of an electronic signature in accordance with the applicable Belgian law) electronically, to us on the address indicated in the convening notice; or
- in case of dematerialized shares, the shareholder must, at the latest on the above-mentioned date, provide us (or the person designated by us), or arrange for us (or the person designated by us) to be provided with, a certificate issued by the authorized account holder or clearing organization certifying the number of dematerialized shares recorded in the shareholder's accounts on the record date in respect of which the shareholder has indicated his intention to participate in the shareholders' meeting.

Each shareholder has the right to attend a shareholders' meeting and to vote at such meeting in person or through a proxy holder. The proxy holder does not need to be a shareholder. A shareholder may only appoint one person as proxy holder for a particular shareholders' meeting, except in cases provided for by law. Our board of

directors may determine the form of the proxies. The appointment of a proxy holder must in any event take place in paper form or electronically, the proxy must be signed by the shareholder (as the case may be, by means of an electronic signature in accordance with the applicable Belgian law) and we must receive the proxy at the latest on the sixth day preceding the day on which the shareholders' meeting is held.

Pursuant to Article 7, section 5 of the Belgian Law of May 2, 2007 on the disclosure of significant shareholdings, a transparency declaration has to be made if a proxy holder that is entitled to voting rights above the threshold of 5% or any multiple thereof of the total number of voting rights attached to our outstanding financial instruments on the date of the relevant shareholders' meeting would have the right to exercise the voting rights at his discretion.

Votes

Each shareholder is entitled to one vote per share.

Voting rights can be suspended in relation to shares:

- that were not fully paid up, notwithstanding the request thereto of our board of directors;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- that entitle their holder to voting rights above the threshold of 5% or any multiple thereof of the total number of voting rights attached to our outstanding financial instruments on the date of the relevant general shareholders' meeting, except to the extent where the relevant shareholder has notified us and the Belgian FSMA at least twenty days prior to the date of such shareholders' meeting of its shareholding reaching or exceeding the thresholds above; or
- of which the voting right was suspended by a competent court or the Belgian FSMA.

Quorum and Majority Requirements

Generally, there is no quorum requirement for our shareholders' meeting, except as provided for by law in relation to decisions regarding certain matters. Decisions are made by a simple majority, except where the law provides for a special majority.

Under the DGCL, the certificate of incorporation or bylaws of a Delaware corporation may specify the number of shares required to constitute a quorum but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum.

Matters involving special legal quorum and majority requirements include, among others, amendments to the articles of association, issues of new shares, convertible bonds or warrants and decisions regarding mergers and demergers, which require at least 50% of the share capital to be present or represented and the affirmative vote of the holders of at least 75% of the votes cast. If the quorum is not reached, a second meeting may be convened at which no quorum requirement applies. The special majority requirement for voting, however, remains applicable.

Any modification of our corporate purpose or legal form requires a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a majority of at least 80% of the share capital present or represented. If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a majority of at least 80% of the share capital present or represented.

Right to Ask Questions at our Shareholders' Meetings

Within the limits of Article 540 of the Belgian Companies Code, members of our board of directors and our auditor will answer, during the shareholders' meeting, the questions raised by shareholders. Shareholders can ask questions either during the meeting or in writing, provided that we receive the written questions at the latest on the sixth day preceding the shareholders' meeting.

Dividends

All shares participate in the same manner in our profits, if any. Pursuant to the Belgian Companies Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual shareholders' meeting, based on the most recent non-consolidated statutory audited annual accounts, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of our board of directors. The articles of association also authorize our board of directors to declare interim dividends subject to the terms and conditions of the Belgian Companies Code.

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of our net assets on the date of the closing of the last financial year according to the non-consolidated statutory annual accounts (i.e., the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as prepared in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and expansion and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the called capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, at least 5% of our annual net profit under our non-consolidated statutory accounts (prepared in accordance with Belgian accounting rules) must be allotted to a legal reserve, until the legal reserve amounts to 10% of the share capital.

The right to payment of dividends expires five years after the board of directors declared the dividend payable.

Under the DGCL, a Delaware corporation may pay dividends out of its surplus (the excess of net assets over capital), or in case there is no surplus, out of its net profits for either or both of the fiscal year in which the dividend is declared and the preceding fiscal year (provided that the amount of the capital of the corporation is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets). Dividends may be paid in the form of shares, property or cash.

Appointment of Directors

Our articles of association provide that our board of directors shall be composed of at least five and a maximum of nine members. The directors are appointed by the shareholders, except in the case of a vacancy, where the board may fill the vacant seat by co-optation.

Liquidation Rights

Our company can only be voluntarily dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented. In the event the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new convening notice. The second shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

Under the DGCL, unless the board of directors approves the proposal to dissolve, dissolution of a Delaware corporation must be approved by stockholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's

outstanding shares. The DGCL allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

In the event of the dissolution and liquidation of our company, the assets remaining after payment of all debts and liquidation expenses (on a non-consolidated basis) will be distributed to our shareholders, each receiving a sum on a pro rata basis.

If, as a result of losses incurred, the ratio of our net assets (on a non-consolidated basis, determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, our board of directors must convene a general shareholders' meeting within two months of the date upon which our board of directors discovered or should have discovered this undercapitalization. At this shareholders' meeting, our board of directors needs to propose either our dissolution or our continuation, in which case our board of directors must propose measures to redress our financial situation. Our board of directors must justify its proposals in a special report to the shareholders. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the company, provided that at least 50% of our share capital is present or represented at the meeting. In the event the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

If, as a result of losses incurred, the ratio of our net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in the event shareholders representing 25% of the votes validly cast at the meeting can decide to dissolve the company. If the amount of our net assets has dropped below 61,500 euros (the minimum amount of share capital of a Belgian limited liability company), any interested party is entitled to request the competent court to dissolve the company. The court can order our dissolution or grant a grace period during which time we must remedy the situation. Holders of ordinary shares have no sinking fund, redemption or appraisal rights.

Belgian Legislation

Disclosure of Significant Shareholdings

The Belgian Law of May 2, 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market requires each person or legal entity acquiring or transferring our shares (directly or indirectly, by ownership of ADSs or otherwise) to notify us and the Belgian FSMA each time their shareholding crosses (upwards or downwards) a threshold of 5% of the total number of outstanding voting rights or a multiple thereof.

Similarly, if as a result of events changing the breakdown of voting rights, the percentage of the voting rights reaches, exceeds or falls below any of the above thresholds, disclosure is required even when no acquisition or disposal of shares or ADSs has occurred (e.g., as a result of a capital increase or a capital decrease). Finally, disclosure is also required when persons acting in concert enter into, modify or terminate their agreement resulting in their voting rights reaching, exceeding or falling below any of the above thresholds.

The disclosure statements must be addressed to the Belgian FSMA and to us at the latest on the fourth trading day following the day on which the circumstance giving rise to the disclosure occurred. Unless otherwise provided by law, a shareholder shall only be allowed to vote at our shareholders' meeting the number of shares such shareholder validly disclosed at the latest twenty days before such meeting.

In accordance with U.S. federal securities laws, holders of our ordinary shares and holders of ADSs will be required to comply with disclosure requirements relating to their ownership of our securities. Any person that, after acquiring beneficial ownership of our ordinary shares or the ADSs, is the beneficial owners of more than 5% of our outstanding ordinary shares or ordinary shares underlying ADSs must file with the SEC a Schedule

13D or Schedule 13G, as applicable, disclosing the information required by such schedules, including the number of our ordinary shares or ordinary shares underlying ADSs that such person has acquired (whether alone or jointly with one or more other persons). In addition, if any material change occurs in the facts set forth in the report filed on Schedule 13D (including a more than 1% increase or decrease in the percentage of the total shares beneficially owned), the beneficial owner must promptly file an amendment disclosing such change.

Disclosure of Net Short Positions

Pursuant to the Regulation (EU) No. 236/2012 of the European Parliament and the Council on short selling and certain aspects of credit default swaps, any person that acquires or disposes of a net short position relating to our issued share capital, whether by a transaction in shares or ADSs, or by a transaction creating or relating to any financial instrument where the effect or one of the effects of the transaction is to confer a financial advantage on the person entering into that transaction in the event of a decrease in the price of such shares or ADSs is required to notify the Dutch AFM (Stichting Autoriteit Financiële Markten) if, as a result of such acquisition or disposal his net short position reaches, exceeds or falls below 0.2% of our issued share capital and each 0.1% above that. If the net short position reaches 0.5%, and also at every 0.1% above that, the Belgian FSMA will disclose the net short position to the public.

Public Takeover Bids

The European Takeover Directive 2004/25/EC of 21 April 2004 has been implemented in Belgium through the Law of April 1, 2007 on public takeovers, or the Takeover Law, the Royal Decree of April 27, 2007 on public takeovers and the Royal Decree of April 27, 2007 on squeeze-out bids.

Public takeover bids in Belgium for our shares or other securities giving access to voting rights are subject to supervision by the Belgian FSMA. The Takeover Law determines when a bid is deemed to be public in Belgium. Public takeover bids must be extended to all of our voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus that has been approved by the Belgian FSMA prior to publication.

The Takeover Law provides that a mandatory bid must be launched on all our shares (and our other securities giving access to voting rights), if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for its account, directly or indirectly holds more than 30% of our voting securities (directly or through ADSs).

Squeeze-out

Pursuant to Article 513 of the Belgian Companies Code and the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, that own together with the company 95% of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the procedure, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) in order to safeguard the interests of the transferring shareholders.

The DGCL provides for stockholder appraisal rights, or the right to demand payment in cash of the judicially determined fair value of the stockholder’s shares, in connection with certain mergers and consolidations.

Limitations on the Right to Own Securities

Neither Belgian law nor our articles of association impose any general limitation on the right of non-residents or foreign persons to hold our securities or exercise voting rights on our securities other than those limitations that would generally apply to all shareholders.

Exchange Controls and Limitations Affecting Shareholders

There are no Belgian exchange control regulations that impose limitations on our ability to make, or the amount of, cash payments to residents of the United States.

We are in principle under an obligation to report to the National Bank of Belgium certain cross-border payments, transfers of funds, investments and other transactions in accordance with applicable balance-of-payments statistical reporting obligations. Where a cross-border transaction is carried out by a Belgian credit institution on our behalf, the credit institution will in certain circumstances be responsible for the reporting obligations.

Securities Exercisable for Ordinary Shares

See the section of this prospectus titled “Management—Warrant Plans” for a description of warrants granted by our board of directors to our directors, members of the executive committee, employees and other service providers. Apart from the warrants and warrant plans, we do not currently have other stock options, options to purchase securities, convertible securities or other rights to subscribe for or purchase securities outstanding.

Listing

We have applied to list the ADSs on NASDAQ under the symbol “GLPG.”

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and registrar for the ADSs will be Citibank, N.A.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Citibank, N.A. has agreed to act as the depositary for the American Depositary Shares. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York 10013. American Depositary Shares are frequently referred to as "ADSs" and represent ownership interests in securities that are on deposit with the depositary. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts" or "ADRs." The depositary typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank International plc, located at EGSP 186, 1 North Wall Quay, Dublin 1 Ireland.

We have appointed Citibank as depositary pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333- when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, one ordinary share on deposit with the custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. The custodian, the depositary and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in the deposited property will under the terms of the deposit agreement be vested in the beneficial owners of the ADSs. The depositary, the custodian and their respective nominees will be the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary, and the depositary (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary. As an ADS holder you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of ordinary shares will continue to be governed by the laws of Belgium, which may be different from the laws in the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary will hold on your behalf the shareholder rights attached to the ordinary

shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the ordinary shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the "direct registration system" or "DRS"). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and The Depository Trust Company, or DTC, the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the ordinary shares in the name of the depositary or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary shares being at all times vested with the beneficial owners of the ADSs representing the ordinary shares. The depositary or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

Dividends and Distributions

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction of the applicable fees, taxes and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary will arrange for the funds to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to Belgium laws and regulations.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

Distributions of Shares

Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary will either distribute to holders new ADSs representing the ordinary shares deposited or modify the ADS-to-ordinary share ratio, in which case each ADS you hold will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-ordinary share ratio upon a distribution of ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (*i.e.*, the U.S. securities laws) or if it is not operationally practicable. If the depositary does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to purchase additional ordinary shares, we will give prior notice to the depositary and we will assist the depositary in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depositary will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new ordinary shares other than in the form of ADSs.

The depositary will *not* distribute the rights to you if:

- we do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- we fail to deliver satisfactory documents to the depositary; or
- it is not reasonably practicable to distribute the rights.

The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in Belgium would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, ordinary shares or rights to purchase additional ordinary shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will *not* distribute the property to you and will sell the property if:

- we do not request that the property be distributed to you or if we ask that the property not be distributed to you; or
- we do not deliver satisfactory documents to the depositary; or
- the depositary determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell such property, it may dispose of such property in any way it deems reasonably practicable.

Changes Affecting Ordinary Shares

The ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of such ordinary shares or a recapitalization, reorganization, merger, consolidation or sale of assets of the Company.

If any such change were to occur, your ADSs would, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the ordinary shares. If the depositary may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Ordinary Shares

Upon completion of this offering, the ordinary shares being offered pursuant to this prospectus in the U.S. offering will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in this prospectus.

After the closing of this offering, the depositary may create ADSs on your behalf if you or your broker deposit ordinary shares with the custodian. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary

shares to the custodian. Your ability to deposit ordinary shares and receive ADSs may be limited by U.S. and Belgian legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When you make a deposit of ordinary shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- the ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- all preemptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived or exercised.
- you are duly authorized to deposit the ordinary shares.
- the ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, “restricted securities” (as defined in the deposit agreement).
- the ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

We may restrict transfers of ADSs where such transfer may result in the total number of shares represented by the ADSs owned by a single holder or beneficial owner to exceed limits imposed by applicable law or our Articles of Association. We may instruct the depositary to take actions with respect to the ownership interests of any holder or beneficial owner in excess of such limits including the imposing of restrictions on transfers of ADSs, the removal or limitation of voting rights, or mandatory sale or disposition of ADSs held by such holder of beneficial owner in excess of such limitations.

Withdrawal of Ordinary Shares upon Cancellation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian's offices. Your ability to withdraw the ordinary shares held in respect of the ADSs may be limited by U.S. and Belgian legal considerations applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by your ADSs, you will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel your ADSs. The withdrawal of the ordinary shares represented by your ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except for:

- temporary delays that may arise because (i) the transfer books for the ordinary shares or ADSs are closed, or (ii) ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends.
- obligations to pay fees, taxes and similar charges.
- restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in "Description of Share Capital."

At our request, the depositary will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the securities represented by ADSs.

If the depositary timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the holder's ADSs in accordance with such voting instructions. If the depositary timely receives voting instructions from a holder of ADSs which fail to specify the manner in which the depositary is to vote, the depositary will deem the holder to have instructed the depositary to vote in favor of the items set forth in such voting instructions.

The depositary may also, if requested by us, represent all ADSs for the sole purpose of establishing a quorum at a shareholder meeting.

Securities for which no voting instructions have been received will not be voted. Please note that the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary in a timely manner.

Fees and Charges

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

Service	Fees
• Issuance of ADSs upon deposit of shares (excluding issuances as a result of distributions of shares)	Up to U.S. 5¢ per ADS issued
• Cancellation of ADSs	Up to U.S. 5¢ per ADS canceled
• Distribution of cash dividends or other cash distributions (i.e., sale of rights and other entitlements)	Up to U.S. 5¢ per ADS held
• Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to U.S. 5¢ per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs (i.e., spin-off shares)	Up to U.S. 5¢ per ADS held
• ADS Services	Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the depositary

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the expenses and charges incurred by the depositary in the conversion of foreign currency;
- the fees and expenses incurred by the depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees and expenses incurred by the depositary, the custodian, or any nominee in connection with the servicing or delivery of deposited property.

ADS fees and charges payable upon (i) deposit of ordinary shares against issuance of ADSs and (ii) surrender of ADSs for cancellation and withdrawal of ordinary shares are charged to the person to whom the ADSs are delivered (in the case of ADS issuances) and to the person who delivers the ADSs for cancellation (in the case of ADS cancellations). In the case of ADSs issued by the depositary into DTC or presented to the depositary via DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs or the DTC participant(s) surrendering the ADSs for cancellation, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account(s) of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participant(s) as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be

deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes. The depositary may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary agree from time to time.

Amendments and Termination

We may agree with the depositary to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary's obligations to you. Please note the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our articles of association, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our articles of association or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

Pre-Release Transactions

Subject to the terms and conditions of the deposit agreement, the depositary may issue ADSs to broker/dealers before receiving a deposit of ordinary shares or release ordinary shares to broker/dealers before receiving ADSs for cancellation. These transactions are commonly referred to as "pre-release transactions," and are entered into between the depositary and the applicable broker/dealer. The depositary normally limits the aggregate size of pre-release transactions (not to exceed 30% of the ordinary shares on deposit in the aggregate), but may change such limits from time to time as it deems appropriate. The deposit agreement imposes a number of conditions on

such transactions (i.e., the need to receive collateral, the type of collateral required, the representations required from brokers, etc.). The depositary may retain the compensation received from the pre-release transactions.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs; to deliver, transfer, split and combine ADRs; or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- distribute the foreign currency to holders for whom the distribution is lawful and practical.
- hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement and the ADRs will be interpreted in accordance with the laws of the State of New York. The rights of holders of ordinary shares (including ordinary shares represented by ADSs) are governed by the laws of Belgium.

SHARES AND ADSs ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed in the United States for our ordinary shares or the ADSs, except our Level I ADR program, which is expected to be upgraded to a Level III ADR program in connection with this offering. Future sales of ADSs in the public market after this offering, and the availability of ADSs for future sale, could adversely affect the market price of the ADSs prevailing from time to time. As described below, a significant number of currently outstanding ordinary shares will not be available for sale shortly after the global offering due to contractual restrictions on transfers of ordinary shares. Accordingly, sales of substantial amounts of the ADSs or the ordinary shares, or the perception that these sales could occur, could adversely affect prevailing market prices for the ADSs and could impair our future ability to raise equity capital.

Based on the number of ordinary shares outstanding as of , 2015, upon completion of this offering, ADSs representing ordinary shares and ordinary shares will be outstanding, assuming no outstanding warrants are exercised. All of the ADSs sold in the global offering will be freely transferable without restriction or further registration under the Securities Act, except for any ADSs sold to our "affiliates." In addition, all of our ordinary shares outstanding before this offering will be freely transferable and may be resold without restriction or further registration under the Securities Act by persons other than ordinary shares held by our affiliates and those of our existing shareholders who have signed lock-up agreements. Under Rule 144 of the Securities Act, an "affiliate" of a company is a person that directly or indirectly controls, is controlled by or is under common control with that company. Affiliates may sell only the volume of shares described below and their sales are subject to additional restrictions described below.

Additionally, of the warrants to purchase ordinary shares outstanding as of , 2015, assuming no outstanding warrants are exercised, warrants exercisable for ordinary shares will be vested and outstanding as of expiration of the lock-up agreements as described below.

Rule 144

In general, persons who have beneficially owned restricted ordinary shares for at least six months, and any affiliate of the company who owns either restricted or unrestricted ordinary shares, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144 under the Securities Act. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

In general, a person who has beneficially owned restricted ordinary shares for at least six months would be entitled to sell their securities pursuant to Rule 144 under the Securities Act provided that (1) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (2) we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sale by non-affiliates must also comply with the current public information provision of Rule 144. Persons who have beneficially owned restricted ordinary shares for at least six months, but who are our affiliates at the time of, or at any time during the 90 days preceding a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1.0% of the number of ordinary shares then outstanding, in the form of ADSs or otherwise, which will equal approximately ordinary shares immediately after the completion of the global offering based on the number of ordinary shares outstanding as of , 2015; and
- the average weekly trading volume of the ADSs on NASDAQ during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale,

provided, in each case, that we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales by affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Warrants to Purchase Ordinary Shares

We intend to file one or more registration statements on Form S-8 under the U.S. Securities Act to register all ordinary shares issued or issuable pursuant to the exercise of outstanding warrants. We expect to file the registration statements, which will become effective immediately upon filing, shortly after the date of this prospectus. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions and any applicable holding periods, any applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates.

Regulation S

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act. Accordingly, ordinary shares held by our affiliates may be sold in offshore transactions in compliance with Regulation S.

Lock-Up Agreements

We, our directors and members of our executive committee have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, we and they will not, subject to limited exceptions described under “Underwriting,” during the period ending days after the date of this prospectus, directly or indirectly, offer, pledge, sell, contract to sell, pledge or otherwise dispose of any ordinary shares, ADSs or other shares of our capital stock or any securities convertible into, exerciseable or exchangeable for such capital stock. See “Underwriting” for additional information.

Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC on behalf of the underwriters will have discretion in determining if, and when, to release any shares subject to lock-up agreements.

MATERIAL UNITED STATES AND BELGIAN INCOME TAX CONSIDERATIONS

The information presented under the caption "Certain Material U.S. Federal Income Tax Considerations to U.S. Holders" below is a discussion of certain material U.S. federal income tax considerations to a U.S. holder (as defined below) of investing in ADSs. The information presented under the caption "Belgian Tax Consequences" is a discussion of the material Belgian tax consequences of investing in ADSs.

You should consult your tax adviser regarding the applicable tax consequences to you of investing in ADSs under the laws of the United States (federal, state and local), Belgium, and any other applicable foreign jurisdiction.

Certain Material U.S. Federal Income Tax Considerations to U.S. Holders

The following is a summary of certain material U.S. federal income tax considerations relating to the acquisition, ownership and disposition of ADSs by a U.S. holder (as defined below). This summary addresses only the U.S. federal income tax considerations for U.S. holders that are initial purchasers of the ADSs pursuant to the offering and that will hold such ADSs as capital assets for U.S. federal income tax purposes. This summary does not address all U.S. federal income tax matters that may be relevant to a particular U.S. holder. This summary does not address tax considerations applicable to a holder of ADSs that may be subject to special tax rules including, without limitation, the following:

- banks, financial institutions or insurance companies;
- brokers, dealers or traders in securities, currencies, commodities, or notional principal contracts;
- tax-exempt entities or organizations, including an "individual retirement account" or "Roth IRA" as defined in Section 408 or 408A of the Code (as defined below), respectively;
- real estate investment trusts, regulated investment companies or grantor trusts;
- persons that hold the ADSs as part of a "hedging," "integrated" or "conversion" transaction or as a position in a "straddle" for U.S. federal income tax purposes;
- partnerships (including entities classified as partnerships for U.S. federal income tax purposes) or other pass-through entities, or persons that will hold the ADSs through such an entity;
- certain former citizens or long term residents of the United States;
- holders that own directly, indirectly, or through attribution 10% or more of the voting power or value of the ADSs and shares; and
- holders that have a "functional currency" for U.S. federal income tax purposes other than the U.S. dollar.

Further, this summary does not address the U.S. federal estate, gift, or alternative minimum tax considerations, or any U.S. state, local, or non-U.S. tax considerations of the acquisition, ownership and disposition of the ADSs.

This description is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"); existing, proposed and temporary U.S. Treasury Regulations promulgated thereunder, administrative and judicial interpretations thereof; and the income tax treaty between Belgium and the United States in each case as in effect and available on the date hereof. All the foregoing is subject to change, which change could apply retroactively, and to differing interpretations, all of which could affect the tax considerations described below. There can be no assurances that the U.S. Internal Revenue Service (the "IRS") will not take a contrary or different position concerning the tax consequences of the acquisition, ownership and disposition of the ADSs or that such a position would not be sustained. Holders should consult their own tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning, and disposing of the ADSs in their particular circumstances.

For the purposes of this summary, a "U.S. holder" is a beneficial owner of ADSs that is (or is treated as), for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity that is treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust or has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds ADSs, the U.S. federal income tax consequences relating to an investment in the ADSs will depend in part upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor regarding the U.S. federal income tax considerations of acquiring, owning and disposing of the ADSs in its particular circumstances.

In general, a U.S. Holder who owns ADSs will be treated as the beneficial owner of the underlying shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will generally be recognized if a U.S. Holder exchanges ADSs for the underlying shares represented by those ADSs.

The U.S. Treasury has expressed concern that parties to whom ADSs are released before shares are delivered to the depositary ("pre-release"), or intermediaries in the chain of ownership between holders and the issuer of the security underlying the ADSs, may be taking actions that are inconsistent with the claiming of foreign tax credits by holders of ADSs. These actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the creditability of Belgian taxes, and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, each described below, could be affected by actions taken by such parties or intermediaries.

As indicated below, this discussion is subject to U.S. federal income tax rules applicable to a "passive foreign investment company," or a PFIC.

Persons considering an investment in the ADSs should consult their own tax advisors as to the particular tax consequences applicable to them relating to the acquisition, ownership and disposition of the ADSs, including the applicability of U.S. federal, state and local tax laws and non-U.S. tax laws.

Distributions. Although we do not currently plan to pay dividends, and subject to the discussion under "*Passive Foreign Investment Company Considerations*," below, the gross amount of any distribution (before reduction for any amounts withheld in respect of Belgian withholding tax) actually or constructively received by a U.S. holder with respect to ADSs will be taxable to the U.S. holder as a dividend to the extent of the U.S. holder's pro rata share of our current and accumulated earnings and profits as determined under U.S. federal income tax principles. Distributions in excess of earnings and profits will be non-taxable to the U.S. holder to the extent of, and will be applied against and reduce, the U.S. holder's adjusted tax basis in the ADSs. Distributions in excess of earnings and profits and such adjusted tax basis will generally be taxable to the U.S. holder as either long-term or short-term capital gain depending upon whether the U.S. holder has held the ADSs for more than one year as of the time such distribution is received. However, since we do not calculate our earnings and profits under U.S. federal income tax principles, it is expected that any distribution will be reported as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. Non-corporate U.S. holders may qualify for the preferential rates of taxation with respect to

dividends on ADSs applicable to long-term capital gains (*i.e.*, gains from the sale of capital assets held for more than one year) applicable to qualified dividend income (as discussed below) if we are a "qualified foreign corporation" and certain other requirements (discussed below) are met. A non-United States corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (a) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information provision, or (b) with respect to any dividend it pays on ADSs which are readily tradable on an established securities market in the United States. We expect that the ADSs will be listed on NASDAQ, which is an established securities market in the United States, and we expect the ADSs to be readily tradable on NASDAQ. However, there can be no assurance that the ADSs will be considered readily tradable on an established securities market in the United States in later years. The company, which is incorporated under the laws of Belgium, believes that it qualifies as a resident of Belgium for purposes of, and is eligible for the benefits of, The Convention between the Government of the United States of America and the Government of the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed on November 27, 2006, or the U.S.-Belgium Tax Treaty, although there can be no assurance in this regard. Further, the IRS has determined that the U.S.-Belgium Tax Treaty is satisfactory for purposes of the qualified dividend rules and that it includes an exchange-of-information program. Therefore, subject to the discussion under "*Passive Foreign Investment Company Considerations*," below, such dividends will generally be "qualified dividend income" in the hands of individual U.S. holders, provided that a holding period requirement (more than 60 days of ownership, without protection from the risk of loss, during the 121-day period beginning 60 days before the ex-dividend date) and certain other requirements are met. The dividends will not be eligible for the dividends-received deduction generally allowed to corporate U.S. holders.

A U.S. holder generally may claim the amount of any Belgian withholding tax as either a deduction from gross income or a credit against U.S. federal income tax liability. However, the foreign tax credit is subject to numerous complex limitations that must be determined and applied on an individual basis. Generally, the credit cannot exceed the proportionate share of a U.S. holder's U.S. federal income tax liability that such U.S. holder's taxable income bears to such U.S. holder's worldwide taxable income. In applying this limitation, a U.S. holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. The amount of a distribution with respect to the ADSs that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Belgian income tax purposes, potentially resulting in a reduced foreign tax credit for the U.S. holder. Each U.S. holder should consult its own tax advisors regarding the foreign tax credit rules.

In general, the amount of a distribution paid to a U.S. holder in a foreign currency will be the dollar value of the foreign currency calculated by reference to the spot exchange rate on the day the U.S. holder receives the distribution, regardless of whether the foreign currency is converted into U.S. dollars at that time. Any foreign currency gain or loss a U.S. holder realizes on a subsequent conversion of foreign currency into U.S. dollars will be U.S. source ordinary income or loss. If dividends received in a foreign currency are converted into U.S. dollars on the day they are received, a U.S. holder should not be required to recognize foreign currency gain or loss in respect of the dividend.

Sale, Exchange or Other Taxable Disposition of the ADSs. A U.S. holder will generally recognize gain or loss for U.S. federal income tax purposes upon the sale, exchange or other taxable disposition of ADSs in an amount equal to the difference between the U.S. dollar value of the amount realized from such sale or exchange and the U.S. holder's tax basis for those ADSs. Subject to the discussion under "*Passive Foreign Investment Company Considerations*" below, this gain or loss will generally be a capital gain or loss. The adjusted tax basis in the ADSs generally will be equal to the cost of such ADSs. Capital gain from the sale, exchange or other taxable disposition of ADSs of a non-corporate U.S. holder is generally eligible for a preferential rate of taxation applicable to capital gains, if the non-corporate U.S. holder's holding period determined at the time of such sale,

exchange or other taxable disposition for such ADSs exceeds one year (*i.e.*, such gain is long-term taxable gain). The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations under the Code. Any such gain or loss that a U.S. holder recognizes generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

For a cash basis taxpayer, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. In that case, no foreign currency exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of such a purchase or sale. An accrual basis taxpayer, however, may elect the same treatment required of cash basis taxpayers with respect to purchases and sales of the ADSs that are traded on an established securities market, provided the election is applied consistently from year to year. Such election may not be changed without the consent of the IRS. For an accrual basis taxpayer who does not make such election, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the trade date of the purchase or sale. Such an accrual basis taxpayer may recognize exchange gain or loss based on currency fluctuations between the trade date and the settlement date. Any foreign currency gain or loss a U.S. Holder realizes will be U.S. source ordinary income or loss.

Medicare Tax. Certain U.S. holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their dividend income and net gains from the disposition of ADSs. Each U.S. holder that is an individual, estate or trust is urged to consult its tax advisors regarding the applicability of the Medicare tax to its income and gains in respect of its investment in the ADSs.

Passive Foreign Investment Company Considerations. If we are classified as a passive foreign investment company ("PFIC") in any taxable year, a U.S. holder would be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A corporation organized outside the United States generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules with respect to the income and assets of its subsidiaries, either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average quarterly value of its total gross assets (which, assuming we are not a controlled foreign corporation for the year being tested, would be measured by the fair market value of our assets, and for which purpose the total value of our assets may be determined in part by the market value of the ADSs and our ordinary shares, which are subject to change) is attributable to assets that produce "passive income" or are held for the production of "passive income."

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income, and includes amounts derived by reason of the temporary investment of funds raised in offerings of the ADSs. If a non-U.S. corporation owns directly or indirectly at least 25% by value of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income. If we are classified as a PFIC in any year with respect to which a U.S. holder owns the ADSs, we will continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ADSs, regardless of whether we continue to meet the tests described above.

Whether we are a PFIC for any taxable year will depend on the composition of our income and the projected composition and estimated fair market values of our assets in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC in any taxable year. The market value of our assets may be determined in large part by reference to the market price of the ADSs and our ordinary shares, which is likely to fluctuate after the offering. In addition, the composition of our income and assets will be affected by how, and how quickly, we use the cash proceeds from the global offering in

our business. Based on the foregoing, with respect to the 2015 taxable year and foreseeable future tax years, we do not anticipate that we will be a PFIC based upon the expected value of our assets, including any goodwill, and the expected composition of our income and assets, however, as previously mentioned, we cannot provide any assurances regarding our PFIC status for the current, prior or future taxable years.

If we are a PFIC, and you are a U.S. holder, then unless you make one of the elections described below, a special tax regime will apply to both (a) any "excess distribution" by us to you (generally, your ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by you in the shorter of the three preceding years or your holding period for the ADSs) and (b) any gain realized on the sale or other disposition of the ADSs. Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over your holding period, (b) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would be subject to tax at the U.S. holder's regular ordinary income rate for the current year and would not be subject to the interest charge discussed below), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, dividend distributions made to you will not qualify for the lower rates of taxation applicable to long-term capital gains discussed above under "Distributions."

Certain elections exist that may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment (such as mark-to-market treatment) of the ADSs. If a U.S. holder makes the mark-to-market election, the U.S. holder generally will recognize as ordinary income any excess of the fair market value of the ADSs at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in the ADSs will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). The mark-to-market election is available only if we are a PFIC and the ADSs are "regularly traded" on a "qualified exchange." The ADSs will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter (subject to the rule that trades that have as one of their principal purposes the meeting of the trading requirement as disregarded). NASDAQ is a qualified exchange for this purpose and, consequently, if the ADSs are regularly traded, the mark-to-market election will be available to a U.S. holder.

If we are a PFIC for any year during which a U.S. holder holds the ADSs, we must generally continue to be treated as a PFIC by that U.S. holder for all succeeding years during which the U.S. holder holds the ADSs, unless we cease to meet the requirements for PFIC status and the U.S. holder makes a "deemed sale" election with respect to the ADSs. If such election is made, the U.S. holder will be deemed to have sold the ADSs it holds at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described above. After the deemed sale election, the U.S. holder's ADSs with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

The tax consequences that would apply if we were a PFIC would also be different from those described above if a U.S. holder were able to make a valid "qualified electing fund," or QEF, election. However, we do not currently intend to provide the information necessary for U.S. holders to make a QEF election if we were treated as a PFIC for any taxable year and prospective investors should assume that a QEF election will not be available. U.S. Holders should consult their tax advisors to determine whether any of these above elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

If we are determined to be a PFIC, the general tax treatment for U.S. Holders described in this section would apply to indirect distributions and gains deemed to be realized by U.S. Holders in respect of any of our subsidiaries that also may be determined to be PFICs.

If a U.S. holder owns ADSs during any taxable year in which we are a PFIC, the U.S. holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to the company, generally with the U.S. holder's federal income tax return for that year. If our company were a PFIC for a given taxable year, then you should consult your tax advisor concerning your annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. Prospective U.S. investors are urged to consult their own tax advisers with respect to the acquisition, ownership and disposition of the ADSs, the consequences to them of an investment in a PFIC, any elections available with respect to the ADSs and the IRS information reporting obligations with respect to the acquisition, ownership and disposition of the ADSs.

Backup Withholding and Information Reporting. U.S. holders generally will be subject to information reporting requirements with respect to dividends on ADSs and on the proceeds from the sale, exchange or disposition of ADSs that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder is an "exempt recipient." In addition, U.S. holders may be subject to backup withholding on such payments, unless the U.S. holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Certain Reporting Requirements With Respect to Payments of Offer Price. U.S. holders paying more than U.S. $100,000 for the ADSs generally may be required to file IRS Form 926 reporting the payment of the Offer Price for the ADSs to us. Substantial penalties may be imposed upon a U.S. holder that fails to comply. Each U.S. holder should consult its own tax advisor as to the possible obligation to file IRS Form 926.

Foreign Asset Reporting. Certain U.S. holders who are individuals are required to report information relating to an interest in the ADSs, subject to certain exceptions (including an exception for shares held in accounts maintained by U.S. financial institutions) by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. U.S. holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the ADSs.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PROSPECTIVE INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN ADSS IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

Belgian Tax Consequences

The following paragraphs are a summary of material Belgian tax consequences of the ownership of ADSs by an investor. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this document, all of which are subject to change, including changes that could have retroactive effect.

The summary only discusses Belgian tax aspects which are relevant to U.S. holders of ADSs, or "Holders." This summary does not address Belgian tax aspects which are relevant to persons who are fiscally resident in Belgium or who avail of a permanent establishment or a fixed base in Belgium to which the ADSs are effectively connected.

This summary does not purport to be a description of all of the tax consequences of the ownership of ADSs, and does not take into account the specific circumstances of any particular investor, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, ADSs in a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. Investors should consult their own advisers regarding the tax consequences of an investment in ADSs in the light of their particular circumstances, including the effect of any state, local or other national laws.

In addition to the assumptions mentioned above, it is also assumed in this discussion that for purposes of the domestic Belgian tax legislation, the owners of ADSs will be treated as the owners of the ordinary shares represented by such ADSs. However, the assumption has not been confirmed by or verified with the Belgian Tax Authorities.

Dividend Withholding Tax

As a general rule, a withholding tax of 25% is levied on the gross amount of dividends paid on the ordinary shares represented by the ADSs, subject to such relief as may be available under applicable domestic or tax treaty provisions.

Dividends subject to the dividend withholding tax include all benefits attributed to the ordinary shares represented by the ADSs, irrespective of their form, as well as reimbursements of statutory share capital by us, except reimbursements of fiscal capital made in accordance with the Belgian Companies Code. In principle, fiscal capital includes paid-up statutory share capital, and subject to certain conditions, the paid-up issue premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates.

In case of a redemption by us of our own shares represented by ADSs, the redemption distribution (after deduction of the portion of fiscal capital represented by the redeemed shares) will be treated as a dividend which in principle is subject to the withholding tax of 25%, subject to such relief as may be available under applicable domestic or tax treaty provisions. In case of a liquidation of our company, any amounts distributed in excess of the fiscal capital will also be treated as a dividend, and will in principle be subject to a 25% withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.

For non-residents the dividend withholding tax, if any, will be the only tax on dividends in Belgium, unless the non-resident avails of a fixed base in Belgium or a Belgian permanent establishment to which the ADSs are effectively connected.

Relief of Belgian Dividend Withholding Tax

Under the U.S.-Belgium Tax Treaty, under which we are entitled to benefits accorded to residents of Belgium, there is a reduced Belgian withholding tax rate of 15% on dividends paid by us to a U.S. resident which beneficially owns the dividends and is entitled to claim the benefits of the U.S.-Belgium Tax Treaty under the limitation of benefits article included in the U.S.-Belgium Tax Treaty, or Qualifying Holders.

If such Qualifying Holder is a company that owns directly at least 10% of our voting stock, the Belgian withholding tax rate is further reduced to 5%. No withholding tax is however applicable if the Qualifying Holder, is either of the following:

- a company that is a resident of the United States that has owned directly ADSs representing at least 10% of our capital for a twelve-month period ending on the date the dividend is declared, or
- a pension fund that is a resident of the United States, provided that such dividends are not derived from the carrying on of a business by the pension fund or through an associated enterprise.

Under the normal procedure, we or our paying agent must withhold the full Belgian withholding tax, without taking into account the reduced U.S.-Belgium Tax Treaty rate. Qualifying Holders may then make a claim for reimbursement for amounts withheld in excess of the rate defined by the U.S.-Belgium Tax Treaty. The reimbursement form (Form 276 Div-Aut.) may be obtained by letter from the Bureau Central de Taxation Bruxelles-Etranger, Boulevard du Jardin Botanique 50 boîte 3429, 1000 Brussels, Belgium, by fax at +32 (0) 257/968 42 or via email at ctk.db.brussel.buitenland@minfin.fed.be. Qualifying Holders may also, subject to certain conditions, obtain the reduced U.S.-Belgium Tax Treaty rate at source. Qualifying Holders should deliver a duly completed Form 276 Div-Aut. no later than ten days after the date on which the dividend has been paid or attributed (whichever comes first).

U.S. holders should consult their own tax advisors as to whether they qualify for reduction or exemption in/from withholding tax upon payment or attribution of dividends, and as to the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

Withholding tax is also not applicable, pursuant to Belgian domestic tax law, on dividends paid to a U.S. pension fund which satisfies the following conditions:

(i) to be a legal entity with fiscal residence in the United States and without a permanent establishment or fixed base in Belgium,

(ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions,

(iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim and without operating a business in Belgium,

(iv) which is exempt from income tax in the United States, and

(v) provided that it (save in certain particular cases as described in Belgian law) is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the shares or ADSs, nor obligated to pay a manufactured dividend with respect to the shares or ADSs under a securities borrowing transaction. The exemption will only apply if the U.S. pension fund provides an affidavit confirming that it is the full legal owner or usufruct holder of the shares or ADSs and that the above conditions are satisfied. The organization must then forward that affidavit to us or our paying agent.

Capital Gains and Losses

Pursuant to the U.S.-Belgium Tax Treaty, capital gains and/or losses realized by a Qualifying Holder from the sale, exchange or other disposition of ADSs are exempt from tax in Belgium.

Capital gains realized on ADSs by a corporate Holder who is not a Qualifying Holder are generally not subject to taxation in Belgium unless such Holder is acting through a Belgian permanent establishment or a fixed place in Belgium to which the ADSs are effectively connected (in which case a 33.99%, 25.75%, 0.412% or 0% tax on the capital gain may apply, depending on the particular circumstances). Capital losses are generally not tax deductible.

Private individual Holders which are not Qualifying Holders and which are holding ADSs as a private investment will, as a rule, not be subject to tax in Belgium on any capital gains arising out of a disposal of ADSs. Losses will, as a rule, not be tax deductible.

However, if the gain realized by such individual Holders on ADSs is deemed to be realized outside the scope of the normal management of such individual’s private estate and the capital gain is obtained or received in Belgium, the gain will be subject to a final tax of 30.28%.

Moreover, capital gains realized by such individual Holders on the disposal of ADSs for consideration, outside the exercise of a professional activity, to a non-resident corporation (or a body constituted in a similar legal form), to a foreign state (or one of its political subdivisions or local authorities) or to a non-resident legal entity that is established outside the European Economic Area, are in principle taxable at a rate of 16.5% if, at any time during the five years preceding the realization event, such individual Holders own or have owned directly or indirectly, alone or with his/her spouse or with certain other relatives, a substantial shareholding in us (that is, a shareholding of more than 25% of our shares).

Capital gains realized by a Holder upon the redemption of ADSs or upon our liquidation will generally be taxable as a dividend. See "Dividend Withholding Tax."

Potential Application of Article 228, §3 ITC

Under a strict reading of Article 228, §3 of the Belgian Income Tax Code 1992, or ITC, capital gains realized on ADSs by non-residents could be subject to Belgian taxation, levied in the form of a professional withholding tax, if the following three conditions are cumulatively met: (i) the capital gain would have been taxable if the non-resident were a Belgian tax resident, (ii) the income is "borne by" a Belgian resident or by a Belgian establishment of a foreign entity (which would, in such a context, mean that the capital gain is realized upon a transfer of ADSs to a Belgian resident or to a Belgian establishment of a foreign entity, together a "Belgian Purchaser"), and (iii) Belgium has the right to tax such capital gain pursuant to the applicable double tax treaty, or, if no such tax treaty applies, the non-resident does not demonstrate that the capital gain is effectively taxed in its state of residence. However, it is unclear whether a capital gain included in the purchase price of an asset can be considered to be "borne by" the purchaser of the asset within the meaning of the second condition mentioned above. Furthermore, applying this withholding tax would require that the Belgian Purchaser is aware of (i) the identity of the non-resident (to assess the third condition mentioned above), and (ii) the amount of the capital gain realized by the non-resident (since such amount determines the amount of professional withholding tax to be levied by the Belgian Purchaser). Consequently, the application of this professional withholding tax on transactions with respect to the ADSs occurring on the stock exchange would give rise to practical difficulties as the seller and purchaser typically do not know each other. In addition to these uncertainties, the parliamentary documents of the law that introduced Article 228, §3 ITC support the view that the legislator did not intend for Article 228, §3 ITC to apply to a capital gain included in the purchase price of an asset, but only to payments for services. On July 23, 2014, formal guidance on the interpretation of Article 228, §3 ITC has been issued by the Belgian tax authorities (published in the Belgian Official Gazette of July 23, 2014). The Belgian tax authorities state therein that Article 228, §3 ITC only covers payments for services, as a result of which no professional withholding tax should apply to capital gains realized by non-residents in the situations described above. It should, however, be noted that a formal guidance issued by the tax authorities does not supersede and cannot amend the law if the latter is found to be sufficiently clear in itself. Accordingly, in case of dispute, it cannot be ruled out that the interpretation of Article 228, §3 ITC made by the tax authorities in their formal guidance is not upheld by the competent courts.

Estate and Gift Tax

There is no Belgium estate tax on the transfer of ADSs on the death of a Belgian non-resident. Donations of ADSs made in Belgium may or may not be subject to gift tax depending on the modalities under which the donation is carried out.

Belgian Tax on Stock Exchange Transactions

A stock market tax is normally levied on the purchase and the sale and on any other acquisition and transfer for consideration in Belgium of ADSs through a professional intermediary established in Belgium on the secondary market, so-called "secondary market transactions." The tax is due from the transferor and the transferee separately. The applicable rate amounts to 0.25% of the consideration paid but with a cap of 740 euros per transaction and per party. Under current Belgian tax law, the applicable rate and the applicable cap will reduce to 0.22% and 650 euros for transactions carried out as from January 1, 2015.

Belgian non-residents who purchase or otherwise acquire or transfer, for consideration, ADSs in Belgium for their own account through a professional intermediary may be exempt from the stock market tax if they deliver a sworn affidavit to the intermediary in Belgium confirming their non-resident status.

In addition to the above, no stock market tax is payable by: (i) professional intermediaries described in Article 2, 9 and 10 of the Law of August 2, 2002 acting for their own account, (ii) insurance companies described in Article 2, §1 of the Law of July 9, 1975 acting for their own account, (iii) professional retirement institutions referred to in Article 2, §1 of the Law of October 27, 2006 relating to the control of professional retirement institutions acting for their own account, or (iv) collective investment institutions acting for their own account. No stock exchange tax will thus be due by Holders on the subscription, purchase or sale of ADSs, if the Holders are acting for their own account. In order to benefit from this exemption, the Holders must file with the professional intermediary in Belgium a sworn affidavit evidencing that they are non-residents for Belgian tax purposes.

Proposed Financial Transactions Tax

The European Commission has published a proposal for a Directive for a common financial transactions tax, or FTT, in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, or collectively, the Participating Member States.

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in ADSs in certain circumstances. Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in ADSs where at least one party is a financial institution, and at least one party is established in a Participating Member State.

A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including by transacting with a person established in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional E.U. Member States may decide to participate. Prospective Holders of ADSs are advised to seek their own professional advice in relation to the FTT.

ENFORCEMENT OF CIVIL LIABILITIES

Galapagos NV is a limited liability company organized under the laws of Belgium. Less than a majority of our directors are citizens and residents of the United States, and the majority of our assets are located outside of the United States. Accordingly, it may be difficult for investors:

- to obtain jurisdiction over us or our non-U.S. resident officers and directors in U.S. courts in actions predicated on the civil liability provisions of the U.S. federal securities laws;
- to enforce judgments obtained in such actions against us or our non-U.S. resident officers and directors;
- to bring an original action in a Belgian court to enforce liabilities based upon the U.S. federal securities laws against us or our non-U.S. resident officers or directors; and
- to enforce against us or our directors in non-U.S. courts, including Belgian courts, judgments of U.S. courts predicated upon the civil liability provisions of the U.S. federal securities laws.

The United States currently does not have a treaty with Belgium providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters. Consequently, a final judgment rendered by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Belgium. Actions for the enforcement of judgments of U.S. courts are regulated by Articles 22 to 25 of the 2004 Belgian Code of Private International Law. Recognition or enforcement does not imply a review of the merits of the case and is irrespective of any reciprocity requirement. A U.S. judgment will, however, not be recognized or declared enforceable in Belgium, unless (in addition to compliance with certain technical provisions) the Belgian courts are satisfied of the following:

- the effect of the recognition or enforcement of judgment is not manifestly incompatible with (Belgian) public order;
- the judgment did not violate the rights of the defendant;
- the judgment was not rendered in a matter where the parties did not freely dispose of their rights, with the sole purpose of avoiding the application of the law applicable according to Belgian international law;
- the judgment is not subject to further recourse under U.S. law;
- the judgment is not incompatible with a judgment rendered in Belgium or with a prior judgment rendered abroad that might be enforced in Belgium;
- the claim was not filed outside Belgium after a claim was filed in Belgium, if the claim filed in Belgium relates to the same parties and the same purpose and is still pending;
- the Belgian courts did not have exclusive jurisdiction to rule on the matter;
- the U.S. court did not accept its jurisdiction solely on the basis of either the presence of the plaintiff or the location of the disputed goods in the United States.
- the judgment did not concern the deposit or validity of intellectual property rights when the deposit or registration of those intellectual property rights was requested, done or should have been done in Belgium pursuant to international treaties;
- the judgment did not relate to the validity, operation, dissolution, or liquidation of a legal entity that has its main seat in Belgium at the time of the petition of the U.S. court;
- if the judgment relates to the opening, progress or closure of insolvency proceedings, it is rendered on the basis of the European Insolvency Regulation (EC Regulation No. 1346/2000 of May 29, 2000) or, if not, that (a) a decision in the principal proceedings is taken by a judge in the state where the most

important establishment of the debtor was located or (b) a decision in territorial proceedings was taken by a judge in the state where the debtor had another establishment than its most important establishment; and

- the judgment submitted to the Belgian court is authentic.

In addition, with regard to the enforcement by legal proceedings of any claim (including the exequatur of foreign court decisions in Belgium), a registration tax of 3% (to be calculated on the total amount that a debtor is ordered to pay) is due, if the sum of money that the debtor is ordered to pay by a Belgian court judgment, or by a foreign court judgment that is either (i) automatically enforceable and registered in Belgium or (ii) rendered enforceable by a Belgian court, exceeds €12,500. The debtor and the creditor are jointly liable for the payment of the registration tax; however, the liability of the creditor is limited up to a maximum amount of half of the amount he recovers from the debtor. An exemption from such registration tax applies in respect of exequaturs of judgments rendered by courts of states that are bound by European Regulation 44/2001.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them the number of ordinary shares and ADSs indicated below:

Name	Number of ADSs	Number of ordinary shares
Morgan Stanley & Co. LLC		
Credit Suisse Securities (USA) LLC		
Cowen and Company, LLC		
Nomura Securities International, Inc.		
Bryan, Garnier & Co.		
Total:		

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the ordinary shares and ADSs subject to their acceptance of the ordinary shares and ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ordinary shares and ADSs offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ordinary shares and ADSs offered by this prospectus if any such ordinary shares and ADSs are taken. However, the underwriters are not required to take or pay for the ordinary shares and ADSs covered by the underwriters’ options to purchase additional shares and ADSs described below.

The underwriters initially propose to offer part of the ordinary shares and ADSs directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the ordinary shares and ADSs, the offering price and other selling terms may from time to time be varied by the representatives.

The closings of the U.S. offering and the European private placement will be conditioned on each other. The total number of ordinary shares in the U.S. offering and European private placement is subject to reallocation between them.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares and ADSs at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares and ADSs as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares and ADSs listed next to the names of all underwriters in the preceding table.

The following table shows the per share/ADS and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional shares and an additional ADSs.

	Per share	Per ADS	Total	
			No exercise	Full exercise
Public offering price	€	$	$	$
Underwriting discounts and commissions to be paid by us	€	$	$	$
Proceeds, before expenses, to us	€	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority, or FINRA, up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ordinary shares offered by them.

Sales of shares made outside of the United States may be made by affiliates of the underwriters. In addition, Bryan, Garnier & Co. is not a U.S. registered broker-dealer; therefore, it will effect orders in the offering outside of the United States or within the United States to the extent permitted by Rule 15a-6 under the Exchange Act.

We have applied to list the ADSs on NASDAQ under the trading symbol “GLPG.”

We, our directors and members of our executive committee have agreed that, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, during the period ending days after the date of this prospectus (the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares, any ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs;
- file any registration statement with the Securities and Exchange Commission (or the equivalent thereof in non-U.S. jurisdictions) relating to the offering of any ordinary shares, any ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares or ADSs;

whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs or such other securities, in cash or otherwise. In addition, we and each such person agree that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any ordinary shares, ADSs or any security convertible into or exercisable or exchangeable for ordinary shares or ADSs.

The representatives, in their sole discretion, may release the ordinary shares, ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the ordinary shares and ADSs, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ordinary shares and ADSs. Specifically, the underwriters may sell more ordinary shares and ADSs than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares or ADSs, as the case may be, available for purchase by the underwriters under their options to purchase additional shares and ADSs. The underwriters can close out a covered short sale by exercising their option to purchase additional shares or ADSs, as the case may be, or purchasing shares or ADSs, as the case may be, in the open market. In determining the source of shares or ADSs to close out a covered short sale, the underwriters will consider, among other things, the open market price compared to the price available under their option to purchase additional shares and ADSs. The underwriters may also sell ordinary shares and ADSs in excess of their options to purchase additional shares and ADSs, creating a naked short position. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares and ADSs in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating the global offering, the underwriters may bid for, and purchase, shares and ADSs in the open market to stabilize the price of the shares and ADSs. These activities may raise or maintain the market price of the shares and ADSs above independent market levels or prevent or retard a decline in the market price of the shares and ADSs. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares and ADSs to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions, and they therefore may, in the future, perform various activities for us, including, without limitation, securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities, for which they will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold our securities and instruments for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time recommend to clients that they acquire, long or short positions in such securities and instruments. In particular, Bryan, Garnier & Co. has published independent research views in respect of us and our securities, including prior to its mandate as an underwriter for the offering.

Pricing of the Offering

Prior to this offering, there has been only limited over-the-counter trading in the ordinary shares and ADSs in the United States. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price will be the trading price of our ordinary shares on Euronext Brussels and Euronext Amsterdam, our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, or each, a Relevant Member State, an offer to the public of any ADSs may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of the ADSs may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of ADSs shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any ADSs to be offered so as to enable an investor to decide to purchase any ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member

State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.

EXPENSES OF THE GLOBAL OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, which are expected to be incurred in connection with our sale of ordinary shares and ADSs in the global offering. With the exception of the registration fee payable to the SEC and the filing fee payable to FINRA, all amounts are estimates.

Itemized expenses	Amount
SEC registration fee	$17,430
NASDAQ listing fee	25,000
FINRA filing fee	23,000
FSMA filing fee	*
Euronext listing fee	*
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Depository bank fees	*
Miscellaneous costs	*
Total	$ *

* To be provided by amendment.

LEGAL MATTERS

Goodwin Procter LLP, Boston, Massachusetts, is representing the company in connection with this offering. NautaDutilh BVBA, Brussels, Belgium, will pass upon the validity of the ordinary shares and the ADSs offered hereby and other legal matters concerning this offering relating to Belgian law, including matters of Belgian income tax law. Davis Polk & Wardwell LLP, New York, New York, is representing the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements, as of December 31, 2012; December 31, 2013; and December 31, 2014 and for each of the three years in the period ended December 31, 2014, included in this prospectus have been audited by Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The offices of Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA are located at Berkenlaan 8b, 1831 Diegem, Belgium.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form F-1 under the Securities Act with respect to the shares to be represented by ADSs offered in this prospectus. A related registration statement on Form F-6 will be filed with the Securities and Exchange Commission to register the ADSs. This prospectus, which forms a part of the registration statement, does not contain all of the information included in the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits for that information. With respect to references made in this prospectus to any contract or other document of Galapagos NV, such references are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document.

You may review a copy of the registration statement, including exhibits and any schedule filed therewith, and obtain copies of such materials at prescribed rates, at the Securities and Exchange Commission's Public Reference Room in Room 1580, 100 F Street, NE, Washington, D.C. 20549-0102. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, such as Galapagos NV, that file electronically with the Securities and Exchange Commission.

Upon completion of this offering, we will be subject to the information reporting requirements of the Exchange Act applicable to foreign private issuers and, in accordance therewith, we will file with the Securities and Exchange Commission annual reports on Form 20-F within four months of our fiscal year end, and provide to the Securities and Exchange Commission other material information on Form 6-K. Those reports may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act, although we intend to report our results of operations voluntarily on a quarterly basis.

We maintain a corporate website at *www.glpg.com*. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the board of directors and shareholders of Galapagos NV and subsidiaries

Mechelen, Belgium

We have audited the accompanying consolidated statements of financial position of Galapagos NV and subsidiaries (the "Company") as of 31 December 2014, 2013 and 2012, and the related consolidated statements of operations, changes in equity, and cash flows for the periods ended 31 December 2014, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Galapagos NV and subsidiaries as of 31 December 2014, 2013 and 2012, and the results of their operations and their cash flows for the periods ended 31 December 2014, 2013 and 2012, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Diegem, 18 March 2015

The statutory auditor

/s/ Gert Vanhees

DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises
BV o.v.v.e. CVBA/SC s.f.d. SCRL
Represented by Gert Vanhees

GALAPAGOS NV

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Euro, in thousands)

	December 31,			
	2014	2013	2012	Notes
Assets:				
Goodwill	€ —	€ 39,239	€ 37,667	7
Intangible assets	2,015	7,832	9,424	8
Property, plant and equipment	10,091	19,525	18,099	9
Deferred tax assets	293	4,558	1,705	10
Non-current R&D incentives receivables	43,944	39,347	35,288	11
Non-current restricted cash	306	3,306	278	12
Other non-current assets	215	220	419	
Non-currents assets	**56,864**	**114,027**	**102,880**	
Inventories	281	249	204	
Trade and other receivables	3,211	19,207	32,494	13
Current R&D incentives receivables	7,351	10,625	188	11
Cash and cash equivalents	187,712	138,175	94,369	14
Current restricted cash	10,422	—	—	12
Other current assets	4,625	5,091	5,194	13
Current assets	**213,603**	**173,347**	**132,449**	
Total assets	**€270,467**	**€ 287,374**	**€235,329**	
Equity and liabilities:				
Share capital	€157,274	€ 154,542	€139,347	15
Share premium account	114,182	112,484	72,876	16
Other reserves	(220)	47	—	17
Translation differences	(1,157)	170	994	18
Accumulated losses	(63,944)	(100,107)	(94,770)	
Total equity	**206,135**	**167,137**	**118,447**	
Pension liabilities	2,865	2,189	2,035	20
Provisions	72	668	676	21
Deferred tax liabilities	—	2,192	2,624	10
Finance lease liabilities	115	167	165	22
Other non-current liabilities	923	2,462	2,367	24
Non-current liabilities	**3,976**	**7,678**	**7,868**	
Provisions	105	81	176	21
Finance lease liabilities	52	226	240	22
Trade and other payables	30,007	29,365	22,093	24
Current tax payable	2,582	50	3	23
Accrued charges	585	3,858	2,893	24
Deferred income	27,026	78,979	83,608	24
Current liabilities	**60,356**	**112,559**	**109,014**	
Total liabilities	**64,332**	**120,237**	**116,882**	
Total equity and liabilities	**€270,467**	**€ 287,374**	**€235,329**	

The accompanying notes form an integral part of these financial statements.

GALAPAGOS NV

CONSOLIDATED STATEMENT OF OPERATIONS
(Euro, in thousands, except share and per share data)

	Year ended December 31,			
	2014	2013	2012	Notes
Revenues	€ 69,368	€ 76,625	€ 74,504	26
Other income	20,653	19,947	17,722	27
Total revenues and other income	**90,021**	**96,572**	**92,226**	
Service cost of sales			(5,584)	
Research and development expenditure	(111,110)	(99,380)	(80,259)	28
General and administrative expenses	(13,875)	(12,353)	(12,118)	31
Sales and marketing expenses	(992)	(1,464)	(1,285)	32
Restructuring and integration costs	(669)	(290)	(2,506)	33
Operating loss	**(36,624)**	**(16,915)**	**(9,526)**	
Finance income	1,424	780	1,927	34
Loss before tax	**(35,201)**	**(16,135)**	**(7,599)**	
Income taxes	(2,103)	(676)	164	35
Net loss from continuing operations	**(37,303)**	**(16,811)**	**(7,435)**	
Net income from discontinued operations	**70,514**	**8,732**	**1,714**	36
Net income / loss (-)	**€ 33,211**	**€ (8,079)**	**€ (5,721)**	38
Net income / loss (-) attributable to:				
Owners of the parent	33,211	(8,079)	(5,721)	
Basic and diluted income / loss (-) per share	**€ 1.10**	**€ (0.28)**	**€ (0.22)**	38
Basic and diluted loss per share from continuing operations	**€ (1.24)**	**€ (0.58)**	**€ (0.28)**	
Weighted average number of shares (in ‘000 shares)	30,108	28,787	26,545	38

	Year ended December 31,		
	2014	2013	2012
Consolidated statement of comprehensive income:			
Net income / loss (-)	**€ 33,211**	**€ (8,079)**	**€ (5,721)**
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	(267)	47	—
Items that may be reclassified subsequently to profit or loss:			
Translation differences, arisen from translating foreign activities	460	(824)	(1,425)
Translation differences, arisen from the sale of service division	(1,787)	—	2,384
Other comprehensive income, net of income tax	**(1,594)**	**(777)**	**959**
Total comprehensive income attributable to:			
Owners of the parent	€ 31,617	€ (8,856)	€ (4,762)

The accompanying notes form an integral part of these financial statements.

GALAPAGOS NV

CONSOLDIATED STATEMENT OF CHANGES IN EQUITY
(Euro, in thousands)

	Share capital	Share premium account	Translation differences	Other reserves	Accumul. losses	Total
On January 1, 2012	**€ 137,460**	**€ 72,021**	**€ 35**	**—**	**€ (91,140)**	**€ 118,376**
Net loss	—	—	—	—	(5,721)	(5,721)
Other comprehensive income	—	—	959	—	—	959
Total comprehensive income	**—**	**—**	**959**	**—**	**(5,721)**	**(4,762)**
Share-based compensation	—	—	—	—	2,086	2,086
Exercise of warrants	1,887	855	—	—	—	2,742
Other	—	—	—	—	5	5
On December 31, 2012	**€ 139,347**	**€ 72,876**	**€ 994**	**—**	**€ (94,770)**	**€ 118,447**
Net loss	—	—	—	—	(8,079)	(8,079)
Other comprehensive income	—	—	(824)	47	—	(777)
Total comprehensive income	**—**	**—**	**(824)**	**47**	**(8,079)**	**(8,856)**
Share-based compensation	—	—	—	—	2,742	2,742
Private placement	13,429	39,346	—	—	—	52,775
Exercise of warrants	1,766	262	—	—	—	2,028
On December 31, 2013	**€ 154,542**	**€ 112,484**	**€ 170**	**€ 47**	**€ (100,107)**	**€ 167,137**
Net income	—	—	—	—	33,211	33,211
Other comprehensive income	—	—	(1,327)	(267)	—	(1,594)
Total comprehensive income	**—**	**—**	**(1,327)**	**(267)**	**33,211**	**31,617**
Share-based compensation	—	—	—	—	2,952	2,952
Exercise of warrants	2,732	1,698	—	—	—	4,430
On December 31, 2014	**€ 157,274**	**€ 114,182**	**€ (1,157)**	**€ (220)**	**€ (63,944)**	**€ 206,135**

The accompanying notes form an integral part of these financial statements.

GALAPAGOS NV

CONSOLIDATED STATEMENT OF CASH FLOWS
(Euro, in thousands)

	Year ended December 31,		
	2014	2013	2012
Cash and cash equivalents at beginning of year	**€ 138,175**	**€ 94,369**	**€ 32,277**
Net income / loss (-)	33,211	(8,079)	(5,721)
Adjustments for:			
Tax income (-) /expenses	2,337	(3,115)	569
Financial income (-) /expenses	(1,841)	174	(1,458)
Depreciation of property, plant and equipment	3,582	6,036	6,884
Amortization of intangible fixed assets	1,067	2,118	2,125
Net realized loss on foreign exchange transactions	(261)	(2,078)	426
Share-based compensation	2,952	2,742	2,086
Increase / decrease (-) in provisions	27	(88)	(359)
Increase in pension liabilities	409	154	609
Loss on liquidation of subsidiaries	—	—	3,004
Gain on disposal of fixed assets	—	—	(17)
Gain on sale of service division	(67,508)	—	—
Operating cash flows before movements in working capital	**(26,025)**	**(2,137)**	**8,148**
Increase in inventories	(32)	(39)	291
Increase (-) / decrease in receivables	(10,110)	1,069	(16,876)
Increase / decrease (-) in payables	(40,311)	2,242	73,592
Cash generated / used (-) from operations	**(76,479)**	**1,136**	**65,154**
Interest paid	(113)	(164)	(150)
Interest received	951	959	1,022
Income taxes paid (-) / received	86	(85)	(153)
Net cash flows generated/used (-) in operating activities	**(75,555)**	**1,846**	**65,873**
Purchase of property, plant and equipment	(2,061)	(7,328)	(5,896)
Purchase of and expenditure in intangible fixed assets	(743)	(545)	(940)
Proceeds from disposal of intangible assets	—	—	20
Proceeds from disposal of property, plant and equipment	45	65	379
Acquisitions (-) of subsidiaries, net of cash acquired	—	(1,152)	—
Disposals of subsidiaries, net of cash disposed	130,787	—	—
Increase (-) in restricted cash	(7,422)	(3,028)	—
Net cash flows generated/used (-) in investing activities	**120,606**	**(11,988)**	**(6,437)**
Repayment of obligations under finance leases and other debts	(216)	(308)	(477)
Proceeds from Capital and Share premium increases, net of issue costs	4,430	54,803	2,742
Net cash flows generated in financing activities	**4,214**	**54,495**	**2,265**
Effect of exchange rate differences on cash and cash equivalents	**271**	**(548)**	**391**
Increase in cash and cash equivalents	**49,537**	**43,806**	**62,092**
Cash and cash equivalents at end of year	**€ 187,712**	**€ 138,175**	**€ 94,369**

The accompanying notes form an integral part of these financial statements.

GALAPAGOS NV

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Euro, in thousands)

1. General information

Galapagos NV ("the Company" or "Galapagos") is a limited liability company incorporated in Belgium and has its registered office at Generaal De Wittelaan L11/A3, 2800 Mechelen, Belgium. In the notes to the consolidated financial statements, references to "the Group" include Galapagos together with its subsidiaries.

Name of the subsidiary	Country	% voting right Galapagos NV (directly or indirectly through subsidiaries)	Change in % voting right previous period (2014 vs 2013)
Continuing operations:			
BioFocus DPI AG	Switzerland	100%	
BioFocus DPI LLC	United States	100%	
BioFocus, Inc.	United States	100%	
Discovery Partners International GmbH	Germany	100%	
Galapagos B.V.	The Netherlands	100%	
Galapagos NV	Belgium	parent company	
Fidelta d.o.o.	Croatia	100%	
Galapagos SASU	France	100%	
Inpharmatica Ltd.	United Kingdom	100%	
Xenometrix, Inc.	United States	100%	
Discontinued operations:*			
Argenta Discovery 2009 Ltd.	United Kingdom	0%	(100%)
BioFocus DPI (Holdings) Ltd.	United Kingdom	0%	(100%)
BioFocus DPI Ltd.	United Kingdom	0%	(100%)
Cangenix Ltd.	United Kingdom	0%	(100%)

* On April 1, 2014 these entities were sold to Charles River.

R&D

The R&D operations are specialized in the discovery and development of small molecules. The Group's ambition is to become a leading global biotechnology company focused on the development and commercialization of novel medicines. The Group's strategy is to leverage our unique and proprietary target discovery platform, which facilitates our discovery and development of therapies with novel modes of action.

The components of the operating result for continuing operations presented in our financial statements include the following companies: Galapagos NV (Mechelen, Belgium); Galapagos SASU (Romainville, France); Galapagos B.V. (Leiden, The Netherlands); Fidelta d.o.o. (Zagreb, Croatia); BioFocus, Inc. and its subsidiaries, BioFocus DPI LLC, and Xenometrix, Inc.; BioFocus DPI AG (Basel, Switzerland) and its subsidiary Discovery Partners International GmbH (Heidelberg, Germany); and Inpharmatica Ltd. (Saffron Walden, UK).

The Group's continuing operations have around 400 employees working in the operating facilities in Mechelen (the Belgian headquarters), The Netherlands, France, and Croatia.

Services

Galapagos sold its service division to Charles River Laboratories International, Inc. ("Charles River") on April 1, 2014.

The legal entities that were sold as part of this transaction were BioFocus DPI (Holdings) Ltd., BioFocus DPI Ltd., Argenta Discovery 2009 Ltd. and Cangenix Ltd. Galapagos B.V. was not sold, its service division operations were carved out by means of an asset deal.

As a result of this sale, the services provided by these entities are reported as discontinued operations for all periods presented. The sale did not include our Basel subsidiary (BioFocus DPI AG). Previously, the service activities of our Basel subsidiary had been terminated during 2012. Since these activities did not qualify as a discontinued operation at the time and our Basel subsidiary was not part of the sale to Charles River, the service activities of this entity are presented as part of the Company's continuing operation in 2012. During 2013 and 2014 there was no service activity as part of its continuing operations.

2. Significant accounting policies

The principal Group accounting policies are summarized below.

Basis of preparation and going concern assumption

The consolidated financial statements are prepared in accordance with the International Financing Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB) and the interpretations issued by the IASB's International Financial Reporting Interpretation Committee. The consolidated financial statements provide a general overview of the Group's activities and the results achieved. They give a true and fair view of the entity's financial position, its financial performance and cash flows, on a going concern basis.

Group reporting

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company. Together they constitute the Group. Control is achieved where the Company has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities. The results of subsidiaries are included in the income statement and statement of comprehensive income from the effective date of acquisition up to the date when control ceases to exist. All intra-group transactions, balances, income and expenses are eliminated when preparing the consolidated financial statements.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair value at the acquisition date.

Goodwill arising on business combinations is recognized as an asset and initially measured as excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities of the acquired subsidiary. Goodwill is not amortized but tested for impairment on an annual basis and whenever there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. Goodwill is stated at cost less accumulated impairment losses. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Revenue recognition

Revenues to date have consisted principally of milestones, license fees and upfront payments received in connection with our collaboration and alliance agreements. The Group also generates revenue from our fee-for- service activities, and various research and development incentives and grants.

Collaboration and alliance agreements with the Company's commercial partners for research and development activities generally include non-refundable upfront fees; milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones; license fees and royalties on sales.

The revenue recognition policies can be summarized as follows:

Upfront payments

Non-refundable, upfront payments received in connection with research and development collaboration agreements are deferred and recognized over the relevant periods of the Company's involvement. At inception Management estimates the period of the Company's involvement as well as the cost involved in the project. Upfront payments are recognized over the estimated period of involvement, either on a straight line basis or based on the cost incurred under the project if such cost can be reliably estimated. Periodically the Company reassesses the estimated time and cost to complete the project phase and adjusts the time period over which the revenue is deferred accordingly.

Milestone payments

Research milestone payments are recognized as revenues when achieved. In addition, the payments have to be acquired irrevocably and the milestone payment amount needs to be substantive and commensurate with the magnitude of the related achievement. Milestone payments that are not substantive, not commensurate or that are not irrevocable are recorded as deferred revenue. Revenue from these activities can vary significantly from period to period due to the timing of milestones.

Licenses

Revenues from term licenses are spread over the period to which the licenses relate, reflecting the obligation over the term, to update content and provide ongoing maintenance. Revenues from perpetual licenses are recognized immediately upon sale to the extent that there are no further obligations.

Royalties

Royalty revenues are recognized when the Group can reliably estimate such amounts and collectability is reasonably assured. As such, the Group generally recognizes royalty revenues in the period in which the licensees are reporting the royalties to the Group through royalty reports, that is, royalty revenues are generally recognized in arrears, i.e. after the period in which sales by the licensees occurred. Under this accounting policy, the royalty revenues the Group reports are not based upon the Group estimates and such royalty revenues are typically reported in the same period in which the Group receives payment from its licensees.

Grants and R&D incentives

As a company that carries extensive research and development activities, the Group benefits from various grants and R&D incentives from certain governmental agencies. These grants and R&D incentives generally aim to partly reimburse approved expenditures incurred in research and development efforts of the Group and are credited to the income statement, under other income, when the relevant expenditure has been incurred and there is reasonable assurance that the grants or R&D incentives are receivable.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually

agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as sale or contribution of assets), the Group is considered to be concluding the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

Intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's development activities is recognized only if all of the following conditions are met:

- Technically feasible to complete the intangible asset so that it will be available for use or sale
- The Group has the intention to complete the intangible assets and use or sell it
- The Group has the ability to use or sell the intangible assets
- The intangible asset will generate probable future economic benefits, or indicate the existence of a market
- Adequate technical, financial and other resources to complete the development are available
- The Group is able to measure reliably the expenditure attributable to the intangible asset during its development.

The amount capitalized as internally generated intangible assets is the sum of the development costs incurred as of the date that the asset meets the conditions described above.

Internally generated intangible assets are amortized on a straight-line basis over their estimated useful lives. If the recognition criteria for accounting as an intangible asset are not met, development costs are recognized as an expense in the period in which they are incurred.

Intellectual property, which comprises patents, licenses and rights, is measured internally at purchase cost and is amortized on a straight-line basis over the estimated useful life on the following bases:

- Customer relationships: 1–10 years
- In process technology: 3–5 years
- Software & databases: 3–5 years
- Brands, licenses, patents & know how: 5–15 years

In the event an asset has an indefinite life, this fact is disclosed along with the reasons for being deemed to have an indefinite life.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment loss. Depreciation is recognized so as to write off the cost or valuation of assets over their useful lives, using the straight-line method, on the following bases:

- Installation & machinery: 4–15 years
- Furniture, fixtures & vehicles: 4–10 years

Any gain or loss incurred at the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognized in profit or loss.

Leasehold improvements

Leasehold improvements are depreciated over the term of the lease, unless a shorter useful life is expected.

Assets held under finance lease

Assets held under finance leases are depreciated over their useful lives on the same bases as owned assets or, where shorter, over the term of the related lease agreement.

Inventories

Inventories are valued at the lower of cost and net realizable value. The net realizable value represents the estimated sales price less all estimated costs for completion and costs for marketing, sales and logistics.

Cost of raw materials comprises mainly purchase costs. Raw materials are not ordinarily interchangeable, and they are as such accounted for using the specific identification of their individual cost.

Financial instruments

Financial assets and financial liabilities are recognized on the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument. Hedging and derivatives have never been used: the Group does not actively use currency derivatives to hedge planned future cash flows, nor does the Group make use of forward foreign exchange contracts.

Research and development incentives receivables

Non-current research and development incentives receivables are discounted over the period until maturity date according to the appropriate discount rates.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value reduced by appropriate allowances for irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are measured at nominal value. For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand; deposits held on call with banks, other short term deposits and highly liquid investments. Cash and cash equivalents exclude restricted cash which is presented separately in the statement of financial position.

Trade payables

Trade payables bear no interest and are measured at their nominal value.

Taxation

Income tax in the profit or loss accounts represents the sum of the current tax and deferred tax.

Current tax is the expected tax payable on the taxable profit of the year. The taxable profit of the year differs from the profit as reported in the financial statements as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability-method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. As such, a deferred tax asset for the carry forward of unused tax losses will be recognized to the extent that is probable that future taxable profits will be available.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets relating to tax losses carried forward are recognized to the extent that it is probable that the related tax benefit will be realized.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are valued using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Non-monetary assets and liabilities measured at historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

Financial statements of foreign group companies

The results and financial position of all Group entities that have a functional currency different from Euro are translated as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates;
- All resulting cumulative exchange differences are recognized as a separate component of equity;
- Such cumulative exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Equity instruments

Equity instruments issued by the Company are measured by the fair value of the proceeds received, net of direct issue costs.

Employee benefits

a/ Defined contribution plans

Contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

b/ Defined benefit plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expenses or income
- Remeasurement

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans in future

contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

c/ Staff bonus plan

The company recognizes an expense in the income statement for staff bonus plans.

d/ Management bonus plan

The executive committee members, together with other senior managers, are eligible to receive bonuses under the Senior Management Bonus Scheme established in 2006. Pursuant to the rules of the Senior Management Bonus Scheme, 50% of the bonus is paid immediately around year-end and the payment of the remaining 50% is deferred for three years. The deferred 50% component is dependent on the Company's share price change relative to the Next Biotech Index (which tracks the Company's peers). The Company's share price and Index at the start and end of the 3-year period is calculated by the average price over the preceding and last month of the 3-year period, respectively.

- If the Company's share price change is better than or equal to the change in the Next Biotech Index, the deferred bonus will be adjusted by the share price increase/decrease and paid out.
- If the Company's share price change is up to 10% worse than the change in the Next Biotech Index, 50% of the deferred bonus will be adjusted by the share price increase/decrease and paid out, and the remainder will be forfeited.
- If the Company's share price change is more than 10% worse than the change in the Next Biotech Index the deferred bonus will be forfeited.

Galapagos recognizes 75% of the possible payment within three years at the moment that the bonus amount is determined, which reflects both an estimation of the number of employees that will remain within Galapagos for three years as well as the probability that the share price will meet the target. Since the bonus is calculated by reference to Galapagos' share price, it is accounted for as a cash-settled share-based payment under IFRS 2. The liability incurred is measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

Share-based payments

The Group grants equity-settled incentives to certain employees, directors and consultants in the form of warrants. Equity-settled warrants are measured at fair value at the date of grant. The fair value determined at the grant date of the warrants is expensed over the vesting period, based on the Group's estimate of warrants that are expected to be exercised. Fair value is measured by use of the Black & Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Provisions

Provisions are recognized on the balance sheet when a Group company has a present obligation as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of the money and, when appropriate, the risk specified to the liability.

Finance and operating leases

Leases are classified as finance leases whenever the terms of the lease substantially transfers all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. The payments are divided proportionally between the financial costs and a diminution of the outstanding balance of the obligation, so that the periodic interest rate on the outstanding balance of the obligation would be constant. Interest is recognized in the income statement, unless it is directly attributable to the corresponding asset, in which case they are capitalized.

Rents paid on operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment annually, and whenever there is an indication that the asset might be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss resulting from a sale of a subsidiary is recognized as income. In other cases impairment losses of goodwill are never reversed.

Net income/loss per share

Basic net income/loss per share is computed based on the weighted average number of shares outstanding during the period. Diluted net income per share is computed based on the weighted-average number of shares outstanding including the dilutive effect of warrants, if any.

Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale and (a) represents a separate major line of business or geographical area of operations, (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or (c) is a subsidiary acquired exclusively with a view to resale.

Adoption of new and revised standards

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The principal new accounting standards relevant for the preparation of these consolidated financial statements are set out below.

Standards and interpretations applicable for the annual period beginning on January 1, 2014:

- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 *Financial Instruments: Presentation—Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 *Impairment of Assets—Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Financial Instruments—Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)

Standards and interpretations published, but not yet applicable for the annual period beginning on January 1, 2014:

- IFRS 9 *Financial Instruments* and subsequent amendments (not yet endorsed in the EU)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Amendments to IFRS 11 *Joint Arrangements—Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets—Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 19 *Employee Benefits—Employee Contributions* (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 1 January 2014)

The new standards applicable did not have any impact on the Group's financials.

Segment reporting

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of revenue and expenses that can be allocated on a reasonable basis to a segment. Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities do not include income tax items. The Group has only one segment.

3. Critical accounting estimates and judgments

In the application of our accounting policies, the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Group's estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

Drafting financial statements in accordance with IFRS requires management to make judgments and estimates and to use assumptions that influence the reported amounts of assets and liabilities, the notes on contingent assets and liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

The following are the Group's critical judgments and estimates that we have made in the process of applying our accounting policies and that have the most significant effect on the amounts recognized in our consolidated financial statements presented elsewhere in this prospectus.

Recognition of clinical trial expenses

The Group recognizes expenses incurred in carrying out clinical trials during the course of each clinical trial in line with the state of completion of each trial. This involves the calculation of clinical trial accruals at each period end to account for incurred expenses. This requires estimation of the expected full cost to complete the trial as well as the current stage of trial completion.

Clinical trials usually take place over extended time periods and typically involve a set-up phase, a recruitment phase and a completion phase which ends upon the receipt of a final report containing full statistical analysis of trial results. Accruals are prepared separately for each clinical trial in progress and take into consideration the stage of completion of each trial including the number of patients that have entered the trial and whether we have received the final report. In all cases, the full cost of each trial is expensed by the time we have received the final report. There have not been any material adjustments to estimates based on the actual costs incurred for each period presented.

Revenue recognition

Evaluating the criteria for revenue recognition with respect to the Group's research and development and collaboration agreements requires management's judgment to ensure that all criteria have been fulfilled prior to recognizing any amount of revenue. In particular, such judgments are made with respect to determination of the nature of transactions, whether simultaneous transactions shall be considered as one or more revenue-generating transactions, allocation of the contractual price (upfront and milestone payments in connection with a collaboration agreement) to several elements included in an agreement, and the determination of whether the significant risks and rewards have been transferred to the buyer. Collaboration agreements are reviewed carefully to understand the nature of risks and rewards of the arrangement. All of the Group's revenue-generating transactions have been subject to such evaluation by management.

Share-based payments plans

The Group determines the costs of the share-based payments plans (our warrant plans) on the basis of the fair value of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model for these equity instruments, by which the characteristics of the grant have a decisive influence. This assumes also the input into the valuation model of some relevant judgments, like the estimated useful life of the warrant and the volatility. The judgments made and the model used are further specified in note 37.

Pension obligations

The cost of a defined pension arrangement is determined based on actuarial valuations. An actuarial valuation assumes the estimation of discount rates, estimated returns on assets, future salary increases, mortality figures and future pension increases. Because of the long term nature of these pension plans, the valuation of these is subject to important uncertainties. We refer to note 20 for additional details.

Impairment of goodwill

Changes in management assumptions on profit margin and growth rates used for cash flow predictions could have an important impact on the results of the Group. Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Considering that the consideration received for the sale of the service division is much higher than its net assets value, such estimation of the value in use is no longer necessary at the end of 2013.

Corporate income taxes

Significant judgment is required in determining the use of tax loss carry forwards. We recognize deferred tax assets arising from unused tax losses or tax credits only to the extent that we have sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by us. Management's judgment is that such convincing evidence is currently not sufficiently available except for one subsidiary operating intercompany on a cost plus basis and as such only a minor deferred tax asset is therefore recognized. As of December 31, 2014, we had a total of approximately €220 million of statutory tax losses carried forward which can be compensated with future taxable statutory profits for an indefinite period except for an amount of €18 million in Switzerland, Croatia, the United States and The Netherlands with expiry date between 2015 and 2029. As of December 31, 2014, the available tax losses carried forward in Belgium amounted to €136 million.

4. Financial risk management

Financial risk factors

The financial risks of the Company are managed centrally. The finance department of the Company coordinates the access to national and international financial markets and considers and manages continuously the financial risks concerning the activities of the Group. These relate to the credit risk, liquidity risk and currency risk. There are no other important risks, such as or interest rate risk, because the Group has nearly no financial debt and has a strong cash position. The Group does not buy or trade financial instruments for speculative purposes.

Categories of material financial assets and liabilities:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Financial assets:			
Cash at bank and in hand	€ 187,712	€ 138,175	€ 94,369
Restricted cash (current and non-current)	10,728	3,306	278
Trade receivables	1,340	13,291	27,876
R&D incentives receivables (current and non-current)	51,296	49,972	35,476
Other amounts receivable	1,862	3,792	2,493
Total financial assets	**€ 252,937**	**€ 208,536**	**€ 160,492**
Financial liabilities:			
Trade payables	€ 30,007	€ 29,365	€ 22,093
Other non-current liabilities	923	2,462	2,367
Leasing debts	167	393	405
Tax payable	2,582	50	3
Total financial liabilities	**€ 33,679**	**€ 32,270**	**€ 24,868**

Liquidity risk

The Group's consolidated balance sheet shows an amount of €63.9 million as incurred losses at the end of 2014. Management forecasts the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting is based on realistic assumptions with regards to milestone and upfront payments to be received, taking into account the Company's past track record, including the assumption that not all new projects that are being planned will be realized.

Credit risk

The term "credit risk" refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

The trade receivables consist of a limited amount of creditworthy customers, many of which are large pharmaceutical companies, spread over different geographical areas. To limit the risk of financial losses, the Group has developed a policy of only dealing with creditworthy counterparties.

Galapagos grants credit to its clients in the framework of its normal business activities. Usually, the Group requires no pledge or other collateral to cover the amounts due. Management continuously evaluates the client portfolio for creditworthiness. All receivables are considered collectable, except for these for which a provision for doubtful debtors has been established.

The Group's cash and cash equivalents are invested primarily in saving and deposit accounts. Saving and deposit accounts generate a small amount of interest income. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted at the beginning of the term.

Interest rate risk

The Group is not currently exposed to significant interest rate risk. Our only variable interest-bearing financial asset is cash at banks. The effect of an increase or decrease in interest rates would only have an immaterial effect in profit or loss.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures. The Group's functional currency is euro, but the Group receives payments from its main business partner AbbVie in U.S. dollar and acquires some consumables and materials in U.S. dollars, Swiss Francs, GB Pounds and Croatian Kuna.

To limit this risk, the Group attempts to align incoming and outgoing cash flows in currencies other than EUR. In addition, contracts closed by the different entities of the Group are mainly in the functional currencies of that entity, except for the alliance agreements signed with AbbVie for which payments are denominated in U.S. dollars.

In order to further reduce this risk, Galapagos implemented a netting system within the group in the course of 2012, which restrains intra-group payments between entities with a different functional currency.

Proceeds from the global offering in U.S. dollars will be converted to our functional currency, the euro.

The exchange rate risk in case of a 10% change in the exchange rate amounts to:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Net book value:			
Euros—US Dollars	€ 589	€ 521	€ 507
Euros—GB Pounds	138	185	927
Euros—CH Francs	181	163	93
Euros—HR Kunas	215	798	1,146
CH Francs—GB Pounds	—	1	95
HR Kunas—GB Pounds	—	31	5
US Dollars—GB Pounds	€ 807	€ 708	€ 807

The magnitude of the amounts for the year ended December 31, 2014 decreased mainly in the conversion Euros—HR Kunas.

For the year ended December 31, 2013, the magnitude of the amounts decreased mainly in the conversion Euros—GB Pounds, as well in the conversion Euros—HR Kunas.

Capital risk factors

The Group manages its capital to safeguard that the Group will be able to continue as a going concern. At the same time, the Group wants to ensure the return to its shareholders through the results from its research and development activities.

The capital structure of the Group consists of cash at bank and in hand and cash equivalents, financial debt (which currently the Group barely has: as of December 31, 2014, the Group has no financial debt other than finance leases and advances from Oseo, a French public organization for innovation support, for €1.2 million), and equity attributed to the holders of equity instruments of the Company, such as capital, reserves and results carried forward, as mentioned in the consolidated statement of changes in equity.

The Group manages its capital structure and makes the necessary adjustments in the light of changes of economic circumstances, the risk characteristics of underlying assets and the projected cash needs of the current research and development activities.

The adequacy of our capital structure will depend on many factors, including scientific progress in our research and development programs, the magnitude of those programs, our commitments to existing and new clinical CROs, our ability to establish new alliance or collaboration agreements, our capital expenditures, market developments and any future acquisition.

Neither Galapagos NV nor any of its subsidiaries are subject to any externally imposed capital requirements, other than those imposed by generally applicable company law requirements.

5. Segmental information

Following the sale of the service division on April 1, 2014, the continuing operations relate primarily to R&D activities. Consequently we only have one reportable segment.

6. Geographical information

In 2014 the Group's R&D continuing operations were located in Belgium, Croatia, France and The Netherlands.

In 2014 the Group's continuing operations top 10 customers represents 98% of the revenues. The Group's continuing operations client base includes four of the top 20 pharmaceutical companies in the world in 2014 and 2013.

The following table summarizes Group revenues by destination of customer:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
United States	€31,100	€46,963	€42,476
Europe	38,169	29,662	31,819
Asia Pacific	100	—	209
Total	**€69,368**	**€76,625**	**€74,504**

The following table summarizes Group revenues of our continuing operations by destination of Group company:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Galapagos NV (Belgium)	€65,448	€73,913	€65,947
Galapagos SASU (France)	108	—	284
Fidelta d.o.o. (Croatia)	3,726	2,514	4,377
Xenometrix, Inc. (United States)	86	198	132
BioFocus DPI AG (Switzerland)	—	—	3,763
Total revenues	**€69,368**	**€76,625**	**€74,504**

In 2014, Galapagos held €57 million of non-current assets (€114 million in 2013) distributed as follows:

- France: €26 million (€27 million in 2013)
- Belgium: €25 million (€24 million in 2013)
- Croatia: €4 million (€4 million in 2013)
- The Netherlands: €1 million (€2 million in 2013)

The decrease in non-current assets is explained by the sale of the service division located in the United Kingdom which was contributing €57 million of non-current assets in 2013.

7. Goodwill

	(Euro, in thousands)
On January 1, 2012	**€ 38,880**
Liquidation of subsidiaries	(620)
Goodwill impairement	(593)
On December 31, 2012	**37,667**
Acquisition of subsidiaries	1,572
On December 31, 2013	**39,239**
Sale of the service division	(39,239)
On December 31, 2014	**€ —**

Goodwill increased in 2013 and is related to the acquisition of an entity in the U.K. by the service division on January 4, 2013.

The allocation of this goodwill through a Purchase Price Allocation (PPA) exercise has been performed in line with IFRS 3 and the outcome was that no purchase price was allocated to tangible or intangible assets, as the purchase was driven by acquiring skills relating to structured-based biology and not customer base or customer relationships.

The decrease of the goodwill to €0 for the year ended December 31, 2014 compared to €39.3 million for the year ended December 31, 2013 was exclusively due to the sale of the service division to Charles River. The Group did not hold goodwill related to its continuing operations in its balance sheet.

8. Intangible assets

	Customer relationships	In process technology	Software & databases	Brands, licenses, patents & know-how	Total
			(Euro, in thousands)		
Acquisition value:					
On January 1, 2012	**€ 4,167**	**€ 6,066**	**€ 6,629**	**€ 15,131**	**€ 31,991**
Additions	—	—	941	—	941
Sales and disposals	—	—	(3)	(375)	(378)
Reclassifications	(2,116)	(505)	(306)	2,927	—
Translation differences	4	—	(28)	100	75
On December 31, 2012	**2,055**	**5,561**	**7,232**	**17,783**	**32,629**
Additions	—	—	545	—	545
Sales and disposals	—	—	(35)	—	(35)
Translation differences	—	—	(62)	(85)	(147)
On December 31, 2013	**2,055**	**5,561**	**7,681**	**17,698**	**32,993**
Additions	—	—	728	15	743
Sales and disposals	—	—	(503)	—	(503)
Sale of the Service division	(2,055)	—	—	(16,227)	(18,282)
Translation differences	—	—	183	26	209
On December 31, 2014	**—**	**5,561**	**8,088**	**1,512**	**15,161**
Amortization and impairment:					
On January 1, 2012	**2,403**	**6,066**	**5,571**	**7,336**	**21,377**
Amortization	102	—	455	1,568	2,125
Sales and disposals	—	—	—	(357)	(357)
Reclassifications	(1,699)	(505)	(187)	2,391	—
Translation differences	4	—	(28)	84	60
On December 31, 2012	**810**	**5,561**	**5,811**	**11,022**	**23,205**
Amortization	102	—	607	1,409	2,118
Sales and disposals	—	—	(35)	—	(35)
Translation differences	—	—	(62)	(65)	(127)
On December 31, 2013	**912**	**5,561**	**6,321**	**12,366**	**25,161**
Amortization	25	—	748	294	1,067
Sales and disposals	—	—	(500)	—	(500)
Sale of the Service division	(937)	—	—	(11,853)	(12,790)
Reclassifications	—	—	(666)	666	—
Translation differences	—	—	184	24	208
On December 31, 2014	**—**	**5,561**	**6,087**	**1,497**	**13,147**
Carrying amount:					
On December 31, 2012	1,245	—	1,421	6,760	9,424
On December 31, 2013	1,143	—	1,359	5,332	7,832
On December 31, 2014	**€ —**	**€ —**	**€ 2,000**	**€ 15**	**€ 2,015**

The intangible assets decreased by €5.8 million from €7.8 million for the year ended December 31, 2013, to €2.0 million for the year ended December 31, 2014. This decrease was mainly due to the sale of the service division on April 1, 2014 by €5.5 million.

The additions in software and databases in 2013 mainly relate to software development for compound inventory. Prior year additions mainly related to the implementation of a company-wide ERP system. In 2012 and 2013, all reclassified intangible assets were related to the service division.

9. Property, Plant and Equipment

	Land & building improvements	Installation & machinery	Furniture, fixtures & vehicles	Other tangible assets	Total
			(Euro, in thousands)		
Acquisition value:					
On January 1, 2012	**€ 13,675**	**€ 52,514**	**€ 1,547**	**€ 6,998**	**€ 74,735**
Additions	300	5,060	539	—	5,900
Sales and disposals	(1,148)	(12,237)	(11)	(4)	(13,400)
Other increase	—	—	227	—	227
Reclassification	791	1,313	2,012	(4,117)	—
Translation differences	93	364	35	8	501
On December 31, 2012	**13,712**	**47,015**	**4,350**	**2,886**	**67,962**
Additions	265	5,460	168	1,730	7,623
Sales and disposals	—	(358)	(17)	(644)	(1,019)
Other increase	—	102	—	—	102
Reclassifications	—	393	—	(393)	—
Translation differences	(79)	(360)	(46)	(13)	(498)
On December 31, 2013	**13,898**	**52,251**	**4,455**	**3,565**	**74,169**
Additions	117	1,155	104	685	2,061
Sales and disposals	(1,733)	(4,549)	(73)	—	(6,355)
Sale of the Service division	(4,022)	(23,677)	(1,919)	(370)	(29,988)
Reclassifications	—	3,543	16	(3,559)	—
Translation differences	26	97	11	—	134
On December 31, 2014	**8,286**	**28,820**	**2,594**	**321**	**40,021**
Depreciations and impairment:					
On January 1, 2012	**10,594**	**38,877**	**674**	**5,066**	**55,211**
Depreciation	1,477	4,402	312	692	6,884
Sales and disposals	(1,124)	(11,902)	(7)	—	(13,034)
Other increase	—	—	435	—	435
Reclassification	731	1,189	1,434	(3,354)	—
Translation differences	75	268	21	3	368
On December 31, 2012	**11,753**	**32,834**	**2,869**	**2,408**	**49,864**
Depreciation	1,028	4,399	249	360	6,036
Sales and disposals	—	(313)	(5)	(637)	(955)
Other increase	1	2	—	—	2
Reclassifications	—	—	—	—	—
Translation differences	(66)	(203)	(27)	(7)	(303)
On December 31, 2013	**12,715**	**36,720**	**3,086**	**2,123**	**54,644**
Depreciation	639	2,531	243	168	3,581
Sales and disposals	(1,700)	(4,011)	(42)	—	(5,753)
Sale of the Service division	(3,694)	(17,404)	(1,247)	(299)	(22,644)
Reclassifications	—	1,884	—	(1,884)	—
Translation differences	24	70	6	2	102
On December 31, 2014	**7,984**	**19,790**	**2,046**	**110**	**29,930**
Carrying amount:					
On December 31, 2012	1,959	14,181	1,481	478	18,099
On December 31, 2013	1,183	15,532	1,368	1,441	19,525
On December 31, 2014	**€ 302**	**€ 9,031**	**€ 547**	**€ 210**	**€ 10,091**

The property, plant and equipment decreased from €19.5 million for the year ended December 31, 2013 to €10.1 million for the year ended December 31, 2014. This decrease is mainly the result of the sale of the service division, both on lines 'Sales and disposals' (assets carved out) and 'Sale of the Service division.'

In 2012 and 2013, all reclassified property, plant and equipment related to the service division.

10. Deferred tax

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Recognized deferred tax assets and liabilities:			
Assets	**€ 293**	**€ 4,558**	**€ 1,705**
Liabilities	**€ —**	**€ (2,192)**	**€ (2,624)**
Continuing operations			
Assets	293	—	678
Liabilities	—	—	—
Discontinued operations			
Assets	—	4,558	1,027
Liabilities	—	(2,192)	(2,624)
Deferred tax assets unrecognized	**€ 104,484**	**€ 105,529**	**€ 106,197**
Continuing Operations	104,484	100,160	94,905
Discontinued Operations	—	5,369	11,292
Deferred taxes	**€ 496**	**€ 3,280**	**€ (718)**
Continuing operations	293	(676)	14
Tax benefit arising from previously unrecognized tax assets used to reduce deferred tax expense (+)	293	—	14
Deferred tax expenses relating to write down of previously recognized deferred tax assets	—	(676)	—
Discontinued operations	203	3,956	(732)
Deferred tax expenses net relating to origination and reversal of temporary differences	203	427	(205)
Tax benefit arising from previously unrecognized tax assets used to reduce deferred tax expense (+)	—	3,529	—
Deferred tax expenses relating to write down of previously recognized deferred tax assets	—	—	(527)

The notional interest deduction for an amount of €2.6 million (2013: €2.6 million—2012: €2.6 million) and the investment deduction of €1 million (2013: €1 million—2012: €1 million) could give rise to deferred tax assets. The amount of notional interest deduction that has been accumulated in the past can be carried forward for maximum seven years, the notional interest deduction of 2012 and following years will not be carried forward according to a change in the Belgian tax legislation. There is no limit in time for the investment deduction.

The consolidated unused tax losses carried forward at December 31, 2014 amounted to €315 million (2013: €329 million—2012: €345 million), €21.8 million were related to unrecognized tax losses with expiry date between 2015 and 2029.

The available statutory tax losses carried forward that can be offset against future statutory taxable profits amounted to €220 million on December 31, 2014. These statutory tax losses can be compensated with future statutory profits for an indefinite period except for an amount of €18 million in Switzerland, Croatia, the US and The Netherlands with expiry date between 2015 and 2029. On December 31, 2014, the available tax losses carried forward in Galapagos NV (Belgium) amounted to €136 million.

For one subsidiary operating on a cost plus basis for the group a deferred tax asset was set up for an amount of €0.3 million in 2014 (2013: €0 million).

Because one of the U.K. subsidiaries was profitable in 2012 and 2013 and management expected that this situation would be sustainable, a deferred tax asset was set up for an amount of €4.6 million in 2013 (2012: €1 million). This amount was based on an estimate of taxable income for the next three years.

A deferred tax asset for tax losses carried forward, which are limited in time (three years), was reversed for the Croatian subsidiary for an amount of €0.7 million in 2013 because of the current year loss and forecasted losses in the near future due to the fact that the entity is in a transition period to go from an R&D subcontractor company to a fee-for-service company.

For the year ended December 31, 2013, the deferred tax liabilities relate to timing differences on the value of fixed assets of some U.K. companies.

11. Research and development incentives receivables

The table below illustrates the R&D incentives receivables related captions in the balance sheet for the years ended December 31, 2014, 2013 and 2012.

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Non-current R&D incentives receivables	€43,944	€39,347	€35,288
Current R&D incentives receivables	7,351	10,625	188
Total R&D incentives receivables	**€51,296**	**€49,972**	**€35,476**

Total R&D incentives receivables increased by €1.3 million compared to December 31, 2013. This increase is explained by a new R&D incentives reported in 2014 for €11.9 million (€7.6 million related to French R&D incentives and 4.3 million related to Belgian R&D incentives) less the payment received related to French R&D incentives amounting to €8.6 million. The remaining variance of €1.9 million was explained by the phasing out of the consolidation scope of the service division which contributed to the Group's total current R&D receivables at the end of 2013.

The R&D incentives receivables relate to refunds resulting from R&D incentives on research expenses in France, the U.K. (2013 and 2012) and Belgium. Non-current R&D incentives receivables are discounted over the period until maturity date.

The below table provides detailed information on the maturity of the non-current R&D incentives receivables reported in our balance sheet at December 31, 2014.

	Year ended December 31, 2014 Maturity date					
	2016	2017	2018	2019	2020	Total
	(Euro, in thousands)					
French non-current R&D incentives receivables—nominal value	€ 7,830	€ 8,185	€ 8,214	€ —	€ —	**€24,229**
French non-current R&D incentives receivables—discounted value	7,830	8,185	8,214	—	—	**24,229**
Belgian non-current R&D incentives receivables—nominal value	3,632	3,377	3,922	4,458	4,327	**19,716**
Belgian non-current R&D incentives receivables—discounted value	3,632	3,377	3,916	4,424	4,255	**19,604**
Total non-current R&D incentives receivables—nominal value	**€11,462**	**€11,561**	**€12,136**	**€4,458**	**€4,327**	**€43,944**
Total non-current R&D incentives receivables—discounted value	**€11,462**	**€11,562**	**€12,130**	**€4,424**	**€4,255**	**€43,833**

12. Restricted cash

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Non-current restricted cash	€ 306	€3,306	€278
Current restricted cash	10,422	—	—
Total restricted cash	**€10,728**	**€3,306**	**€278**

Restricted cash amounted to €3.3 million at the end of December 2013, and increased to €10.7 million for the year ended December 31, 2014. This increase is related to an escrow account containing part of the proceeds from the sale of the service division in 2014. The amounts on the escrow account will be released on June 30, 2015 if no claim is being introduced by the buyer, Charles River Laboratories International, Inc. As at December 31, 2014, two claims have been introduced by Charles River Laboratories International, Inc and were fully accrued for on the balance sheet for a total amount of €0.1 million.

Restricted cash on December 31, 2013 was related to a €3 million bank guarantee issued in 2013 for the rental of the new premises in France which will expire on June 30, 2015, and €0.3 million rent deposit for premises in Mechelen, Belgium.

13. Trade and other receivables & other current assets

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Trade receivables	€1,340	€13,291	€27,876
Prepayments	9	2,124	2,125
Other receivables	1,862	3,792	2,493
Trade and other receivables	**3,211**	**19,207**	**32,494**
Accrued income	3,242	4,271	2,685
Deferred charges	1,384	820	2,509
Other current assets	**4,625**	**5,091**	**5,194**
Total trade and other receivables & other current assets	**€7,836**	**€24,299**	**€37,688**

The movements in 2014 presented in the table above resulted primarily from the sale of the service division.

In 2013, decrease of trade receivables compared to previous year relate to the fact that less milestones were invoiced at year-end 2013 compared to 2012. At year-end 2012 also a late termination fee of €5.8 million for Roche was booked as trade receivable.

The Group considers that the carrying amount of trade and other receivables approximates their fair value. The other current assets mainly include accrued income from subsidy projects and deferred charges.

14. Cash and cash equivalents

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Bank balances	€187,711	€138,172	€94,365
Cash at hand	1	4	4
Total cash and cash equivalents	**€187,712**	**€138,175**	**€94,369**

The Group reported a cash position of €187.7 million at the end of December 2014 compared to €138.2 million at year-end 2013. The Group's operating activities reported use of €75.6 million of cash in 2014 while the investing activities brought €120.6 million of cash in-flow mainly due the proceeds from the sale of the service division (€130.8 million) and €4.2 million from our financing activities.

Cash and cash equivalents comprise cash in hand and short term bank deposits or short term highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value. The Company's cash management strategy monitors and optimizes the company's liquidity position. The Company's cash management strategy may allow short term deposits with an original maturity exceeding 3 months while monitoring all liquidity aspects. Cash and cash equivalents comprise €50 million of term deposits with an original maturity longer than 3 months.

15. Share capital

The share capital of Galapagos NV, as included in the articles of association, reconciles to 'Share capital' on the balance sheet as follows:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
On January 1	**€ 154,542**	**€ 139,347**	**€ 137,460**
Share capital increase	2,732	16,356	1,887
Costs of capital increase	—	(1,161)	—
Share capital on December 31	**€ 157,274**	**€ 154,542**	**€ 139,347**
Aggregate share capital	€ 163,904	€ 161,171	€ 144,815
Costs of capital increase (accumulated)	(6,629)	(6,629)	(5,468)
Share capital on December 31	**€ 157,274**	**€ 154,542**	**€ 139,347**

Costs of capital increases are netted against the proceeds of capital increases, in accordance with IAS 32 Financial instruments: disclosure and presentation.

History of share capital

The history of share capital between January 1, 2012 and December 31, 2014 is as follows:

Date	Share capital increase: new shares (in thousands €)	Share capital increase: warrants (in thousands €)	Number of shares issued (in thousands of shares)	Aggregate number of shares after transaction (in thousands of shares)	Aggregate share capital after transaction (in thousands €)
January 1, 2012	**—**	**—**	**—**	**26,421**	**€ 142,929**
April 5, 2012	—	€ 741	137	—	—
June 29, 2012	—	101	19	—	—
September 14, 2012	—	117	22	—	—
December 17, 2012	—	928	172	—	—
December 31, 2012	**—**	**—**	**—**	**26,771**	**144,815**
April 5, 2013	—	1,069	198	—	—
April 29, 2013	€ 14,590	—	2,697	—	—
July 1, 2013	—	488	90	—	—
October 21, 2013	—	193	36	—	—
December 6, 2013	—	16	3	—	—
December 31, 2013	**—**	**—**	**—**	**29,794**	**161,171**
April 10, 2014	—	1,649	305	—	—
July 4, 2014	—	982	182	—	—
September 25, 2014	—	66	12	—	—
December 9, 2014	—	35	7	—	—
December 31, 2014	**—**	**—**	**—**	**30,299**	**€ 163,904**

The overview above represents the evolution of the share capital as included in the articles of association of Galapagos NV (rounded).

On January 1, 2013, the Company's share capital amounted to €144,815.6 thousand, represented by 26,770,747 shares. All shares were issued, fully paid up and of the same class.

On April 5, 2013, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2008, Warrant Plan 2008 (B), Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €1,069 thousand (plus €113 thousand in issuance premium) and the issuance of 197,581 new shares.

On April 29, 2013, within the framework of the authorized capital and with cancellation of the preferential subscription rights, the board of directors of Galapagos NV decided to increase the share capital of the Company by €14,589.9 thousand (plus €39,346.8 thousand in issuance premium) by means of a private placement with institutional investors, resulting in the issuance of 2,696,831 new shares.

On July 1, 2013, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €487.7 thousand (plus €96.5 thousand in issuance premium) and the issuance of 90,143 new shares.

On October 21, 2013, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €193.2 thousand (plus €49.6 thousand in issuance premium) and the issuance of 35,719 new shares.

On December 6, 2013, warrants were exercised at various exercise prices under Warrant Plan 2007 RMV and Warrant Plan 2009. The exercise resulted in a share capital increase of €16.3 thousand (plus €2.9 thousand in issuance premium) and the issuance of 3,025 new shares.

As of December 31, 2013, our share capital amounted to €161,171.6 thousand, represented by 29,794,046 shares. All shares were issued, fully paid up and of the same class.

On April 10, 2014, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2009, Warrant Plan 2009 (B), Warrant Plan 2010 and Warrant Plan 2010 (B). The exercise resulted in a share capital increase of €1,648.9 thousand (plus €732.3 thousand in issuance premium) and the issuance of 304,791 new ordinary shares.

On July 4, 2014, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/ The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009, Warrant Plan 2010 and Warrant Plan 2010 (B). The exercise resulted in a share capital increase of €982.0 thousand (plus €880.3 thousand in issuance premium) and the issuance of 181,507 new ordinary shares.

On September 25, 2014, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK and Warrant Plan 2010. The exercise resulted in a share capital increase of €66.3 thousand (plus €63.7 thousand in issuance premium) and the issuance of 12,260 new ordinary shares.

On December 9, 2014, warrants were exercised at various exercise prices under Warrant Plan 2005 and Warrant Plan 2006 Belgium/The Netherlands. The exercise resulted in a share capital increase of €35.3 thousand (plus €20.9 thousand in issuance premium) and the issuance of 6,525 new ordinary shares.

As of December 31, 2014, our share capital amounted to €163,904.1 thousand, represented by 30,299,129 shares. All shares were issued, fully paid up and of the same class.

All of the share issuances listed above were for cash consideration.

	Ordinary shares	Total
Other information:		
Accounting par value of shares (€)	5.41	5.41

The board of directors is authorized for a period of 5 years starting from the date of the shareholders' meeting that granted the renewed authorization, being May 23, 2011, to increase the share capital of the Company within the framework of the authorized capital through contributions in kind or in cash, with limitation or cancellation of the shareholders' preferential rights. Said authorization can be renewed.

The authorized capital as approved by our extraordinary general shareholders' meeting of May 23, 2011 amounted to €142,590.8 thousand. As of December 31, 2014, €24,763.8 thousand of the authorized capital was used, so that an amount of €117,826.9 thousand still remained available under the authorized capital.

16. Share premium

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
On January 1	**€112,484**	**€ 72,876**	**€72,021**
Increase as a result of private placement	—	39,346	—
Increase as a result of exercise of warrants	1,698	262	855
Share premium on December 31	**€114,182**	**€112,484**	**€72,876**

17. Other Reserves

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
On January 1	**€ 47**	**€ —**	**€ —**
Actuarial gains or losses (-) recognised through OCI	(267)	47	—
Other reserves on December 31	**€ (220)**	**€ 47**	**€ —**

The other reserves amount to a negative of €220 thousand (2013: €47 thousands) and relate to remeasurement of defined benefit obligation booked through OCI in line with IAS19R.

18. Translation differences

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
On January 1	**€ 170**	**€ 994**	**€ 35**
Translation differences, arisen from translating foreign activities	460	(824)	(1,425)
Translation differences, arisen from the sale of the service division	(1,787)	—	2,384
Translation differences on December 31	**€(1,157)**	**€ 170**	**€ 994**

Translation differences decreased to a negative of €1.2 million at the end of December 2014 mainly due to the sale of the service division which reported positive translation differences of €2.0 million at the end of December 2013.

19. Derivative financial instruments: currency derivatives

The Group does not actively use currency derivatives to hedge planned future cash flows. On the balance sheet date, total notional amount of outstanding forward foreign exchange contracts that the Group has committed are nil (2013: nil).

As of December 31, 2014 the fair value of the Group's currency derivatives is estimated to be nil (2013: nil). The Group does not designate its foreign currency denominated debt as a hedge instrument for the purpose of hedging the translation of its foreign operations.

See note 4 for further information on how the Group manages financial risks.

20. Retirement benefit plans

Defined contribution plans

The Group operates defined contribution systems for all of its qualifying employees. The assets of the schemes are held separately from those of the Group in designated pension plans. For defined contribution systems, the Group pays contributions to publicly or privately administered pension- or insurance funds. Once the contribution is paid, the Group does not have any remaining obligation.

The personnel of the Group in Belgium participate in a defined contribution plan (extra-legal pension). The Belgian defined contribution pension plans are by law subject to minimum guaranteed rates of return, currently 3.25% on employer contributions and 3.75% on employee contributions. These rates, which apply as an average over the entire career, may be modified by Royal Decree in which case the new rate(s) apply to both the accumulated past contributions and the future contributions as from the date of modification. Therefore, those plans were basically accounted for as defined contribution plans.

As at December 31, 2014 no net liability was recognised (2013: nil) in the balance sheet as the difference between the minimum guaranteed reserves and the actual accumulated reserves is not deemed material.

The contributions for those plans that were due by the employer for 2014 and 2013 amounted to respectively €465.6 thousand and €367.9 thousand, of which €32.9 thousand was paid after December 31, 2014 (2013: €33.9 thousand). No contributions were made by the employees.

The plan assets as at December 31, 2014 consisted of €886.4 thousand individual insurance reserves, which benefit from a weighted average guaranteed interest rate of 3.0%, and €0.2 thousand reserves in collective financing funds.

Similar pension schemes apply to the Group entities in other countries. The amounts due by the Group's continuing operations to these pension plans in 2014 were €1.5 million in total (2013: €1.3 million). The amounts due by the Group's discontinued operations to these pension plans in 2013 were €3.0 million in total.

Defined benefit plans

The Group uses two defined benefit plans for France. The defined benefit plans are not supported by funds.

The Chemical and Pharmaceutical Industry's collective bargaining agreements require that the French entity pays a retirement allowance depending on the seniority of the employees at the moment they retire. The benefit obligations for these retirement allowances amounted to €1,622.3 thousand for 2014 (2013: €1,207.2 thousand). This increase is mainly due to changed actuarial assumptions (decrease of discount rate from 3.00% to 1.75%).

Additionally, there are also seniority premiums paid in France. The provisions for these premiums amounted to €1,242.9 thousand in 2014 (2013: €981.8 thousand).

Total obligation included in the balance sheet related to the defined benefit plans amounts to €2,865.2 thousand for the year ended December 31, 2014 (2013: €2,189.0 thousand).

Actuarial gains and losses are recognized immediately on the balance sheet, with a charge or credit to other comprehensive income (OCI), in accordance with IAS 19R. They are not recycled subsequently. Actuarial losses of €266.6 thousand have been booked through other comprehensive income (OCI) at the end of 2014 (2013: €46.6 thousand of actuarial gains).

	Year ended December 31,	
	2014	2013
	(Euro, in thousands)	
Obligations included in the balance sheet:		
Present value of funded defined benefit obligation	**€ 2,865**	**€ 2,189**
Fair value of plan assets	—	—
Shortage	2,865	2,189
Liability included in the balance sheet	**€ 2,865**	**€ 2,189**

	Year ended December 31,	
	2014	2013
	(Euro, in thousands)	
The present value of the gross obligation developed as follows:		
Opening balance	€ 2,189	€ 2,035
Current service cost	228	228
Interest cost	65	60
Benefits paid	(48)	(51)
Actuarial gains (-) or losses due to experience adjustments	82	(89)
Actuarial losses due to experience adjustments related to new financial assumptions	347	—
Actuarial gains (-) or losses due to experience adjustments related to new demographic assumptions	3	5
Closing balance	**€ 2,865**	**€ 2,189**

	Year ended December 31,	
	2014	2013
	(Euro, in thousands)	
Amounts recognized in profit or loss for defined benefit plans are as follows:		
Current service cost	€ 228	€ 228
Interest cost	65	60
Revaluations of net liability / net asset	165	(37)
Total expense	**€ 457**	**€ 251**

	Year ended December 31,	
	2014	2013
	(Euro, in thousands)	
Obligation included in the balance sheet reconciles as follows:		
Opening balance	€ 2,189	€ 2,035
Total expense recognized in the income statement	457	251
Remeasurement on the net defined benefit liability	267	(47)
Benefits paid	(48)	(51)
Closing balance	**€ 2,865**	**€ 2,189**

	Year ended December 31,	
	2014	2013
	(%)	
The most important actuarial assumptions are:		
Discount rate	1.75%	3.00%
Expected salary increase	2.25%	2.50%

		Year ended December 31, 2014
		Obligation (Euro, in thousands)
Sensitivity analysis on discount rate : effect on obligation:		
Discount rate	1.25%	€ 3,068
Discount rate	1.50%	2,964
Discount rate	1.75%	2,865
Discount rate	2.00%	2,772
Discount rate	2.25%	€ 2,682

	Year ended December 31, 2013
	Obligation (Euro, in thousands)
Sensitivity analysis on discount rate : effect on obligation:	
Discount rate 2.50%	€ 2,337
Discount rate 2.75%	2,261
Discount rate 3.00%	2,189
Discount rate 3.25%	2,120
Discount rate 3.50%	€ 2,055

21. Provisions

	Post-employment benefits (non-current)	Other provisions (non-current)	Restructuring provision (current)	Other provisions (current)	Total
			(Euro, in thousands)		
On December 31, 2012	**€ 10**	**€ 666**	**€ 176**	**€ —**	**€ 852**
Additional provisions	—	15	—	—	15
Provisions utilized amounts	—	(8)	(93)	—	(101)
Reversal of provisions	(2)	—	—	—	(2)
Translation differences	(1)	(12)	(3)	—	(16)
On December 31, 2013	**7**	**660**	**81**	**—**	**747**
Additional provisions	7	—	—	73	80
Provisions utilized amounts	—	(3)	(50)	—	(53)
Sale of the service division	—	(604)	—	—	(604)
Translation differences	—	4	1	—	5
On December 31, 2014	**€ 14**	**€ 57**	**€ 32**	**€ 73**	**€ 176**

The decrease in provisions in 2014 is mainly due to the sale of the service division (€0.6 million).

As of December 31, 2013, the non-current provision was mainly related to a dilapidation provision for facilities located in the U.K. of €0.6 million. The decrease of €0.1 million in the (current) restructuring provision in 2013 is related to utilized amounts related to the leased premises in Basel, Switzerland, which is credited to the income statement on line item Provisions within general and administrative expenses.

22. Finance lease liabilities

	Year ended December 31,			Year ended December 31,		
	2014	2013	2012	2014	2013	2012
	(Euro, in thousands)					
	Minimum lease payments			Present value of minimum lease payments		
Amounts payable under finance lease						
Within one year	€ 58	€ 238	€ 327	€ 52	€ 226	€ 240
In the second to fifth years inclusive	121	237	298	115	167	165
After five years	—	—	—	—	—	—
	€ 179	**€ 475**	**€ 625**	**€ 167**	**€ 393**	**€ 405**
Less future finance charges	12	82	220	—	—	—
Present value of lease obligation	**€ 167**	**€ 393**	**€ 405**	**—**	**—**	**—**
Less amount due for settlement within 12 months	—	—	—	52	226	240
Amount due for settlement after 12 months	**—**	**—**	**—**	**€ 115**	**€ 167**	**€ 165**

	Year ended December 31,			Year ended December 31,		
	2014	2013	2012	2014	2013	2012
	(Euro, in thousands)					
	Net book value			Acquisition cost		
Leased assets:						
Installation & machinery	€ 161	€ 384	€ 295	€ 295	€ 2,534	€ 2,247
Total leased assets	**€ 161**	**€ 384**	**€ 295**	**€ 295**	**€ 2,534**	**€ 2,247**

The Group leases certain of its installation and machinery under finance leases. For the year ended December 31, 2014, the average borrowing rate was 6.27% (2013: 6.17%; 2012: 8.29%). The interest rates were fixed at the date of the contracts. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The decrease in leased assets in 2014 is mainly related to a finance lease of lab equipment in the Belgian entity which ended in 2014.

The fair value of the Group's lease obligations approximates their carrying value.

23. Tax liabilities

The below tables illustrate the tax liabilities related captions in the balance sheet for the year ended December 31, 2014, 2013 and 2012.

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Income tax payable	€ 2,582	€ 50	€ 3
Total tax liabilities	**€ 2,582**	**€ 50**	**€ 3**

The tax liabilities amounting to €2.6 million on December 31, 2014 are primarily related to the recognition of tax liabilities for one of our subsidiaries operating on a cost plus basis for the group for €2.1 million due to a change in estimates. In addition, taxes on gain on the sale of the service division are included in the tax liabilities for €0.4 million. The income tax expense in connection with the sale of the service division was only €0.4 million, since the gain is considered as a capital gain under Belgian tax law, which is subject to a tax rate of less than 1%.

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Taxes recognized in profit or loss:			
Continuing operations:			
Current tax	€(2,396)	€ —	€ 150
Deferred tax	293	(676)	14
Total continuing operations	(2,103)	(676)	164
Discontinued operations:			
Current tax	€ (437)	€ (165)	€ —
Deferred tax	203	3,956	(733)
Total discontinued operations	(234)	3,791	(733)
Total taxes	**€(2,337)**	**€ 3,115**	**€ (569)**

Corporation tax is calculated at 34% (2013: 34%)—which is the tax rate applied in Belgium—of the estimated assessable profit for the year. The applied tax rate for other territorial jurisdictions is the tax rate that is applicable in these respective territorial jurisdictions on the estimated taxable result of the accounting year.

	Year ended December 31,				
	2014		2013		2012
	(Euro, in thousands)				
The tax of the year can be reconciled to the accounting result as follows:					
Loss before tax from continuing operations	€(35,201)		€(16,135)		€(7,599)
Income before tax from discontinued operations	70,748	**%**	4,941	**%**	2,446
Income/ loss (-) before tax	35,548	**34**	(11,194)	**34**	(5,152)
Income tax debit / credit (-), calculated using the Belgian statutory tax rate on the accounting income / loss (-) before tax (theoretical)	12,083		(3,805)		(1,751)
Tax expenses/income (-) in income statement (effective) from continuing operations	2,103		676		(164)
Tax expenses/ income (-) in income statement (effective) from discontinued operations	234		(3,791)		733
Tax expenses/income (-) in income statement (effective)	2,337		(3,115)		569
Difference in tax expense/ income to explain	**€ (9,746)**		**€ 690**		**€ 2,320**
Effect of tax rates in other jurisdictions	€ 6		€ (22)		€ (325)
Effect of non taxable revenues	(41,249)		(6,817)		(4,520)
Effect of consolidation entry without tax impact	12,786		(388)		157
Effect of non tax deductible expenses	1,459		1,188		1,840
Effect of recognition of previous non recognized deferred tax assets	(293)		(3,595)		(14)
Effect of change in tax rates	(165)		(245)		(127)
Effect of tax losses (utilized) reversed	(1,549)		(499)		(1,496)
Effect from under or over provisions in prior periods	2,144		(89)		102
Effect of non recognition of deferred tax assets	17,688		10,821		8,508
Effect of R&D tax credit claims	(572)		(340)		(2,332)
Effect of derecognition of previously recognized deferred tax assets	—		676		527
Total explanations	**€ (9,746)**		**€ 690**		**€ 2,320**

The main difference between the theoretical tax and the effective tax for the year 2014 is explained by the non-taxable revenues which primarily consist of the gain on sale of the service division, and by the unrecognized deferred tax assets on tax losses carried forward for which the Company conservatively assesses that it is not likely that these will be realized in the foreseeable future.

24. Trade and other payables

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Trade payables	€29,344	€ 29,365	€ 22,093
Other current liabilities	663	—	—
Other non-current liabilities	923	2,462	2,367
Accrued charges	585	3,858	2,893
Deferred income	27,026	78,979	83,608
Total trade and other payables	**€58,541**	**€114,664**	**€110,962**
Included in current liabilities	57,618	112,202	108,594
Included in non-current liabilities	923	2,462	2,367
Total trade and other payables	**€58,541**	**€114,664**	**€110,962**

The Group's trade and other payables, amounting to €58.5 million as of December 31, 2014, decreased by €56.1 million compared to the €114.7 million reported as of December 31, 2013.

The trade payables amounting to €29.3 million as of December 31, 2014 remain stable compared to the €29.4 million at December 31, 2013.

The accrued charges show a decrease of €3.3 million compared to the ending balance on December 31, 2013 which can be fully explained by the sale of the service division.

Deferred income amounts to €27.0 million at December 31, 2014, which decreased by €52.0 million compared to December 31, 2013. This decrease can mainly be explained by revenues from non-refundable upfront payments recognized in the income statement for €45.8 million. For the year ended December 31, 2014, €15.0 million revenue was deferred for our filgotinib program for rheumatoid arthritis and Crohn's disease with AbbVie, and €11.4 million was deferred for our CF program with AbbVie. The remainder, being €0.6 million, was mainly composed of discounting effects on non-current R&D incentives receivables and deferred revenues from grants.

25. Off-balance sheet arrangements

Contractual obligations and commitments

The Group entered into lease agreements for office and laboratories which qualify as operating leases. The Group also has certain purchase commitments with CRO subcontractors principally.

On December 31, 2014, the Group's continuing operations had outstanding obligations for future minimum rent payments and purchase commitments, which become due as follows:

	Total	Less than 1 year	1–3 years	3–5 years	More than 5 years
			(Euro, in thousands)		
Operating lease obligations	€35,030	€ 3,759	€ 8,517	€5,931	€16,823
Purchase commitments	36,052	28,992	7,060	—	—
Total contractual obligations and commitments	**€71,082**	**€32,751**	**€15,577**	**€5,931**	**€16,823**

The purchase commitments for less than one year are mainly comprised of engagements related to clinical studies for €18.6 million, with these making up 64% of our total commitments. Other commitments relate to contracts with CROs and academics for chemistry work, biology work, batch production, and the like.

Contingent liabilities and assets

The French entity has signed a lease agreement in October 2013 for new office premises in the "Parc Biocitech" in Romainville, France (with effect from 1 February 2015) to replace the current premises in Romainville. The agreement is entered into for a 12-year period. The net rent amounts to €1.4 million on an annual basis. Galapagos NV, as the parent company, has issued a guarantee on first demand for €2 million to lessor of the building. Additionally a bank guarantee, amounting to €3 million, was issued for the rental of the new premises. These guarantees entered into force upon signature of the lease agreement and will expire on June 30, 2015 after the move into the new facilities.

On March 13, 2014, the Group announced the signing of a definitive agreement to sell the service division operations to Charles River Laboratories International, Inc. (the "Buyer") for a total consideration of up to €134 million. Charles River agreed to pay Galapagos an immediate cash consideration of €129 million. Upon achievement of a revenue target 12 months after transaction closing, Galapagos will be eligible to receive an

earn-out payment of €5 million. In addition, approximately 5% of the total price consideration, including price adjustments, is being held on an escrow account which will be released on June 30, 2015 if no claim has been introduced by the Buyer. Following the divestment, we remain a guarantor for a limited transitional period in respect of the lease obligations for certain U.K. premises amounting to £40 million future rent payments. The Buyer will fully indemnify Galapagos NV against all liabilities arising in connection with the lease obligation. We evaluated the risk to be remote. Finally, following common practice, Galapagos NV has given customary representations and warranties which are capped and limited in time.

In the course of 2008, a former director of one of our subsidiaries sued for wrongful termination and seeks damages of €1.1 million. The Company believes that the amount of damages claimed is unrealistically high. In 2014, the Court requested an external advisor to evaluate the exact amount of damages. This analysis is still ongoing. Considering the defense elements provided in favor of Galapagos and also the latest evolution in the Court, the Board and management evaluated the risk to be remote to possible, but not likely. Accordingly, it was decided not to record any provision in 2014 as the exposure is considered to be limited.

26. Revenue

The following table summarizes the revenues for the years ended December 31, 2014, 2013 and 2012.

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Recognition of non-refundable upfront payments	€45,838	€51,751	€38,194
Milestone payments	19,768	20,488	27,699
Other revenues	3,762	4,387	8,610
Total revenues	**€69,368**	**€76,625**	**€74,504**

Upfront payments predominantly relate to the Company's collaboration agreements with AbbVie for RA, CD and CF.

Under the AbbVie RA and CD collaboration agreement, the Company received one-time, non-refundable, non-creditable upfront payments in the amount of $150 million (€111.6 million) in March 2012 and $20 million (€15.6 million) in connection with the first amendment to the collaboration agreement in May 2013. These amounts are recognized over the estimated period of the Company's involvement. At inception and as of December 31, 2012, the period of involvement was estimated at 30 months starting in March 2012. As from April 2013 and as of December 31, 2013, the Company changed the estimate of its period of involvement to 34 months due to delays that occurred in clinical trials and changed its recognition of the remaining unrecognized upfront payments accordingly. As of June 30, 2014 and December 31, 2014, the Company changed the estimate of its period of involvement from 34 months to 39 months and 40 months, respectively, due to additional delays and changed its recognition of the remaining unrecognized upfront payments accordingly.

Under the AbbVie CF collaboration program, the Company received a one-time non-refundable, non-creditable upfront payment of $45.0 million (€34.0 million) in October 2013. Upfront revenue is recognized over the period of its involvement, which is estimated to last until the end of 2015.

For the year ended December 31, 2014, $10 million of milestones (€8.0 million) were recognized in relation with the Company's CF Collaboration Agreement with AbbVie. Further milestone payments of €11.8 million in 2014 primarily related to partnered programs with Janssen Pharmaceutica, Servier and GSK. For the year ended December 31, 2013, €20.5 million of milestones primarily related to partnered programs with Janssen Pharmaceutica, Servier and GSK. For the year ended December 31, 2012, €27.7 million of milestones primarily related to partnered programs with Janssen Pharmaceutica, Servier, GSK and Roche.

27. Other income

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Grant income	€ 5,646	€ 5,054	€ 2,217
Other income	15,008	14,893	15,506
Total other income	**€20,653**	**€19,947**	**€17,722**

We received several grants to support various research programs from an agency of the Flemish government to support technological innovation in Flanders. These grants carry clauses which require us to maintain a presence in the Flemish region for a number of years and invest according to pre-agreed budgets.

28. Research and development expenditure

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Personnel costs	€ (31,038)	€(29,385)	€(28,586)
Subcontracting	(54,293)	(44,760)	(25,393)
Disposables and lab fees and premises costs	(16,830)	(15,840)	(16,923)
Other operating expenses	(8,949)	(9,395)	(9,356)
Total research and development expenditure	**€(111,110)**	**€(99,380)**	**€(80,259)**

29. Staff costs

The following table illustrates the personnel costs of our continuing operations for the years 2014, 2013 and 2012.

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Wages and salaries	€(26,891)	€(26,260)	€(27,812)
Social security costs	(7,468)	(6,363)	(6,406)
Pension costs	(1,454)	(1,260)	(1,261)
Other personnel costs	(2,635)	(2,097)	(2,499)
Total personnel costs	**€(38,447)**	**€(35,979)**	**€(37,979)**

30. Remuneration of key management personnel

On December 31, 2014, the executive committee comprised four members: Mr. Onno van de Stolpe, Dr. Andre Hoekema, Dr. Piet Wigerinck and Mr. Bart Filius. In the course of 2014, two individuals ceased to be members of the executive committee: Mr. David Smith, with effect from April 1, 2014, and Mr. Guillaume Jetten,

with effect from May 1, 2014. The remuneration package of the members of the executive committee who were in function in the course of 2014 comprises:

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands, except for the number of warrants)		
Remuneration of key management personnel:			
Short-term employee benefits (*)	€ 1,506	€ 2,450	€ 3,348
Post-employment benefits	184	135	123
Total benefits excluding warrants	**€ 1,690**	**€ 2,585**	**€ 3,470**
Number of warrants offered in the year	330,000	265,000	230,000

(*) includes: salaries, employer social security contributions, other short term benefits

The above table includes the normal payments for compensation and benefits made to Mr. Smith and Mr. Jetten up to the respective date of cessation of their mandate as executive committee member. In addition, upon termination of his employment, Mr. Jetten received a total payment of €574.4 thousand.

The members of the executive committee provide their services for the Group on a full-time basis. Their remuneration includes all costs for the Group, including retirement contributions.

The 330,000 warrants offered in 2014 to the members of the executive committee were offered under Warrant Plan 2014, with the exception of the warrants offered to Mr. Filius (150,000 warrants), which were offered under Warrant Plan 2014 (B).

The retirement benefits to the members of the executive committee are part of the retirement benefit scheme to which all qualified personnel are entitled; the contributions are paid as a percentage of the gross annual salary.

The executive committee members, together with other senior managers, are eligible to receive bonuses under the Senior Management Bonus Scheme established in 2006. Pursuant to the rules of the Senior Management Bonus Scheme, 50% of the bonus is paid immediately around year-end and the payment of the remaining 50% is deferred for three years. The deferred 50% component is dependent on the Company's share price change relative to the Next Biotech Index (which tracks the Company's peers). The Company's share price and Index at the start and end of the 3-year period is calculated by the average price over the preceding and last month of the 3-year period, respectively.

- If the Company's share price change is better than or equal to the change in the Next Biotech Index, the deferred bonus will be adjusted by the share price increase/decrease and paid out.
- If the Company's share price change is up to 10% worse than the change in the Next Biotech Index, 50% of the deferred bonus will be adjusted by the share price increase/decrease and paid out, and the remainder will be forfeited.
- If the Company's share price change is more than 10% worse than the change in the Next Biotech Index the deferred bonus will be forfeited.

To be entitled to any deferred payment under the bonus scheme, the beneficiary must still be in the Company's employ.

The six members of the executive committee (including the CEO) who were in function in the course of 2014 were paid an aggregate amount of €1,151.6 thousand in remuneration and received an aggregate amount of €268.6 thousand in bonuses. The aggregate bonus amount was composed of 2 parts: (i) an aggregate bonus of €234 thousand, being 50% of the bonus for performance over 2014 (paid in early January 2015), with the other

50% being deferred for 3 years, (ii) an aggregate amount of €34.6 thousand as an exceptional special bonus granted to Mr. Smith in connection with his instrumental role in the divestment of the Group's services division. No performance bonus was awarded for the year 2011, as three out of five of the corporate objectives for 2011 were not achieved. Therefore, no deferred part of the bonus for the year 2011 was paid out in 2014.

On December 31, 2013, the executive committee comprised five members: Mr. Onno van de Stolpe, Dr. Andre Hoekema, Dr. Piet Wigerinck, Mr. Guillaume Jetten and Mr. David Smith. In the course of 2013, one individual ceased to be a member of the executive committee: Dr. Chris Newton, with effect from August 26, 2013.

The above table includes the normal payments for compensation and benefits made to Dr. Newton until the date he ceased to be a member of the executive committee.

The 265,000 warrants offered in 2013 to the members of the executive committee were offered under Warrant Plan 2013, with the exception of the warrants offered to Mr. Smith (75,000 warrants), which were offered under Warrant Plan 2013 (B).

The five members of the executive committee (including the CEO) who were in function in the course of 2013 were paid an aggregate amount of €1,467.5 thousand in remunerations and received an aggregate amount of €841.9 thousand in bonuses. The aggregate bonus amount was composed of 2 parts: (i) an aggregate bonus of €377.9 thousand, being 50% of the bonus for performance over 2013 (paid in early January 2014), with the other 50% being deferred for 3 years; and (ii) an aggregate amount of €464.1 thousand paid in early January 2014 as the 50% deferred part of the bonus over 2010; this deferred part was established at the end of 2013 using a multiple of 1.205 of the deferred part of the 2010 bonus, as a result of the share price performance over the period 2010-2013.

Other components of the remuneration of the executive committee members included contributions to the Group's pension and health insurance schemes, company cars and certain fringe benefits of non-material value.

Only the CEO is a member of both the executive committee and the board of directors. The CEO does not receive any special remuneration for his board membership, as this is part of his total remuneration package in his capacity as member of the executive committee.

No loans, quasi-loans or other guarantees were given to members of the board and of the executive committee.

Transactions with non-executive directors

In connection with the compensation of directors, the annual shareholders' meeting of April 29, 2014 resolved to establish the total maximum amount of the annual remuneration for all directors together (excluding Dr. Parekh and the CEO) for the exercise of their mandate as a director of the company, on an aggregate basis, at €200 thousand (plus expenses). The same annual shareholders' meeting granted a power of attorney to the board to determine the remuneration of the individual board members within the limits of said aggregate amount. Pursuant to this power of attorney, the board determined, upon recommendation of the nomination and remuneration committee, the allocation of the aggregate annual remuneration for directors as follows: (a) remuneration for non-executive directors who do not represent a shareholder (Dr. Van Barlingen and Mr. Rowe): €20 thousand; (b) remuneration for non-EU-based directors (who do not represent a shareholder) and/or for directors who actively and on a regular basis provide independent clinical, scientific and/or transactional advice to the board of directors (Dr. Cautreels, Dr. Sato and Ms. Bosley): €40 thousand; and (c) additional remuneration for the chairman of the audit committee (Dr. Cautreels): €5 thousand. The aforementioned levels of remuneration are a continuation of the fees as paid in previous years.

In 2014, a total amount of €145 thousand was paid to the independent directors as board fees (2013: €138 thousand) and €17 thousand as expenses (2013: €26 thousand).

In 2014 an aggregate amount of €20 thousand in board fees was paid to the directors who are not independent directors and who do not represent a shareholder (2013: €20 thousand) and €6 thousand as expenses (they did not claim reimbursement of expenses in 2013).

In case a director attends less than 75% of the meetings of the board of directors, the annual compensation set out above shall be reduced pro rata the absence score of such director. This rule did not require implementation in 2014 or 2013.

Directors who represent a shareholder on the board of directors will only receive reimbursement for the expenses they incur for attending meetings of the board of directors and no other compensation or fees for their board membership. There were no such directors in 2014 or 2013.

As of August 1, 2005, the chairman of the board, Dr. Parekh, receives an annual consulting fee of £50 thousand as compensation for his specific assignment to assist the Company in strategic positioning, financing and acquisitions, including, amongst others, the evaluation of several alternative corporate transactions, including potential company and compound acquisitions, as well as strategic alliance opportunities. Dr. Parekh does not receive other cash compensation from the company, except for cash reimbursement of incurred expenses.

In 2014, 11,340 warrants were granted to independent directors (2013: 16,320) and 7,920 warrants were granted to the other non-executive directors (2013: 7,920).

31. General and administrative expenses

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Personnel costs and directors fees	€ (8,087)	€ (7,156)	€ (7,352)
Other operating expenses	(5,788)	(5,197)	(4,766)
Total general and administrative expenses	**€(13,875)**	**€(12,353)**	**€(12,118)**

32. Sales and marketing expenses

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Personnel costs	€ (579)	€ (994)	€ (705)
Other operating expenses	€ (412)	(470)	(580)
Total sales and marketing expenses	**€ (992)**	**€(1,464)**	**€(1,285)**

33. Restructuring and integration costs

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Restructuring costs	€ (669)	€ (290)	€(2,505)
Loss on disposal of assets	—	—	€ (1)
Total restructuring and integration costs	**€ (669)**	**€ (290)**	**€(2,506)**

34. Finance income and expenses

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Finance income:			
Interest on bank deposit	€ 1,155	€ 1,179	€ 1,012
Effect of discounting long term R&D incentives receivables	920	409	—
Currency exchange gain	198	590	2,091
Other financial income	17	4	—
Total financial income	**2,291**	**2,182**	**3,103**
Finance expense:			
Interest expenses	(110)	(156)	(150)
Impairment of goodwill	—	—	(593)
Currency exchange loss	(652)	(1,130)	(375)
Other financial charges	(105)	(116)	(58)
Total financial expense	**(867)**	**(1,402)**	**(1,176)**
Total finance income	**€ 1,424**	**€ 780**	**€ 1,927**

35. Tax expenses

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands)		
Current tax	€(2,396)	€ —	€ 150
Deferred tax	293	(676)	14
Total taxes	**€(2,103)**	**€ (676)**	**€ 164**

36. Discontinued operations

The following table illustrates the results of our discontinued operations for the years 2014, 2013 and 2012.

	Year ended December 31,		
	2014	2013	2012
	(Euro, in thousands, except share and per share data)		
Service revenues	€ 17,502	€ 61,074	€ 61,765
Other income	669	1,902	—
Total revenues and other income	**18,171**	**62,976**	**61,765**
Services cost of sales	(11,283)	(41,297)	(42,595)
General and administrative expenses	(3,772)	(14,077)	(12,393)
Sales and marketing expenses	(255)	(948)	(849)
Restructuring and integration costs	(38)	(760)	—
Loss on divestment	—	—	(3,012)
Gain on sale of service division	67,508	—	—
Operating income	**70,331**	**5,895**	**2,915**
Finance income / expense (-)	417	(954)	(469)
Income before tax	**70,748**	**4,941**	**2,446**
Income taxes	(234)	3,791	(733)
Net income from discontinued operations	**€ 70,514**	**€ 8,732**	**€ 1,714**
Basic and diluted income per share from discontinued operations	**€ 2.34**	**€ 0.30**	**€ 0.06**
Weighted average number of shares (in ’000 shares)	30,108	28,787	26,545

The service division sold on April 1, 2014 was reported under discontinued operations.

Net income from discontinued operations amounting to €70.5 million in 2014 represents 3 months of activities and is mainly explained by the gain on the sale of the service division for €67.5 million.

Net income of € 8.7 million generated by discontinued operations for the year ended December 31, 2013 was mainly driven by the research and development incentives of €1.9 million reported in other income and €4.0 million of tax profit arising from previously unrecognized deferred tax assets.

In 2012 a loss of €3.0 million shown on the line “result on divestment” has been realized upon liquidation of 3 U.K. subsidiaries.

37. Warrant plans

Presented below is a summary of warrant plans activities for the reported periods. Various warrant plans were approved for the benefit of employees of the Group and directors and independent consultants of Galapagos NV. For warrant plans issued prior to 2011, the warrants offered to the employees and independent consultants vest according to the following schedule: 10% of the warrants vest on the date of the grant; an additional 10% vest at the first anniversary of the grant; an additional 20% vest at the second anniversary of the grant; an additional 20% vest at the third anniversary of the grant; and an additional 40% vest at the end of the third calendar year following the grant. The warrants granted under warrant plans created from 2011 onwards vest at the end of the third calendar year following the year of the grant, with no intermediate vesting. The warrants offered to directors vest over a period of 36 months at a rate of 1/36th per month. Warrants cannot be exercised before the end of the third calendar year following the year of the grant. Pursuant to a resolution adopted at the extraordinary general shareholders’ meeting held on May 23, 2011, a provision has been incorporated in the warrant plans, which provides that in the event of a change of control of our company, all outstanding warrants vest immediately and will be immediately exercisable.

After the reverse 4:1 share split approved by the shareholders’ meeting held on March 29, 2005, four warrants under Warrant Plan 2002 Belgium entitle the warrant holder to subscribe for one ordinary share. For the warrant plans created from 2005 onwards, one warrant entitles the warrant holder to subscribe for one ordinary share. In the summaries and tables below, the numbers of warrants issued under Warrant Plan 2002 Belgium are divided by four to avoid a mixture of rights.

The table below sets forth a summary of warrants outstanding and exercisable at December 31, 2014, per Warrant Plan:

Warrant plan	Allocation date	Expiry date	Exercise price (€)	Outstanding per January 1, 2014	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding per December 31, 2014	Exercisable per December 31, 2014
2002 B	7/9/2004	7/8/2017	4	31,250	—	—	—	—	31,250	31,250
2002 B	1/31/2005	1/30/2017	6.76	47,500	—	2,500	—	—	45,000	45,000
2005	7/4/2005	7/3/2018	6.91	145,000	—	14,000	—	—	131,000	131,000
2005	11/23/2005	11/22/2018	8.35	32,500	—	—	—	—	32,500	32,500
2005	12/15/2005	12/14/2018	8.6	12,500	—	—	—	—	12,500	12,500
2005	11/22/2006	11/21/2019	8.65	1,050	—	525	—	—	525	525
2006 BNL	2/13/2006	2/12/2019	8.61	46,470	—	11,372	—	—	35,098	35,098
2006 BNL	11/22/2006	11/21/2019	8.65	6,000	—	6,000	—	—	0	0
2006 BNL	5/4/2007	5/3/2020	9.22	7,500	—	—	—	—	7,500	7,500
2006 BNL	6/28/2007	6/27/2020	8.65	735	—	—	—	—	735	735
2006 BNL	12/21/2007	12/20/2020	7.12	2,100	—	—	—	—	2,100	2,100
2006 UK	6/1/2006	5/31/2014	8.7	3,748	—	3,748	—	—	0	0
2006 UK	11/22/2006	11/21/2014	8.65	735	—	735	—	—	0	0
2006 UK	6/28/2007	6/27/2015	8.43	6,000	—	6,000	—	—	0	0
2007	6/28/2007	6/27/2015	8.65	108,126	—	—	—	—	108,126	108,126
2007	6/28/2007	6/27/2020	8.65	104,644	—	—	—	—	104,644	104,644
2007 RMV	10/25/2007	10/24/2020	8.65	50,400	—	1,050	—	—	49,350	49,350
2008	6/26/2008	6/25/2021	5.6	136,140	—	5,525	—	—	130,615	130,615
2009	4/1/2009	3/31/2017	5.87	278,500	—	120,250	—	—	158,250	158,250
2009 B	6/2/2009	6/1/2014	7.09	42,540	—	42,540	—	—	0	0
2009 B	6/2/2009	6/1/2017	7.09	75,000	—	75,000	—	—	0	0
2010	4/27/2010	4/26/2018	11.55	456,750	—	210,750	—	—	246,000	246,000
2010 B	4/27/2010	4/26/2015	11.55	190,108	—	5,088	—	—	185,020	185,020
2010 C	12/23/2010	4/26/2018	11.74	75,000	—	—	—	—	75,000	75,000
2011	5/23/2011	5/22/2019	9.95	536,500	—	—	54,000	—	482,500	—
2011 B	5/23/2011	5/22/2016	9.95	127,750	—	—	—	—	127,750	—
2012	9/3/2012	9/2/2020	14.19	435,490	—	—	60,000	—	375,490	—
2013	5/16/2013	5/15/2021	19.38	592,040	—	—	138,800	—	453,240	—
2013 B	9/18/2013	9/17/2021	15.18	75,000	—	—	—	—	75,000	—
2014	7/25/2014	7/24/2022	14.54	—	571,660	—	—	—	571,660	—
2014B	10/14/2014	10/13/2022	11.93	—	150,000	—	—	—	150,000	—
Total				**3,627,076**	**721,660**	**505,083**	**252,800**		**3,590,853**	**1,355,213**

	Warrants	Weighted average exercise price (€)
Outstanding on January 1, 2012	**3,341,290**	**€ 8.70**
Exercisable on December 31, 2011	949,683	—
Granted during the period	481,141	—
Forfeited during the year	(120,100)	—
Exercised during the period	(349,306)	—
Expired during the year	(5,315)	—
Outstanding on December 31, 2012	**3,347,709**	**€ 9.51**
Exercisable on December 31, 2012	844,181	—
Granted during the period	677,790	—
Forfeited during the year	(71,010)	—
Exercised during the period	(326,468)	—
Expired during the year	(945)	—
Outstanding on December 31, 2013	**3,627,076**	**€ 11.50**
Exercisable on December 31, 2013	1,138,438	—
Granted during the period	721,660	—
Forfeited during the year	(252,800)	—
Exercised during the period	(505,083)	—
Expired during the year	—	—
Outstanding on December 31, 2014	**3,590,853**	**€ 12.06**
Exercisable on December 31, 2014	1,355,213	—

The table below sets forth the inputs into the valuation of the warrants.

Belgian Plans	2014 14 Oct	2014 25 Jul	2013 29 Jul	2013 18 Sep	2012 3 Sep
Exercise price	€11.93	€14.54	€19.38	€15.18	€14.19
Current share price	€10.95	€14.38	€17.74	€14.87	€13.02
Fair value on the grant date	€ 4.35	€ 6.14	€ 7.75	€ 6.80	€ 5.91
Estimated volatility (%)	38.03	38.76	38.76	38.76	39.91
Time to expiration (years)	8	8	8	8	8
Risk free rate (%)	0.58	0.58	1.99	1.99	2.24
Expected dividends	None	None	None	None	None

The exercise price of the warrants is determined pursuant to the applicable provisions of the Belgian Companies Code.

The estimated volatility is calculated on the basis of the historical volatility of the share price over the expected life of the warrants, validated by reference to the volatility of a representative biotech index.

The time to expiration of the warrant is calculated as the estimated duration until exercise, taking into account the specific features of the plans.

Warrants expense of the Group in 2014 amounted to €2,952 thousand (2013: €2,742 thousand).

The following table provides an overview of the outstanding warrants per category of warrant holders at 31 December 2014.

	Year ended December 31,		
	2014	2013	2012
	(in number of warrants)		
Category:			
Non-executive directors	199,070	192,350	180,710
Executive team	1,445,000	1,382,500	1,345,000
Other	1,946,783	2,052,226	1,821,999
Total warrants outstanding	**3,590,853**	**3,627,076**	**3,347,709**

The outstanding warrants at the end of the accounting period have an average exercise price of €12.06 (2013: €11.50) and a weighted average remaining expected life of 1,639 days (2013: 1,628 days).

38. Result per share

Basic result per share and diluted result per share are calculated by dividing the net result attributable to shareholders by the weighted average number of ordinary shares issued during the year:

	Year ended December 31,		
	2014	2013	2012
Income/ loss per share:			
Result for the purpose of basic income / loss (-) per share (thousands €)	€33,211	€ (8,079)	€ (5,721)
Number of shares (thousands):			
Weighted average number of shares for the purpose of basic income / loss per share	30,108	28,787	26,545
Basic income / loss (-) per share (Euros)	**€ 1.10**	**€ (0.28)**	**€ (0.22)**
Result for the purpose of diluted income/ loss (-) per share (thousands €)	€33,211	€ (8,079)	€ (5,721)
Number of shares (thousands):			
Weighted average number of shares for the purpose of diluted income / loss per share	30,108	28,787	26,545
Number of dilutive potential ordinary shares	—	—	—
Diluted income / loss (-) per share (Euros)	**€ 1.10**	**€ (0.28)**	**€ (0.22)**

As the Group's continuing operations report a net loss for 2014, the outstanding warrants, as disclosed in note 37, have an anti-dilutive effect rather than a dilutive effect. Consequently, as previous years, basic and diluted loss per share is also the same for the year ended December 31, 2014.

39. Consolidated companies as of December 31, 2014

Name of the subsidiary	Country	Year ended December 31, 2014: % voting right Galapagos NV (directly or indirectly through subsidiaries)	2014: Change in % voting right previous period (2014 vs 2013)	2013: % voting right Galapagos NV (directly or indirectly through subsidiaries)	2012: % voting right Galapagos NV (directly or indirectly through subsidiaries)
Continuing operations:					
BioFocus DPI AG	Switzerland	100%		100%	100%
BioFocus DPI LLC	United States	100%		100%	100%
BioFocus, Inc.	United States	100%		100%	100%
Discovery Partners International GmbH	Germany	100%		100%	100%
Galapagos B.V.	The Netherlands	100%		100%	100%
Galapagos NV	Belgium	parent company		parent company	parent company
Fidelta d.o.o.	Croatia	100%		100%	100%
Galapagos SASU	France	100%		100%	100%
Inpharmatica Ltd.	United Kingdom	100%		100%	100%
Xenometrix, Inc.	United States	100%		100%	100%
Discontinued operations:*					
Argenta Discovery 2009 Ltd.	United Kingdom	0%	(100%)	100%	100%
BioFocus DPI (Holdings) Ltd.	United Kingdom	0%	(100%)	100%	100%
BioFocus DPI Ltd.	United Kingdom	0%	(100%)	100%	100%
Cangenix Ltd.	United Kingdom	0%	(100%)	100%	100%

* *On April 1, 2014 these entities were sold to Charles River.*

40. Company acquisitions and disposals

On April 1, 2014, the Group sold its service division—comprising all service operations of BioFocus and Argenta in the UK and The Netherlands—to Charles River Laboratories International, Inc. In particular, the Group disposed of following companies which were previously fully consolidated: BioFocus DPI (Holdings) Ltd. and BioFocus DPI Ltd. (Saffron Walden, UK), Argenta Discovery 2009 Ltd. (Harlow, UK) and its subsidiary Cangenix Ltd. (Canterbury, UK). In addition, also certain assets from Galapagos B.V. (Leiden, The Netherlands) have been acquired by Charles River Laboratories International, Inc.

The sale did not include our Basel subsidiary (BioFocus DPI AG). Previously, the service activities of our Basel subsidiary had been terminated during 2012. Since these activities did not qualify as a discontinued operation at the time and our Basel subsidiary was not part of the sale to Charles River, the service activities of this entity are presented as part of the Company's continuing operation in 2012. During 2013 and 2014 there was no service activity as part of its continuing operations.

	April 1, 2014 (Euro, in thousands)
Consideration received in cash and cash equivalents	€137,760
Correction on consideration still to settle	(650)
Total consideration	**€ 137,111**

	April 1, 2014 (Euro, in thousands)
Cash	€ 6,115
Trade and other receivables	18,165
Current assets	**24,280**
Goodwill	39,246
Fixed assets	13,397
Deferred tax assets	4,588
Non-current assets	**57,231**
Trade payables	(2,569)
Other payables	(5,263)
Current liabilities	**(7,831)**
Provisions	(604)
Deferred tax liabilities	(1,996)
Other non-current liabilities	(549)
Non-current liabilities	**(3,149)**
Net assets disposed of	**€ 70,531**

	April 1, 2014 (Euro, in thousands)
Total consideration	€137,111
Net assets disposed of	(70,531)
Effect from Cumulative Translation Adjustments reclassified from equity	1,787
Costs associated to sale	(858)
Gain on disposal	**€ 67,508**

The gain on the sale is included in the income from discontinued operations for the year ended December 31, 2014.

	April 1, 2014 (Euro, in thousands)
Consideration received in cash and cash equivalents	€137,760
Less: cash and cash equivalent balances disposed	(6,115)
Total consideration received	**131,645**
Costs associated to sale	(858)
Cash in from disposal of subsidiaries, net of cash disposed	**€130,787**

On January 4, 2013 Galapagos acquired Cangenix Ltd. which is located in Canterbury, UK. Cangenix is a structure-based drug discovery company and has been added to the Argenta service offering. It was formed in 2011 by scientists from the Structural Biology and Biophysics group at Pfizer Sandwich, UK. Recognized as experts in the field, the Cangenix team brings over 70 years of combined experience in the application of protein crystallography and biophysical techniques to drug discovery. Cangenix contributed €1.3 million of revenues for the period between the date of acquisition and December 31, 2013. In the 9 months reference period prior to the

date of acquisition, Cangenix reported €0.7 million of revenues. The consideration paid for Cangenix in the course of 2013 amounted to €1.2 million, including €0.1 million of cash and cash equivalents acquired. A deferred consideration of €0.5 million has been recognized on the balance sheet and is payable after two years upon achievement of certain conditions. The goodwill arising on the acquisition of Cangenix Ltd. amounts to €1.6 million.

	January 4, 2013 (Euro, in thousands)
Condensed balance sheet Cangenix at acquisition date:	
Fixed assets	€ 100
Work in progress	7
Debtors and prepayments	134
Cash	84
Total assets	**325**
Equity	207
Trade payables and advances received	67
Accrued charges and other liabilities	51
Total Equity and liabilities	**325**
Net assets	207
Goodwill	1,572
Total consideration	**1,779**
Deferred consideration	(543)
Cash consideration on acquisition	**1,236**
Cash and cash equivalents acquired	(84)
Cash consideration, net of cash acquired	**€ 1,152**

As part of the sale of our services division, Cangenix was sold on April 1, 2014 and presented under discontinued operations.

During 2012, the Company incurred a loss of €3 million related to the liquidation of certain dormant entities, as detailed below.

	Year ended December 31, 2012 (Euro, in thousands)
Result on divestment:	
CTA effect	€ (2,384)
Reversal of goodwill	(620)
Net loss on divestment	**€ (3,004)**

The net loss on divestment amounting to €3.0 million is disclosed in the results from discontinued operations.

41. Related parties

Intercompany transactions between Galapagos NV and its subsidiaries and among the subsidiaries have been eliminated in the consolidation and are not disclosed in this note.

Trading transactions

In 2014 and 2013, Galapagos NV and its affiliates had no trading transactions with parties that are considered as related parties as defined in IAS24.

Potential conflicts of interest between the Company and its directors

Pursuant to a power of attorney granted by the shareholders' meeting held on April 29, 2014, the board of directors, upon recommendation of the nomination and remuneration committee, allocated the aggregate annual remuneration for all directors (other than Dr. Parekh and the CEO) for the exercise of their mandate as a director of the Company in 2014, amounting in total to maximum €200 thousand (plus expenses) as follows: (a) remuneration for non-executive directors who do not represent a shareholder (Dr. Van Barlingen and Mr. Rowe): €20 thousand; (b) remuneration for non-EU-based directors (who do not represent a shareholder) and/or for directors who actively and on a regular basis provide independent clinical, scientific and/or transactional advice to the board of directors (Dr. Cautreels, Dr. Sato and Ms. Bosley): €40 thousand; and (c) additional remuneration for the chairman of the audit committee (Dr. Cautreels): €5 thousand. The aforementioned amounts are identical to the remuneration of the board members for the exercise of their mandate during the previous years. Dr. Parekh, the chairman of the board, is compensated through a consultancy agreement only.

There are no loans between Galapagos NV and the members of its board of directors or its executive committee. In 2014 (as in 2013), there were no arrangements or understandings with major shareholders pursuant to which a representative of such shareholder became a board member or executive committee member of the Company.

In 2014, a total of 119,260 warrants were issued to the directors, of which 100,000 for the CEO; these warrants were issued by the board of directors within the framework of the authorized capital, in accordance with the resolution of the shareholders' meeting of April 29, 2014. In 2013, the total number of warrants issued to directors was 124,240 (of which 100,000 for the CEO); these warrants were issued by the board of directors within the framework of the authorized capital, in accordance with the resolution of the shareholders' meeting of April 30, 2013.

42. Auditor's remuneration

The auditor's fees for carrying out his mandate on the level of the Group headed by Galapagos NV amounted to €80.0 thousand in 2014 (2013: €94.4 thousand). The fees for audit related services executed by the auditor, in particular other assurance engagements, amounted to €117.3 thousand in 2014 (2013: €20.9 thousand). Fees for persons related to the auditor for carrying out an auditor's mandate on the level of the group headed by Galapagos NV amounted to €40.8 thousand in 2014 (2013: €105.7 thousand). The fees paid in 2014 for non-audit services executed in this Group by persons related to the auditor for tax and advisory services amounted €9.8 thousand (2013: €22.5 thousand). The audit committee and the board of directors are of the opinion that these non-audit services do not affect the independence of the auditor in the performance of his audit. The abovementioned additional fees were approved by the audit committee.

43. Events after balance sheet date

On March 12, 2015, Janssen Pharmaceutica and the Company terminated their research alliance and option agreements to develop and commercialize compounds for the treatment of inflammation initially focusing on RA. All rights to the candidate drugs developed under these agreements are returned to Galapagos.

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Through and including , 2015 (25 days after the date of this prospectus), all dealers that buy, sell or trade ADSs or ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers.

Under Belgian law, the directors of a company may be liable for damages to the company in case of improper performance of their duties. Our directors may be liable to our company and to third parties for infringement of our articles of association or Belgian company law. Under certain circumstances, directors may be criminally liable.

We maintain liability insurance for our directors and officers, including insurance against liability under the Securities Act of 1933, as amended, and we intend to enter into agreements with our directors and members of our executive committee to provide contractual indemnification. With certain exceptions and subject to limitations on indemnification under Belgian law, these agreements will provide for indemnification for damages and expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding arising out of his or her actions in that capacity.

These agreements may discourage shareholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and members of our executive committee, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these insurance agreements.

Certain of our non-executive directors may, through their relationships with their employers or partnerships, be insured and/or indemnified against certain liabilities in their capacity as members of our board of directors.

In the underwriting agreement, the form of which is filed as Exhibit 1.1 to this registration statement, the underwriters will agree to indemnify, under certain conditions, us, the members of our board of directors and persons who control our company within the meaning of the Securities Act against certain liabilities, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

Item 7. Recent Sales of Unregistered Securities.

Set forth below is information regarding share capital issued and warrants granted by us since January 1, 2012. Some of the transactions described below involved directors, officers and 5% shareholders and are more fully described under the sections of the prospectus titled "Related-Party Transactions," "History of Securities Issuances" and "Compensation of Directors and Members of Executive Committee."

Issuances of Shares

- On April 5, 2012, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €740,589.74 (plus €359,072.53 in issuance premium) and the issuance of 137,414 new ordinary shares.
- On June 29, 2012, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €101,161.59 (plus €59,091.48 in issuance premium) and the issuance of 18,699 new ordinary shares.

- On September 14, 2012, warrants were exercised at various exercise prices under Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €116,688.29 (plus €28,133.01 in issuance premium) and the issuance of 21,569 new ordinary shares.
- On December 17, 2012, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2007 RMV and Warrant Plan 2008. The exercise resulted in a share capital increase of €928,485.84 (plus €408,400.79 in issuance premium) and the issuance of 171,624 new ordinary shares.
- On December 31, 2012, our share capital amounted to € 144,815,588.27, represented by 26,770,747 shares. All shares were issued, fully paid up and of the same class.
- On April 5, 2013, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007, Warrant Plan 2008, Warrant Plan 2008 (B), Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €1,068,913.21 (plus €113,013.18 in issuance premium) and the issuance of 197,581 new ordinary shares.
- On April 29, 2013, within the framework of the authorized capital and with cancellation of the preferential subscription rights, our board of directors decided to increase our share capital by €14,589,855.71 (plus €39,346,764.29 in issuance premium) by means of a private placement with institutional investors, resulting in the issuance of 2,696,831 new ordinary shares.
- On July 1, 2013, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €487,673.63 (plus €96,526.77 in issuance premium) and the issuance of 90,143 new ordinary shares.
- On October 21, 2013, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 UK, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2009 (B). The exercise resulted in a share capital increase of €193,239.79 (plus €49,634.41 in issuance premium) and the issuance of 35,719 new ordinary shares.
- On December 6, 2013, warrants were exercised at various exercise prices under Warrant Plan 2007 RMV and Warrant Plan 2009. The exercise resulted in a share capital increase of €16,365.25 (plus €2,851.00 in issuance premium) and the issuance of 3,025 new ordinary shares.
- On December 31, 2013, our share capital amounted to €161,171,635.86, represented by 29,794,046 shares. All shares were issued, fully paid up and of the same class.
- On April 10, 2014, warrants were exercised at various exercise prices under Warrant Plan 2002 Belgium, Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2009, Warrant Plan 2009 (B), Warrant Plan 2010 and Warrant Plan 2010 (B). The exercise resulted in a share capital increase of €1,648,919.31 (plus €732,291.00 in issuance premium) and the issuance of 304,791 new ordinary shares.
- On July 4, 2014, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009, Warrant Plan 2010 and Warrant Plan 2010 (B). The exercise resulted in a share capital increase of €981,952.87 (plus €880,348.67 in issuance premium) and the issuance of 181,507 new ordinary shares.
- On September 25, 2014, warrants were exercised at various exercise prices under Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2006 UK and Warrant Plan 2010. The exercise resulted in a share capital increase of €66,326.60 (plus €63,677.32 in issuance premium) and the issuance of 12,260 new ordinary shares.

- On December 9, 2014, warrants were exercised at various exercise prices under Warrant Plan 2005 and Warrant Plan 2006 Belgium/The Netherlands. The exercise resulted in a share capital increase of €35,300.25 (plus €20,901.00 in issuance premium) and the issuance of 6,525 new ordinary shares.
- On March 26, 2015, warrants were exercised at various exercise prices under Warrant Plan 2005, Warrant Plan 2006 Belgium/The Netherlands, Warrant Plan 2007, Warrant Plan 2007 RMV, Warrant Plan 2008, Warrant Plan 2009, Warrant Plan 2010, Warrant Plan 2010 (B), Warrant Plan 2011 and Warrant Plan 2011 (B). The exercise resulted in a share capital increase of €3,092,074.68 (plus €2,726,958.80 in issuance premium) and the issuance of 571,548 new ordinary shares.

The offers, sales and issuances of the securities described in the preceding paragraphs were exempt from registration either (a) under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and sophisticated investors and did not involve any public offering within the meaning of Section 4(a)(2) or (b) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States.

Issuances Under Our Warrant Plans

Since January 1, 2012, we granted to employees, consultants and non-executive directors, pursuant to our warrant plans and as a reward for services rendered or to be rendered, warrants to purchase an aggregate of 1,880,590 ordinary shares with exercise prices ranging from €11.93 to €19.38 per share. Since January 1, 2012, an aggregate of 1,752,405 ordinary shares were issued upon the exercise of warrants issued under our warrant plans, at exercise prices ranging from €4.00 to €11.55 per share, for aggregate proceeds of €15,018,591.01. Since January 1, 2012, an aggregate of 445,170 warrants issued under our warrant plans were cancelled.

The offers, sales and issuances of the securities described in the preceding paragraph were exempt from registration either (a) under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and members of its senior executive management and did not involve any public offering within the meaning of Section 4(a)(2), (b) under Rule 701 promulgated under the Securities Act in that the transactions were under compensatory benefit plans and contracts relating to compensation or (c) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States.

Item 8. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated herein by reference.

(b) Financial Statement Schedules.

All information for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission is either included in the financial statements or is not required under the related instructions or is inapplicable, and therefore has been omitted.

Item 9. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6 hereof, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Mechelen, Belgium, on April 15, 2015.

GALAPAGOS NV

By: /s/ Onno van de Stolpe
Name: Onno van de Stolpe
Title: Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors, officers and/or authorized representative in the United States of Galapagos NV, hereby severally constitute and appoint Onno van de Stolpe and Bart Filius, and each of them singly, our true and lawful attorneys, with full power to any of them, and to each of them singly, to sign for us and in our names in the capacities indicated below the registration statement on Form F-1 filed herewith, and any and all pre-effective and post-effective amendments to said registration statement, and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act of 1933, as amended, of equity securities of Galapagos NV, and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of them might or could do in person, and hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 15, 2015.

Signature	Title
/s/ Onno van de Stolpe Onno van de Stolpe	Chief Executive Officer and Director *(Principal Executive Officer)*
/s/ Bart Filius Bart Filius, MBA	Chief Financial Officer *(Principal Financial and Accounting Officer)*
/s/ Rajesh Parekh Rajesh Parekh, MA, DPhil	Chairman of the Board
/s/ Harrold van Barlingen Harrold van Barlingen, Ph.D.	Director
/s/ Werner Cautreels Werner Cautreels, Ph.D.	Director
/s/ Howard Rowe Howard Rowe, JD	Director
/s/ Katrine Bosley Katrine Bosley	Director
Puglisi & Associates By: /s/ Donald J. Puglisi Name: Donald J. Puglisi Title: Managing Director	Authorized Representative in the United States

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1	Articles of Association (English translation), as amended
4.1*	Form of Deposit Agreement
4.2*	Form of American Depositary Receipt (included in Exhibit 4.1)
5.1*	Opinion of NautaDutilh
8.1*	Tax Opinion of NautaDutilh
10.1	Lease dated June 30, 1999 between the registrant and Innotech N.V., as amended (English translation)
10.2†*	Form of Indemnification Agreement between the registrant and each of its executive officers and directors
10.3†	Warrant Plans (English translation)
10.4#	Collaboration Agreement dated February 28, 2012 between the registrant and Abbott Hospitals Limited, as amended
10.5#	Collaboration Agreement dated September 23, 2013 between the registrant and AbbVie S.à.r.l.
10.6†	Employment and Management Agreements between Onno van de Stolpe and the registrant and its affiliates (English translation)
10.7##	Sale & Purchase Agreement dated March 13, 2014 between the registrant and Charles River Laboratories Holding Limited, as amended
21.1	List of Subsidiaries of the registrant
23.1	Consent of Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA
23.2*	Consent of NautaDutilh (included in Exhibits 5.1 and 8.1)
24.1	Power of Attorney (included on signature page to the original filing of this Registration Statement on Form F-1)

* To be filed by amendment.
** Previously filed.
† Indicates a management contract or any compensatory plan, contract or arrangement.
# Confidential treatment has been requested for portions of this exhibit. These portions have been omitted from the registration statement and filed separately with the United States Securities and Exchange Commission.
Certain exhibits and schedules to these agreements have been omitted from the registration statement pursuant to Item 601(b)(2) of Regulation S-K. The registrant will furnish copies of any of the exhibits and schedules to the Securities and Exchange Commission upon request.

GALAPAGOS
Limited Liability Company
With registered office at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium
Judicial district of Mechelen (Belgium)
Registered with the Register of Legal Entities under number 0466.460.429

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COORDINATION OF THE ARTICLES OF ASSOCIATION
PER 26 MARCH 2015

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Incorporated pursuant to a deed enacted by notary public Aloïs Van den Bossche, in Vorselaar, on 30 June 1999, published in the annexes to the Belgian State Gazette under number 990717-412.

[This paragraph is an abbreviation from the Dutch version] The articles of association were modified at several occasions, and most recently pursuant to a deed enacted by notary public Matthieu Derynck on 26 March 2015, filed for publication in the annexes to the Belgian State Gazette.

This document is an English translation of a document prepared in Dutch. It is made for purposes of convenience. In preparing this translation, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law. In this translation, Belgian legal concepts are expressed in English terms and not in their original Dutch terms. The concepts concerned may not be identical to concepts described by the terms as such terms may be understood under the laws of other jurisdictions. The history of modification of the articles of association, as set forth on this first page, is an abbreviation from the Dutch text and indicates only the latest modification.

Title I – Name – Registered Office – Purpose – Duration

1 Form and Name

The company has the form of a limited liability company ("*naamloze vennootschap*"/"*société anonyme*") and has the capacity of a company that calls or has called upon public savings within the meaning of the Companies Code.

The company bears the name "GALAPAGOS". This name should always be preceded or followed by the words "naamloze vennootschap" or the abbreviation "NV", or in French "société anonyme" or the abbreviation "SA", in all deeds, invoices, announcements, publications, letters, orders and other documents issued by the company.

2 Registered Office

The company's registered office shall be located in the Flemish Region or in the Brussels Region. The board of directors can relocate the registered office to any other place in the Flemish Region and the Brussels Region without a modification of the articles of association or a decision of the shareholders' meeting of the company being required. It caters for the publication of each change of the registered office of the company in the Annexes to the Belgian State Gazette.

The board of directors is also empowered to incorporate branch offices, corporate seats and subsidiaries in Belgium and abroad.

3 Purpose

The company's purpose consists of:

(a) the development, the construction and exploitation of gene libraries for functional genomics research;

(b) the research for the development of health products for human beings and animals, pharmaceutical products and other products relating thereto;

(c) the development, testing, scaling up, and exploitation of gene therapy procedures, as well as the development, evaluation and exploitation of clinical applications of such procedures;

(d) for its own account or for the account of third parties, the performance of research in the field of or in connection with biological and industrial technology, genetics and human and animal life in general;

(e) the acquisition, sale and licensing of patents, trademarks, industrial and intellectual property, whether or not secret, and licenses.

For such purposes the company may, in Belgium and abroad, acquire or lease any license, movable or immovable property necessary or useful for its commercial or industrial purpose, operate, sell or lease same, build factories, establish subsidiaries and branches, and establish premises. It may engage in all operations with banks, post cheque, invest capital, contract or grant loans and credit facilities, whether or not mortgaged. The company may, by means of contribution, participation, loans, credit facility, subscription of shares, acquisition of shares and other commitments, participate in other companies, associations or enterprises, both existing as to be incorporated, and whether or not having a purpose similar to the purpose of the company. The company may merge with other companies or associations.

The company may incorporate subsidiaries both under Belgian as under foreign law.

The company may acquire or establish any property that is necessary or useful for its operations or its corporate purpose.

4 Duration

The company is incorporated for an unlimited duration.

Except for dissolution by court, the company can only be dissolved by the extraordinary shareholders' meeting in accordance with the provisions of the Companies Code concerning the winding-up of companies.

Title II – Capital

5 Registered Capital

The registered capital amounts to EUR 166,996,209.57. It is represented by 30,870,677 shares without nominal value.

Each share represents an equal part of the registered capital of the company.

6 Amendment of the Registered Capital

The shareholders' meeting, deliberating in accordance with the provisions applicable to a modification of the articles of association, may increase or reduce the registered capital. The issuance price and the conditions of the issue of new shares are determined by the shareholders' meeting upon a proposal by the board of directors.

The shares that are subscribed in cash, are to be offered first to the shareholders, in proportion to the part of the registered capital that is represented by their shares during a period of fifteen days as of the day the subscription is opened.

The shareholders' meeting determines the subscription price and the manner in which the preferential subscription right may be exercised.

The shareholders' meeting or, as the case may be, the board of directors in the framework of the authorized capital, may decide to increase the registered capital for the benefit of the employees, subject to the provisions of article 609 of the Companies Code.

Subject to the relevant provisions set forth by law, the preferential subscription right may, in the interest of the company, be restricted or cancelled by the shareholders' meeting in accordance with the provisions of article 596 of the Companies Code.

In the event of a reduction of the registered capital, the shareholders who find themselves in equal circumstances are to be treated equally, and the applicable provisions set forth by law are to be respected.

7 Call for Paying Up

The board of directors decides at its discretion on the calling for paying up on shares. The commitment to pay up on a share is unconditional and indivisible.

In the event that shares that are not fully paid up belong in joint ownership to several persons, each of them is liable for the paying up of the full amount of the payments that are due and called for.

In case a shareholder has not made the paying up on his shares that is called for within the period of time set by the board of directors, the exercise of the voting rights attached to such shares are suspended by operation of law as long as such paying up is not made. Furthermore, the shareholder shall, by operation of law, bear an interest equal to the legal interest increased by two percent as of the due date on the amount of funds called for and not paid up.

In the event the shareholder does not act upon a notice sent by the board of directors by registered letter upon expiry of the period of time set by the board of directors, the latter may have the relevant shares sold in the most appropriate manner, without prejudice to the right of the company to claim from the shareholder the funds not paid up as well as compensation for damages.

The proceeds of such sale, up to an amount equal to the sum of the called up funds, the interests and the incurred costs, will belong to the company. The exceeding proceeds, if any, will be delivered to the defaulting shareholder, provided that he is not a debtor of the company for any other reason. If the proceeds of the sale are not sufficient to cover the obligations of the defaulting shareholder, the latter will owe the company for the difference.

The shareholder may not pay up his shares without the prior approval of the board of directors.

8 Notification of Important Interests

For the application of the articles 6 through 17 of the Law of 2 May 2007 relating to the disclosure of important interests, the applicable quota are established at five percent and multiples of five percent.

9 Nature of the Shares

The shares are registered shares until they are fully paid up. The fully paid up shares are registered shares or dematerialized shares, according to the preference of the shareholder. The company may issue dematerialized shares, either by a capital increase or by the conversion of existing registered shares into dematerialized shares. Each shareholder may ask the conversion of his shares, by written request to the board of directors and at its own cost, into registered shares or into dematerialized shares.

The bearer shares that have been issued by the company and that are on a securities account on 1 January 2008, exist in dematerialized form as of that date. As of 1 January 2008, the other bearer shares will also automatically become dematerialized to the extent that they are credited to a securities account. Pursuant to the Law of 14 December 2005 abolishing bearer securities, the bearer shares that were not yet converted by 31 December 2013 at the latest, have been automatically converted into dematerialized shares. These shares have been credited to a securities account in the name of the company, without the company acquiring the capacity of owner of such shares. The exercise of the rights attaching to these shares shall be suspended until a person that has been able to lawfully evidence his capacity of titleholder, requests and obtains that the relevant shares are registered in his name in the register of registered shares or credited to a securities account.

10 Exercise of Rights Attached to the Shares

Vis-à-vis the company, the shares are indivisible. If a share belongs to different persons or if the rights attached to a share are divided over different persons, or if different persons hold the rights in rem to the shares, the board of directors may suspend the exercise of the rights attached thereto until one single person has been designated as shareholder vis-à-vis the company and notification thereof has been given to the company. All convocations, notifications and other announcements by the company to the different persons entitled to one share are made validly and exclusively to the designated common representative.

11 Acquisition and Disposal of Own Shares by the Company

The shareholders' meeting may resolve to acquire the company's own shares or to dispose thereof in accordance with article 620 and following of the Companies Code.

12 Bonds and Warrants

The board of directors is entitled to issue bonds at the conditions it deems appropriate, whether or not such bonds are guaranteed by a mortgage or otherwise.

The shareholders' meeting may resolve to issue convertible bonds or warrants in accordance with the provisions of the Companies Code.

Title III – Administration and supervision

13 Composition of the Board of Directors

The board of directors is composed of minimum five and maximum nine members, who need not be a shareholder, of which at least three are independent directors. The independent directors need to meet the criteria determined in article 524 §4 of the Companies Code. Half of the members of the board are non-executive directors.

The directors are appointed by the shareholders' meeting. The duration of their mandate may not exceed four years. Directors whose mandate has come to an end may be reappointed.

However, as long as the shareholders' meeting does not fill a vacancy, for any reason whatsoever, the directors whose mandate has expired remain in their position.

The shareholders' meeting may dismiss a director at any time.

If a legal entity is appointed as director of the company, such legal entity shall appoint a permanent representative, in accordance with the applicable legal provisions.

14 Casual Vacancy

In the event of a casual vacancy in the board of directors, the remaining directors have the right to temporarily fill such vacancy until the shareholders' meeting appoints a new director. To this end, the appointment shall be put on the agenda of the first following shareholders' meeting. Each director appointed this way by the shareholders' meeting shall complete the mandate of the director he replaces, unless the shareholders' meeting decides otherwise.

15 Chair

The board of directors elects a chairman from among its members.

16 Meetings of the Board of Directors

The board of directors is convened by its chairman or by two directors or by a person entrusted with the day-to-day management, each time the interests of the company so require.

The notices mention the place, date, hour and agenda of the meeting and, except in the event of emergency (which is to be motivated in the minutes), are sent in writing at least four calendar days prior to the meeting.

If the chairman is unable to attend, the board of directors is chaired by the director entrusted with the day-to-day management.

The validity of the convening cannot be challenged if all directors are present or validly represented.

17 Deliberation

The board of directors may validly deliberate only if at least half of its members are present or represented. If this quorum is not satisfied, a new meeting may be convened with the same agenda, which will be able to validly deliberate and resolve provided that at least two directors are present or represented.

Board members can be present at the meeting of the board of directors by electronic communication means, such as, among others, phone- or videoconference, provided that all participants to the meeting can communicate directly with all other participants. The same applies to meetings of the board of directors to be held in the presence of a notary public, it being understood, however, that in such case at least one director or the meeting's secretary shall physically attend the meeting in the presence of the notary public. The minutes of the meeting shall mention the manner in which the directors were present.

With respect to items that were not mentioned in the agenda, the board of directors can deliberate validly only with the consent of the entire board of directors and insofar all directors are present in persona. Such consent is deemed to be given if no objection is made according to the minutes.

Each director can give a power of attorney to another director to represent him at a meeting of the board of directors, by normal letter, telegram, telex, telefax or any other means of communication replicating a printed document.

The resolutions of the board of directors are taken by majority of the votes cast. Blank and invalid votes are not included in the votes cast. In case of a tie, the chairman has the casting vote.

In exceptional cases, where the urgency of the matter and the interest of the company so require, board resolutions may be approved by unanimous written consent of the directors.

This procedure may, however, not be used for the drawing-up of the annual accounts, the use of the authorized capital or for any other matter that is excluded by the articles of association.

The directors need to respect the provisions and formalities set forth in article 523 of the Companies Code.

If at a meeting of the board of directors the required quorum to validly deliberate is present and one or more of the directors need to abstain pursuant to article 523 of the Companies Code, then the resolutions are validly taken by a majority of the other directors present or represented, even if as a result of such abstentions the abovementioned quorum is no longer satisfied.

If all directors need to abstain according to article 523 of the Companies Code the board of directors must promptly convene a shareholders' meeting, which shall resolve itself or appoint an ad hoc director, which will be entrusted with the taking of the decision.

All decisions of the board of directors, or all acts performed to execute a decision that relates to:

(a) the relationship of the company with another company that is related to the company with the exception of the own subsidiaries of the company;

(b) the relationship between a subsidiary of the company and the companies related to such subsidiary with the exception of the own subsidiaries of the company;

should, in accordance with the provisions of article 524 §1 through §3 of the Companies Code, be subject to the prior assessment of a committee of three independent directors, assisted by one or more independent experts appointed to this end by the committee of three independent directors, except for:

(i) the usual decisions and acts that take place at conditions and against guarantees that are market practice for similar transactions;

(ii) decisions and acts representing less than one percent (1%) of the net assets of the company as they appear in the consolidated annual accounts.

18 Minutes

The deliberations of the board of directors are enacted in minutes that are signed by the chairman and by the members of the board of directors who wish to do so. The powers of attorney are attached to the minutes. If a member expressly refuses to sign the minutes, this shall be reflected in the minutes with the motivation of such refusal.

The copies or extracts, to be submitted in legal proceedings or otherwise, shall be signed by two directors or by a person entrusted with the day-to-day management. This authority may be delegated to a proxy.

19 Powers of the Board of Directors

The board of directors is vested with the most extensive powers to perform all acts necessary or useful for the realization of the purpose of the company. The directors shall act as a collegial body.

It is authorized to perform all acts that are not reserved by law or by the articles of association to the shareholders' meeting.

The board of directors may delegate part of its powers for specific and determined matters to a proxy, which needs not be a shareholder or a director.

20 Remunerations of the Directors

The shareholders' meeting may grant fixed and variable remunerations to the directors. The board of directors is empowered to distribute amongst the directors the global remuneration granted by the shareholders' meeting.

21 Delegation of Authorities

(1) Executive committee

The board of directors may, upon a proposal by the director entrusted with the day-to-day management, delegate its management powers to an executive committee, provided however that such delegation may relate neither to the company's general policy nor to those matters which are reserved by law to the board of directors. When an executive committee is established, the board of directors is entrusted with the supervision of such committee.

This delegation of powers can be revoked at any time.

If one or more members of the executive committee have an interest of patrimonial nature that is conflicting with a decision or an act that belongs to the authority of the executive committee, such decision will be taken by the board of directors.

The executive committee consists of two or more persons, who need not be directors and who are appointed by the board of directors, which also determines the terms and conditions of their appointment, dismissal, remuneration, the duration of their mandate and the operating procedures of the executive committee.

The establishment of an executive committee is enforceable vis-à-vis third parties, subject to the conditions set forth in the Companies Code. The publication contains an explicit reference to the relevant article of the Companies Code.

Possible restrictions or internal allocations of activities that the members of the executive committee have agreed upon cannot are not enforceable vis-à-vis third parties, even if they have been published.

(2) Day-to-day management

The board of directors is authorized to delegate the day-to-management as described in article 525 of the Companies Code and the representation powers pertaining to such management to one or more persons, who need not be directors.

The board of directors appoints and revokes the person(s) entrusted with such management and determines the remuneration linked to this mandate. If the person to whom the day-to-day management is delegated also exercises a directorship within the company, this person is called managing director ("*gedelegeerd bestuurder*"). If this person is not a director, this person is called general manager ("*algemeen directeur*").

If several persons are appointed, they form a board that is called management committee ("*executief comité*"). The board of directors determined the operating procedures of the management committee.

Limitations of the representation powers of the members of the management committee with regard to the day-to-day management, other than those relating to the joint signatory authority, are not enforceable vis-à-vis third parties, even if they are published.

(3) Special powers

The board of directors, the executive committee or the person(s) entrusted with the day-to-day management may, within the limits of the powers delegated to them, grant specific and determined powers to one or more persons of their choice.

22 Representation

(1) General authority

Without prejudice to the general representation authority of the board of directors acting as a collegial body, the company is validly represented in dealings with third parties and in legal proceedings by two directors acting jointly or by one director acting jointly with a member of the executive committee who do not have to submit evidence of a prior resolution of the board of directors.

(2) Delegated management authorities

Without prejudice to the aforementioned representation authority the company is also validly represented, within the limits of the powers that can legally be transferred to the executive committee, by two members of the executive committee acting jointly.

Within the limits of the day-to-day management, the company is furthermore validly represented in dealings with third parties and in legal proceedings by the managing director(s) acting jointly or individually in accordance with the delegation by the board of directors.

Moreover, the company is validly bound by special attorneys-in-fact within the limits of the powers granted to them.

When the company is appointed as director, manager, member of the executive committee or liquidator of another company, it will appoint amongst its shareholders, directors or employees a permanent representative who is entrusted with the execution of the mandate for and on behalf of the company.

23 Committees within the Board of Directors

The board of directors establishes an audit committee and a remuneration and nomination committee.

The board of directors may create amongst its members, and under its responsibility, one or more advisory committees, of which it determines the composition and the missions.

24 Control

To the extent required by law, the control of the financial situation, of the annual accounts and of the regularity from point of view of the Companies Code and the articles of association of the activities to be reflected in the annual accounts, are assigned to one or more statutory auditors ("*commissarissen*") who are appointed by the shareholders' meeting amongst the members of the Institute of Company Auditors ("*Instituut van Bedrijfsrevisoren*") and who carry the title of statutory auditor ("*commissaris*").

The shareholders' meeting determines the number of statutory auditors and fixes their remuneration.

The statutory auditors are appointed by the shareholders' meeting, in accordance with the applicable legal provisions, for a renewable period of three years. On penalty of indemnity, they may be dismissed during their mandate by the shareholders' meeting for legal reasons only, subject to compliance with the procedure described in the Companies Code.

The expiring mandate of a statutory auditor ceases immediately after the annual shareholders' meeting.

In the absence of a statutory auditor whilst such appointment is required by law or when all statutory auditors are in the impossibility to perform their mandates, the board of directors immediately convenes the shareholders' meeting to arrange for their appointment or replacement.

The statutory auditors are granted a fixed remuneration by the shareholders' meeting; this amount is established at the beginning of their mandate. This amount may be changed only by consent of the parties.

25 Task of the Statutory Auditor

The statutory auditors have, jointly or severally, an unlimited right of supervision over all activities of the company. They may review all books, correspondence, minutes and in general all documents of the company at the premises of the company.

Each semester, the board of directors provides them with a status report summarizing the assets and liabilities of the company.

The statutory auditors may arrange to be assisted in the performance of their task, at their costs, by employees or other persons for whom they are responsible.

Title IV – Shareholders' meetings

26 Composition and Authorities

The regularly composed shareholders' meeting represents the entirety of the shareholders. The resolutions of the shareholders' meeting are binding upon all shareholders, even those absent or those who voted against.

27 Meeting

The annual shareholders' meeting is held on the last Tuesday of the month of April at 2:00 p.m. CET. If such day is a public holiday in Belgium or in The Netherlands, the shareholders' meeting will be held on the following day that is a business day in both Belgium and The Netherlands, at 2:00 p.m. CET.

The annual shareholders' meeting deals with the annual accounts and, after approval thereof, resolves by separate votes on the release from liability of the directors and the statutory auditor.

An extraordinary shareholders' meeting may be convened each time the interest of the company so requires and is to be convened each time shareholders representing together one fifth of the registered capital so request.

The shareholders' meetings take place at the registered office of the company or at any other place that is mentioned in the convening notice.

28 Notice

The shareholders' meeting assembles pursuant to a convening notice issued by the board of directors or by the statutory auditor(s).

The invitations to a shareholders' meeting are made in accordance with article 533 §2, article 535 and other provisions of the Companies Code.

The convening notice for a shareholders' meeting contains at least the information set forth in article 533*bis* §1 of the Companies Code.

On the day of publication of the convening notice and uninterruptedly until the day of the shareholders' meeting, the company makes available to its shareholders the information set forth in article 533*bis* §2 of the Companies Code. This information remains accessible on the company's website for a period of five years as from the date of the shareholders' meeting to which it relates.

The foregoing does not prejudice the possibility of one or more shareholders possessing together at least 3% of the registered capital to have items to be dealt with put on the agenda of the shareholders' meeting and table proposals of resolutions with respect to items on the agenda or items to be put on the agenda, subject to compliance with the relevant provisions of article 533*ter* of the Companies Code. This does not apply in case a shareholders' meeting is called with a new notice because the quorum required for the first convening was not satisfied, and provided that the first notice complied with the provisions of the law, the date of the second meeting is mentioned in the first notice and no new item is put on the agenda. The company must receive such requests ultimately on the 22nd day before the date of the shareholders' meeting. The items to be dealt with and the proposed resolutions pertaining thereto to be added to the agenda, as the case may be, will be published in accordance with the provisions of the Companies Code. If a proxy form has already been submitted to the company before the publication of the completed agenda, the proxy holder will need to comply with the relevant provisions of the Companies Code. The items to be dealt with and the proposed resolutions pertaining thereto that have been added to the agenda pursuant to the foregoing, shall only be discussed if all relevant provisions of the Companies Code have been complied with.

29 Admission

The right to participate in a shareholders' meeting and to vote is only granted based on an accounting registration of the shares on the name of the shareholder, on the 14th day before the shareholders' meeting, at midnight (CET), either by their registration in the register of registered shares of the company, or by their registration on the accounts of a recognized account holder or of a clearing institution, irrespective of the number of shares the shareholder possesses at the day of the shareholders' meeting.

The day and time referred to in the first paragraph form the record date.

The shareholder notifies the company, or the person appointed by the company for this purpose, ultimately on the 6th day before the date of the meeting, that he wants to participate in the shareholders' meeting.

The financial intermediary or the recognized account holder or the clearing institution provides the shareholder with a certificate evidencing the number of dematerialized shares registered in the shareholder's name on his accounts on the record date, for which the shareholder has indicated his desire to participate in the shareholders' meeting.

In a register designated by the board of directors, the name and address or registered office of each shareholder who has notified the company of its intention to participate in the shareholders' meeting are noted, as well as the number of shares he possessed on the record date and for which he has indicated to be participating in the shareholders' meeting, and the description of the documents demonstrating that he was in possession of the shares on said record date.

An attendance list, mentioning the names of the shareholders and the number of shares they represent, must be signed by each of them or by their proxy holders before entering the meeting.

The holders of profit sharing certificates ("*winstbewijzen/parts bénéficiaires*"), non-voting shares, bonds, warrants or other securities issued by the company, as well as the holders of certificates issued with collaboration of the company and representing securities issued by the company (if any such exist), may attend the shareholders' meeting with advisory vote insofar permitted by law. They may only participate in the vote in the cases determined by law. They are in any event subject to the same formalities as those imposed on the shareholders, with respect to notice of attendance and admission, and the form and submission of proxies.

30 Representation – Remote Voting – Remote Attendance

Each shareholder with voting rights may participate in the meeting in person or may have himself represented by a proxy holder in accordance with the provisions of the Companies Code.

A person acting as proxy holder may carry a proxy of more than one shareholder; in such case he may vote differently for one shareholder than for another shareholder.

The appointment of a proxy holder by a shareholder must be in writing or by means of an electronic form and must be signed by the shareholder, as the case may be with an electronic signature within the meaning of the applicable Belgian law provisions.

The notification of the proxy to the company must be in writing, as the case may be by electronic means, to the address mentioned in the convening notice. The company must receive the proxy ultimately on the 6th day before the date of the meeting.

The board of directors may determine the text of the proxies provided that the liberty of the shareholder to vote must be respected and that the modalities do not diminish the shareholder's rights.

The board of directors has the possibility to provide in the convening notice that the shareholders can vote remotely, prior to the shareholders' meeting, by letter or electronically, by means of a form made available by the company.

In case of remote voting by letter, any forms that have not been received by the company ultimately on the 6th day before the date of the meeting shall not be taken into account.

In case of remote voting by electronic means, assuming the convening notice allows this, the modalities permitting the shareholder to vote by such means will be established by the board of directors, who will ensure that the applied communication means are able to implement the mandatory legal statements, to supervise compliance with the required timing of receipt and to control the capacity and identity of the shareholder. Electronic voting is possible until the day prior to the shareholders' meeting.

The shareholder who uses distant voting, either by letter, or, as the case may be, by electronic way, must comply with the requirements for admission as set forth in article 29 of the articles of association.

The board of directors can offer the shareholders the possibility to participate in the shareholders' meeting remotely, by means of a communication mechanism made available by the company. With respect to the compliance with the conditions relating to attendance and majority, the shareholders who participate in the shareholders' meeting by such means, as the case may be, are deemed to be present at the location where the shareholders' meeting is held. If the board of directors offers the possibility to participate remotely in the shareholders' meeting by such means, the board determines the conditions applicable hereto in accordance with the relevant provisions of the Companies Code. The board of directors may extend this possibility (if it is offered) to the holders of profit sharing certificates, bonds, warrants or certificates issued with collaboration of the company, taking into account the rights attached thereto and in accordance with the relevant provisions of the Companies Code.

31 Bureau

Every shareholders' meeting is chaired by the chairman of the board of directors or, absent any chairman or if the chairman cannot attend, by another director thereto appointed by his colleagues.

The chairman of the meeting appoints the secretary, who does not necessarily need to be shareholder or director.

If the number of shareholders so allows the shareholders' meeting elects two vote counters. The directors who are present complete the bureau.

32 Adjournment

The board of directors has the right to adjourn each shareholders' meeting one time, for five weeks, irrespective of the agenda items and without having to justify this decision. The board may use this right at any time, but only after the opening of the meeting. The decision of the board must be communicated to the assembly before the closing of the meeting and must be mentioned in the minutes. Such adjournment nullifies every decision taken. The formalities for admission need to be complied with again. The existing proxies and permissions to attend the adjourned meeting cease to be valid. At the meeting that will be held in continuation of the adjourned meeting the same agenda will be entirely tabled again and finished.

33 Number of Votes – Exercise of the Voting Right

Each share carries one vote.

34 Deliberation

The shareholders' meeting cannot deliberate on items that are not mentioned in the agenda, unless all shareholders are present or represented at the meeting and they unanimously decide to deliberate on these items.

The directors answer the questions they are asked by the shareholders, during the meeting or in writing, relating to their report or to the agenda items, insofar the communication of information or facts is not of such nature that it would be detrimental to the business interests of the company or to the confidentiality to which the company or its directors are bound. The statutory auditors answer the questions they are asked by the shareholders, during the meeting or in writing, relating to their report, insofar the communication of information or facts is not of such nature that it would be detrimental to the business interests of the company or to the confidentiality to which the company, its directors or the statutory auditors are bound. In case several questions relate to the same subject matter, the directors and the statutory auditors may respond in one answer. As soon as the convening notice is published, the shareholders may ask their questions in writing, which will be answered during the meeting by the directors or the statutory auditors, as the case may be, insofar such shareholders have complied with the formalities to be admitted to the meeting. The questions may also be directed to the company by electronic way via the address that is mentioned in the convening notice for the shareholders' meeting. The company needs to receive these written questions ultimately on the 6th day before the meeting.

Except when otherwise provided for by legal provisions or by the articles of association, the resolutions are taken by simple majority of the votes cast, irrespective of the number of shares represented at the meeting. Blank and invalid votes are not included in the votes cast.

If for a resolution pertaining to an appointment no candidate obtains the absolute majority of the votes cast, a new vote will be organized between the two candidates who obtained the most votes. If such new vote results in a tie, the elder candidate is elected.

The votes cast during the meeting are taken by raising hands or by calling off names, unless the shareholders' meeting decides otherwise by simple majority of the votes cast.

A change of the articles of association can only be validly deliberated and resolved by an extraordinary shareholders' meeting in the presence of a notary and in compliance with the provisions of the articles 558 and following of the Companies Code.

35 Minutes

The minutes of the shareholders' meeting are signed by the members of the bureau and by the shareholders who ask to do so. The attendance list, and as the case may be, reports, proxies and/or written votes shall remain attached to the minutes.

Except when otherwise provided for by law, extracts to be submitted in legal proceedings or otherwise, are signed by one or more directors.

The minutes shall mention, for every resolution, the number of shares for which valid votes are cast, the percentage of the registered capital that these shares represent, the total number of votes validly cast, and the number of votes cast in favor or against each resolution, as well as the number of abstentions, if any. In the minutes of the shareholders' meetings with possibility of remote attendance (if this possibility is offered) the technical problems and incidents (if any) that have hindered or disturbed the participation by electronic means, shall be mentioned. This information will be published by the company on its website, within 15 days as from the shareholders' meeting.

Title V – Annual Accounts – Distribution of Profits

36 Annual Accounts

The financial year commences on the first of January and ends on the thirty first of December of each calendar year.

At the end of each financial year the board of directors draws up an inventory as well as the annual accounts. To the extent required by law, the directors also draw up a report in which they account for their management.

This report contains a comment on the annual accounts in which a true overview is given of the operations and of the position of the company, as well as the information prescribed by article 96 of the Companies Code.

37 Approval of the Annual Accounts

The annual shareholders' meeting takes note of, as the case may be, the annual report and the report of the statutory auditor(s) and resolves on the approval of the annual accounts.

After approval of the annual accounts, the shareholders' meeting resolves, by separate vote, on the release from liability of the directors and, as the case may be, of the statutory auditor(s). This release from liability is only valid if the annual accounts do not contain omissions or false statements which cover up the true situation of the company, and, with respect to acts in violation of the articles of association, only if these acts are specifically pointed out in the convening notice.

The board of directors ensures that the annual accounts and, as the case may be, the annual report and the other documents mentioned in article 100 of the Companies Code are filed with the National Bank of Belgium within thirty days after the approval of the annual accounts.

38 Distribution

Each year an amount of five percent (5%) of the net profits mentioned in the annual accounts is allocated to constitute a legal reserve; such allocation ceases to be mandatory once the legal reserve amounts to one tenth of the registered capital.

Upon a motion of the board of directors, the shareholders' meeting resolves with simple majority of the votes cast on the destination of the balance of the net profits, subject to the provisions of the Companies Code.

39 Dividend Payments

The payment of dividends occurs at the date and place determined by the board of directors.

Subject to the provisions of the Companies Code, the board of directors may distribute interim dividends out of the current financial year's results.

Title VI – Dissolution – Winding-Up

40 Early Dissolution

When, as a result of losses incurred, the net assets have decreased to a level of less than half of the registered capital, the directors must submit a motion on the dissolution of the company and, as the case may be, other measures to the shareholders' meeting, who will deliberate in accordance with article 633 of the Companies Code.

When the net assets, as a result of losses incurred, have decreased to a level of less than one fourth of the registered capital, a resolution to dissolve the company can be taken by one fourth of the votes cast at the shareholders' meeting.

When the net assets have decreased to a level of less than the legal minimum amount, every party having an interest may petition the court to dissolve the company in accordance with article 634 of the Companies Code. As the case may be the court may allow the company a period to regularize its situation.

41 Dissolution

A motion to dissolve the company voluntarily can be resolved only by an extraordinary shareholders' meeting and is subject to the applicable legal provisions.

After its winding-up, and until the closing of its liquidation, the company continues to exist by operation of law as a legal entity for the purposes of its liquidation.

42 Winding-Up

In case of winding-up of the company, for any reason or at any time whatsoever, the winding-up is performed by liquidators appointed by the shareholders' meeting, and absent such appointment, the winding-up is performed by the board of directors acting in capacity of winding-up committee.

Except if otherwise resolved, the liquidators act jointly. To this effect, the liquidators have the most extensive powers in accordance with the articles 186 and following of the Companies Code, subject to restrictions imposed by the shareholders' meeting.

The shareholders' meeting determines the compensation of the liquidators and their powers.

43 Apportionment

Following settlement of all debts, charges and costs of the liquidation, the net assets are first used to pay back, in cash or in kind, the fully paid-up and not yet paid back amount of the shares.

The balance, as the case may be, is divided in equal parts among all shares. The profit sharing certificates are not entitled to a part of the liquidation balance.

If the net proceeds are not sufficient to pay back all shares, the liquidators will first pay back these shares that are paid-up to a higher extent until they are at a level equal to the shares that are paid-up to a lesser extent, or they call for an additional paying-up of capital for the latter shares.

Title VII – General Provisions

44 Election of Domicile

Each director, executive and liquidator having its official residence abroad, elects domicile for the duration of his mandate at the registered office of the company, where writs of summons and notifications concerning company matters and the responsibility for its management can be validly made, with the exception of the notice to be made pursuant to these articles of association.

The holders of registered shares are obliged to notify the company of every change in domicile. Absent such notification, they are deemed to have elected domicile at their previous domicile.

45 Legal Provisions Incorporated in these Articles of Association

The provisions of these articles of association that literally set forth the contents of the provisions of the Companies Code, are mentioned for information purposes only and do not acquire thereby the character of statutory provision ("*statutaire bepaling*").

46 Applicable Law

For all matters that are not expressly regulated in these articles of association, or for the legal provisions from which would not be deviated validly in these articles of association, the provisions of the Companies Code and the other provisions of Belgian law apply.

47 Indemnification

To the extent permitted by law, the company will be permitted to indemnify its directors, employees and representatives for all damages they may be due, as the case may be, to third parties as a result of breach of their obligations towards the company, managerial mistakes and violations of the Companies Code, with the exclusion of damages that are due as a result of gross or intentional misconduct.

Temporary provisions of the articles of association

(1) Authorized capital

The board of directors has been granted the authority to increase the registered capital of the company, in accordance with articles 603 through 608 of the Companies Code, in one or several times, to the extent set forth hereafter. This authorization is valid for a period of five years from the date of this authorization, i.e. 23 May 2011.

Without prejudice to more restrictive rules set forth by law, the board of directors may increase the registered capital of the company in one or several times with an amount up to €35,647,692.61, i.e. twenty five per cent (25%) of the registered capital existing at the moment of the convening to the shareholders' meeting granting this authority.

Without prejudice to the previous paragraph and without prejudice to more restrictive rules set forth by law, the board of directors may increase the registered capital of the company in one or several times with an amount up to €142,590,770.44, i.e. one hundred per cent (100%) of the registered capital existing at the moment of the convening to the shareholders' meeting granting this authority, upon a unanimous resolution of the board of directors at which all directors are present or represented and relating to (i) the entire or partial financing of a transaction through the issue of new shares of the company, whereby "transaction" is defined as a merger or acquisition (in shares and/or cash), a corporate partnership and/or an in-licensing deal, (ii) the issuance of warrants in connection with the company's remuneration policy for its and its subsidiaries' employees, directors and independent advisors, and (iii) the defense of the company against a hostile take-over bid, and (iv) strengthen the cash position of the company. The maximum amount with which the registered capital can be increased in the framework of the authorized capital as mentioned in this paragraph, is to be reduced by the amount of any capital increase realized in the framework of the authorized capital as mentioned in the previous paragraph.

The capital increases within the framework of the authorized capital may be achieved by the issuance of shares (with or without voting rights, and as the case may be in the context of warrant plans for the company's or its subsidiaries' personnel, directors and/or independent advisors), convertible bonds and/or warrants exercisable by contributions in cash or in kind, with or without issuance premium, and also by the conversion of reserves, including issuance premiums. Aforementioned warrant plans can provide that, in exceptional circumstances (among others in the event of a change in control of the company or decease), warrants can be exercised before the third anniversary of their award, even if the beneficiary of such warrants is a person referred to in article 520ter, 524bis or 525 of the Belgian Companies Code.

When increasing the registered capital within the limits of the authorized capital, the board of directors may in the company's interest restrict or cancel the shareholders' preferential subscription rights, even if such restriction or cancellation is made for the benefit of one or more specific persons other than the employees of the company or its subsidiaries.

The board of directors can ask for an issuance premium when issuing new shares in the framework of the authorized capital. If the board of directors decides to do so, such issuance premium is to be booked on a non-available reserve account that can only be reduced or transferred by a decision of the shareholders' meeting adopted in the manner required for amending the articles of association.

The board of directors is expressly authorized during a period of three years as of the date of the shareholders' meeting which granted this authorization, i.e. 23 May 2011, to increase the company's registered capital within the context of the authorized capital by contributions in kind or in cash with restriction or cancellation of the shareholders' preferential subscription rights, even after the Financial Services and Markets Authority (FSMA) has notified the company of a public take-over bid for the company's shares, provided that the relevant provisions of the Companies Code are complied with, among others that the number of shares issued under such capital increase does not exceed one tenth of the outstanding shares representing the registered capital of the Company prior to such capital increase. The authorization referred to above may be renewed.

The board of directors is authorized to amend the articles of association of the Company to bring them in accordance with the capital increases that have been decided within the framework of the authorized capital or to instruct a notary public to do so.

(2) Acquisition of own shares

The shareholders' meeting of 23 May 2011 expressly authorized the board of directors to acquire its own shares or profit sharing certificates or certificates and to dispose thereof in accordance with the provisions of the Companies Code, if such acquisition is necessary to avoid a serious and imminent harm to the company. This authorization is valid for a period of three years from the publication of the aforementioned resolution in the Annexes to the Belgian State Gazette. This authorization applies under the same conditions to the acquisition of the shares or profit sharing certificates or certificates of the company, realized by one of its subsidiaries as meant in article 627 of the Companies Code.

The shareholders' meeting of 23 May 2011 authorized the board of directors to acquire maximum permitted number of shares pursuant to article 620 of the Companies Code by purchase or exchange at a price that cannot be lower than zero point zero five euro (€0.05) per share and not higher than hundred ten percent (110%) of the price at which such shares were quoted on the Brussels stock exchange on the day preceding the day of the purchase or exchange.

This authorization is valid for a period of eighteen (18) months from the publication of this resolution in the Annexes of the Belgian State Gazette and may be extended in accordance with article 620 of the Companies Code. This authorization applies under the same conditions to the acquisition of the shares or profit sharing certificates or certificates of the company, realized by one of its subsidiaries as meant in article 627 of the Companies Code.

The board of directors is authorized to dispose of all treasury shares the company holds, at a price it determines, on Euronext Brussels or Amsterdam or in the framework of its remuneration policy to employees, directors or consultants of the company. This authorization is valid without limitation in time. This authorization also applies to the disposal of the company's shares by one of its directly controlled subsidiaries within the meaning of article 627 of the Companies Code.

(3) Dematerialized shares

The provisions in the articles of association relating to dematerialized shares will enter into effect at the moment that the relevant implementing decrees enter into effect.

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* *

Exhibit 10.1

[stamps:]

OFFICE SPACE LEASE AGREEMENT

Between,

INNOTECH N.V., with its registered office at the Generaal De Wittelaan 9(18), 2800 Mechelen, registered in the Commercial Register of Mechelen, no. 28.683, duly represented here by Mr. Bart Verhaeghe, Managing Director, hereinafter referred to as the Lessor,

and

GALAPAGOS GENOMICS N.V., a public limited company in formation, with their address at the Generaal De Wittelaan ...., 2800 Mechelen, duly represented here by Mr. Onno van de Stolpe, future Managing Director, hereinafter referred to as the Lessee,

have agreed as follows:

Article 1 - Leased premises

The Lessor leases out to the Lessee, who accepts, the following premises:

the office space on the first floor at Generaal de Wittelaan 11A, Schaliënhoevedreef, with a constructed area of 1100 m^2 of private areas and 142 m^2 of common areas, as well as 22 parking spaces (see plan in Addendum 1).

The premises will be delivered to the Lessee in shell condition (without dropped ceilings, lighting fixtures, air conditioning, computer floors and without further finishing), however with carpeting and mipolam (200 series) on the current floors, up to three patios and an elevator shaft (without associated equipment). The current available electric power is 250 kVA.

The leased premises are well-known to the Lessee, who requires no further description here.

Article 2 - Intended use of the leased premises

The leased premises are exclusively intended to be used as offices and high tech areas. The parking spaces at the building are solely intended for parking of passenger cars and small vans.

The Lessee cannot change this intended use, nor extend it, without the prior written consent of the Lessor.

It is explicitly agreed that in no case the leased premises may be used for the exercise of retail trade, nor for the business of a craftsman, or any other activity in direct contact with the public. This lease agreement can therefore never be governed by the Act of April 30, 1951 on retail rent.

The exercise of such activity would constitute a serious shortcoming on the part of the Lessee in its obligations in this agreement. The Lessee is responsible for obtaining all the permits required for the use of the premises; he bears the risk.

Article 3 - Intended use of the leased premises

At first request, the Lessee shall voluntarily intervene in any dispute relating to the activities or the presence of the Lessee in the leased premises and the Lessee shall indemnify the Lessor against any possible damage that may result.

The Lessee knows the properties of the building and know which load the floors, walls and the like can bear.

The Lessor is not familiar with the activities that the Lessee exercises in the leased premises.

The Lessee should ensure compliance with all legal and regulatory obligations, regulations, permits, instructions of competent bodies and authorities, such as, among others: building permits, environmental permits and any special permits in connection with the activities of the Lessee, the regulations on fire safety, General Occupational Health and Safety Regulations, NBN (Bureau for Standardisation) standards... .

The Lessee must inform the Lessor of the modifications or changes he will make to the leased premises at his expense, in order to comply with regulations that apply to the Lessee and/or his activities. This information must be provided no later than the signing of the lease. All modifications or changes are made at the expense of the Lessee, without any right to compensation being due to him at the end of the lease agreement.

If the Lessor believes that certain laws, regulations or instructions of competent authorities are not being complied with, at the first request of the Lessor, the Lessee will carry out the modifications required under the responsibility and at the expense of the Lessee.

Article 4 – Rent

The parties have agreed on a base rent of 4,200.00 BEF/m^2/year for the leasing of the private areas and proportionally, the rent of the common areas on a shell condition basis, as defined in Article 1.

In addition to the 22 outside parking spaces in the surrounding area that are included in the rental price, the Lessee will obtain an option on 8 additional parking spaces, and this until January 1, 2001. As long as there are certain parking spaces that are effectively not being used by him, the Lessee cannot oppose use by third parties.

For these 8 additional parking spaces, a rent of 15,000 BEF/per parking space per year will apply, payable annually in advance and for the first time when exercising the option by registered mail, ultimately on the expiration date of the option.

The rent is paid quarterly in advance, on the first day of the month of the start of the quarter (this is on January 1, April 1, July 1 and October 1), in BEF to the bank account indicated by the Lessor. This payment will take place by means of direct debit, for which a copy of the bank identification details, at the signing of this agreement, will be given to the Lessor.

The rental price is due by operation of law, without requiring any form of notice.

The rent, payable for the period going from the date of occupancy of the building (ingoing delivery report), constitutes the first period and is calculated pro rata where applicable.

Article 5 - Indexation of the rent

Every year on the anniversary of this lease agreement (date of signature), automatically and without any form of notice of default, an adjustment of the rent will take place on the basis of the health index figure and this according to the following formula:

$$\text{new rental price} = \frac{\text{base rent x new index}}{\text{base index figure}}$$

The basic index figure is the index figure of the month preceding the month during which the lease agreement was closed.

The new index figure is the index figure of the month prior to the anniversary of the effective date of the lease agreement.

The new rental price can never be lower than the last rent paid, calculated in accordance with the applicable index figure.

The Lessor can only abandon this system through an express, signed confirmation in writing.

Article 6 - Fees and taxes

All fees, taxes, levies or duties applicable to the property, such as real estate taxes, taxes on the activities of the Lessee, taxes levied by the state, municipality, province, federation of municipalities or conurbation or region or community or any other government should be borne by the Lessee.

The Lessor will immediately transmit these taxes to the Lessee, who undertakes to take the steps necessary to make payment within the specified term. The distribution of the taxes for the common areas is carried out as provided for in Article 7.1, second paragraph, concerning the distribution of the common charges. Possible fines and/or default interest for late payment will be owed immediately by the Lessee to the Lessor.

If the Lessor would like to pay these taxes directly, he will provide a copy of the assessment notice to the Lessee, who will transfer the amount due to the Lessor within the time limit specified on the assessment notice. The Lessor can also request an advance payment at a rate of 150 BEF/m^2/year with periodic settlement according to the arrangement for the common charges.

Article 7 - Charges

7.1 Common charges

The Lessee undertakes to pay the common charges to the Lessor, and this by way of advances. An advance payment of (125 BEF/m^2/per quarter) was agreed on, which will be paid for the first time on the date of occupancy of the building and then each time on the date on which the rent is paid, in accordance with Article 4, paragraph 3.

These advances are for the payment of, among others, the following common charges, so these will be charged if they are present (illustrative list that only serves as an example):

- Consumption costs and rental of counters for the common areas, such as electricity, gas, heating, water, cable distribution,…
- Cost of technical maintenance, such as heating, air conditioning, ventilation, electricity, elevator, electricity, sanitary facilities, portals, …
- Cleaning costs of, among others, the windows, the common areas, …
- Maintenance of plants and shrubs, this is, for example, the maintenance of the garden, the parking area, …
- Costs associated with the site drainage, gullies, the drainpipes, the drains, …
- Waste collection

- Cost of inspections (these are the required regulatory inspections and, any optional controls), such as the inspection of the fire detection system, gas monitoring, …

The share of the Lessee in these common charges will be calculated by dividing the area of the leased private premises by the total area of all private premises of the building.

Periodically, and at least once per calendar year, the Lessee will receive a statement of the actual expenditure. The difference between the advance and the periodic statement will be, depending on the case, deposited to the Lessor (manager) or to the Lessee within thirty days after notification of the statement. When the advances appear to be insufficient, they will be modified by the Lessor or the manager she has designated.

7.2 Private charges

The Lessee will bear the costs (including fixed charges, subscriptions, and the cost of distributors and connections) that are associated with his consumption of water, gas, electricity, telephone, fax, cable TV, etc., or that are related to other services he purchases. The Lessor will provide a distribution point for the connections of water, gas, cable TV and electricity.

If the “assets” that the Lessee wishes to utilize require special provisions (e.g. private high-voltage cabin), the installation and maintenance thereof will be paid by the Lessee.

To the extent that certain private charges will be charged to the Lessor, the relevant invoices and/or documents are delivered to the Lessee, who will reach the arrangements necessary for payment within the specified term.

Article 8 - Duration of the agreement

The duration of the lease is nine years. It commences once the Lessee occupies the premises (date of the final incoming delivery report) on January 1, 2000, in order to terminate by operation of law after a period of nine years. In principle, the premises can be accessed for the installation of equipment and systems from July 1, 1999. There will be no form of reimbursement or compensation that can be claimed for the termination of this agreement in accordance with this provision.

Tacit renewal of the lease is not possible, even if the occupancy of the leased premises would continue after the planned contractual period of nine years.

Article 9 - Condition of the leased premises

As soon as the Lessee would like to commence with the installation of his equipment and the like, a provisional and inter partes delivery report will be issued at the request of the Lessee and as a condition for the installation of his equipment. The property that the Lessee wants to install will be submitted for approval to the Lessor in advance. They are subject to the provisions of Articles 10 and 11.

On the date of the first occupancy of the leased premises, a final, inter partes delivery report will be drafted. All costs and fees associated with the issuance of the delivery report will be borne equally by both parties.

This delivery report will form an integral part of this Lease Agreement (Exhibit 5).

The delivery report is completed by the Lessee and Lessor or, if desired, by an expert, appointed in mutual agreement between the parties.

No later than 30 days before the end of the agreement, the Lessee will invite the Lessor to discuss which modifications, changes, repairs, etc., still need to be completed before the end of the agreement.

At the end of the lease agreement, according to the same procedure as for the ingoing delivery report, an outgoing delivery report will be issued in order to determine the amount of any damage, as well as any compensation due to unavailability. The Lessee undertakes, as soon as he has vacated the leased premises, to invite the Lessor by registered mail to draft this delivery report.

The Lessee must return the property as he had received it. Damage caused by old age or wear and tear that has arisen during the lease period shall be borne by the Lessee, even if this is not his fault.

If the premises are not made available in time, either because they were not vacated in time, or because the modifications and repairs were not carried out in time, the Lessee, regardless of his other obligations, will owe the following compensation:

Per month commenced that the Lessor cannot access the premises, he will be owed compensation of twice the monthly rental price that was due in the last period, plus the compensation that the Lessor has to remit to a new Lessee because the property could not be made available in time.

The handing over of the keys, in any form, at or after departure of the Lessee will never be a partial or complete discharge for the Lessee.

Article 10 - Additional work

Additional work is all deviations from the current finished state of the premises. This additional work should be ordered through the Lessor and is always the subject of a separate order form.

The works will only be carried out after the order form has been validly signed and after an agreement on the method of payment has been created.

The Lessor reserves the right to either invoice the price of the additional work, or to include it in the rent over the first lease term within which no cancellation is possible.

The Lessor reserves the right, following such additional work, to adjust the date of occupancy.

Article 11 - Renovations, changes, improvements

The Lessee cannot make any modifications or alterations to the leased premises without the prior express written consent of the Lessor. Also the placement of appliances which give rise to certain works on the inside or outside of the building, requires the express and written consent of the Lessor. The Lessor can always refuse to grant his consent.

The renovations or modifications should be ordered with priority from the Lessor. In case the Lessor decides to not perform these works himself, these works will be carried out under the sole responsibility of the Lessee and the Lessor has the right to supervise the works, without entailing any kind of liability for the Lessor.

All works for which the Lessor grants his consent, be carried out at the expense of the Lessee. All costs of placement, use and removal at the end of the lease shall be borne by the Lessee.

All costs and expenses imposed by a competent authority because of the presence of the Lessee, an act or omission of the Lessee, will also be carried solely by him, or be recovered from him.

The Lessor reserves the right, to demand that the premises are returned to their original state at the end of the lease agreement, without any compensation being owed to the Lessee. Nor will he owe compensation to the Lessee, if the Lessor wishes to keep the changes or improvements that were made. In any case, the Lessee cannot remove the alterations that are made to be in line with certain regulations or laws without the express and written consent of the Lessor, which must be requested in a timely manner by the Lessee.

Article 12 - Repairs and maintenance

The Lessee shall maintain the leased premises in a good state of repair and be responsible for the costs of maintenance and repairs. He will, among other things, be responsible for the repair and, if necessary, replacement of the locks of the doors, windows, hinges and handles, taps, interior paint work, flooring and the like. All private drainage systems and pipes need to be maintained and cleaned and in such a state that no blockage is possible. He will maintain the water pipes and the central heating (as far as these are private, otherwise through the maintenance contract) and, when necessary, protect them from frost. The Lessor or manager of the building can close maintenance contracts for this purpose on the behalf of the Lessee.

All defects, damage, and the like are presumed to have arisen after the effective date of this lease agreement, with the exception of those listed in the delivery report, and are to be borne by the Lessee.

Only the hidden defects of the leased premises that impede the use thereof and that are reported within twelve months after the signing of the contract to the Lessor shall be borne by the Lessor.

It is agreed that only major and structural repair work, in accordance with Section 606 Civil Code, will be borne by the Lessor, as far as they are not caused by the failure of the repairs or errors of the Lessee.

The Lessee must immediately report to the Lessor by registered letter which obligations he believes the Lessor should have to fulfil. The damage or inconvenience sustained by failing to recognize this notification requirement will be borne by the Lessee.

The Lessee will tolerate any repairs or renovations performed by the Lessor to fulfil his obligations regarding major repairs, as defined, and this without any right to compensation or reduction of the rental price. However, if the works result in a permanent unavailability of more than fourteen days and of at least 20% of the leased premises, then the Lessee and the Lessor will hold consultations regarding a rent reduction.

The Lessee will always grant access to the Lessor or his representative to all leased premises, in order to carry out the necessary inspections and/or to be able to perform repairs, or to verify the state of the leased premises.

The Lessor shall not be liable for any interruption of services or utilities of the building or the consequences thereof, unless the interruption is caused by his willful misconduct, fraud or gross negligence.

The Lessor can give notice to the Lessee by registered mail, demanding that he carries out the necessary repair work and to end this within thirty days after sending this letter. The Lessor has no task of supervision or control over the repairs and the like that the Lessee must perform.

Article 13 – Insurance policies

The Lessor undertakes, during the whole duration of the lease, to insure the building in its entirety for proper amounts on the basis of a “Belgian Insurance Association (BVVO) All Risks” policy.

The premiums will be, possibly pro rata in accordance with Article 7.1, second paragraph on the distribution of the common charges, distributed among the lessees. The Lessor pays the premiums to the insurance company and will charge these to the Lessee, who undertakes to pay the amount due within the time limit specified by the Lessor. In the event of negligence, Article 17 of the lease agreement will apply.

Any change in activity, local situation or circumstance in general which may lead to an increase in risk, must be reported spontaneously and in writing by the Lessee to the Lessor.

At his expense, the Lessee will insure all movable objects that are in the leased premises, as well as the property modifications and expansions. This insurance will at least cover the risks of fire damage, explosion damage, electrical damage, water damage and related risks damage, storm damage, glass breakage, and recovery from third parties.

Every year, the Lessor will receive insurance certificates that confirm the payment of the premium.

The parties mutually waive any recourse that they mutually could exercise against each other, as well as against the owner, leaseholder, sublessees, transferors and acquirers and this because of all the damage they could suffer as a result of the risks to be insured. They also undertake to accept a similar waiver for any sublessee or user, as well as their insurers, with the exception of the conservation of recourse against the perpetrator of willful misconduct.

The policies shall provide that there can be no suspension or deferment of the coverage, or that the coverage can end after at least one month’s notice that is served to the Lessor.

The insurance also cannot be changed without prior notice from the Lessor thirty days in advance.

Damage to the leased property, of which the costs of repair do not exceed 25,000 BEF or less, and is caused by burglary or attempted burglary, will be borne by the Lessee.

If damage occurs, at the first request of the Lessor, the Lessee must undertake to take steps to remove his systems and contents, or remove the remnants thereof from the premises as soon as possible, according to the applicable laws, regulations and provisions. As the case may be, these should be kept at another location of the insurers and experts that is even temporarily made available.

Article 14 - Management expenses

The fee for management expenses will be determined in accordance with the guidelines of the Belgian Institute of Real Estate Agents.

The Lessee undertakes to take the steps required for payment of the costs, whenever the Lessor so requests and this within the term indicated by the Lessor. In the event of late payment, Article 17 of this lease agreement will apply.

Article 15 - Transfer or sublease

The leased premises cannot, in whole or in part, be transferred or subleased without the express and written consent of the Lessor. Mere acquiescence will therefore not be considered as consent.

If the Lessor permits the sublease or the transfer of the lease agreement, the Lessee and the sublessee, or the transferor and the acquirer, are jointly and severally liable for all obligations arising from this agreement with respect to the Lessor.

The Lessee undertakes to ensure that the sublessee or the acquirer will lease the premises under the same contract terms as himself.

The Lessee will provide a copy of the sublease agreement to the Lessor within ten days after its signature.

The Lessor is entitled to transfer his rights and obligations arising from this agreement to third parties at all times, with a simple notification to the Lessee.

Article 16 - Rental guarantee

As security for all of its obligations under this agreement, the Lessee will provide a bank guarantee solely in favor of the Lessor that is issued by a recognized Belgian financial institution, in which an amount that is at least equivalent to six month’s rent is guaranteed.

This guarantee will issued and the letter of guarantee will be handed to the Lessor before the lease enters into force. The bank guarantee will take effect when the leased premises are occupied.

The bank guarantee can be validly claimed by the Lessor by just sending a registered letter to the bank and is payable at first request.

The guarantee cannot be used under any circumstances by the Lessee for his other commitments, such as the payment of rent, to be fulfilled under this agreement.

The guarantee expires six months after the termination of the lease agreement.

Article 17 - Payments and interest

Regardless of all other rights and claims of the Lessor, all amounts that are due or still owing from the Lessee pursuant to this contract, by operation of law and without requiring any form of notice, will bear interest equal to the then-applicable legal interest rate, plus three percent, with a minimum of 10%. Every month commenced applies as a full month.

All collection costs of amounts due under this agreement (including legal costs, management and follow-up costs, fees,…) shall be borne by the Lessee and this at a minimum of 25,000.00 BEF.

Article 18 - Termination of the lease agreement

Any default or non-compliance with the agreement by the Lessee, of one of the clauses in this agreement, after first demand or notice of default is sent by registered mail, will be considered as a serious breach of contract by the parties.

Only in accordance with the termination of the lease agreement to the detriment of the Lessee, compensation will be owed, which is set at (six) month’s rent. This compensation is payable without prejudice to the rent and the charges until a new lessee leases the premises against lease terms that are better for the Lessor, plus any costs, expenses and expenditures arising from the termination, without prejudice to the other obligations under the lease agreement.

In bankruptcy, composition, upon dissolution or liquidation of the Lessee, the immediate termination of the lease can be demanded. In this case, the Lessee would owe the same compensation (see preceding paragraph).

Article 19 - Expropriation

In the case of expropriation of the leased premises, the Lessee may demand no compensation whatsoever from the Lessor. The Lessee will only be able to exercise his rights against the expropriating authority.

Article 20 - Visitation of the leased premises

During the six months before the end of lease agreement, as well as when offering the logistics building for sale, the Lessee will give his consent to place posters in high visibility locations in the leased premises or the building, announcing the leasing or sale.

Thus, the Lessee will permit persons who must be accompanied by a representative of the Lessor, and this by appointment, to visit the leased premises two days per week, in the morning or afternoon.

Article 21 - Internal regulations

The Lessee undertakes to comply with the existing provisions, internal regulations and others, which apply to the building complex and the areas. These regulations will be transferred to the Lessor before occupancy, which he confirms (Exhibit 4). All reasonable changes will be binding 1 month after notification thereof by registered mail to the Lessee.

Article 22 - Date of service

All documents served by registered mail are considered to have been served on the date on which the registered letter was submitted at the post office, proven by the date on the proof of shipment.

Article 23 - Advertising

If the Lessee wishes to install advertising, he must first obtain the prior express and written consent of the Lessor. The necessary permit applications and the like will be requested by the Lessee and at his expense. The Lessor has already agreed with installing a commonly used plexiglass plate in the business park, at the entrance of the building (company name).

Article 24 - Election of domicile

For the implementation of the lease agreement, the Lessor elects domicile at his registered office.

The Lessee elects domicile at the leased premises and this from the time of occupancy of the building until the moment that this lease agreement is terminated and he has vacated the leased premises.

Article 25 - Invalidity

If any provision of this agreement is declared invalid or unenforceable by a competent court, the remaining provisions are still fully valid. With regard to provisions that were found to be invalid or unenforceable in whole or in part, the parties will negotiate again in good faith, with the goal of replacing the invalid provision with a valid one, of which the economic results best corresponds with the invalid provision in a manner that is consistent with the common intention of the parties.

Article 26 - Competent courts - Applicable law

This agreement is governed by Belgian law.

Article 27 - Registration

The Lessor will have this lease registered at the expense of the Lessee. For the levying of registration duties on the Lessee, the parties estimate the charges imposed on the Lessee to be 10% of the annual rent. The registration duty of 0.2% will be levied on the combined amounts of rents and the charges imposed on the Lessee for the fiscal period to come.

The Lessor will return a copy of this lease agreement, which is intended for registration, to the Lessee after registration.

Article 28 - Option

For three years from the commencement of this lease, the Lessee will receive an option to lease additional premises of 300 m², as indicated on the attached plan (A+B), as an extension of this lease agreement.

The Lessor may, as long as this option is not exercised, lease section B of these premises to third parties. Such leasing must be able to be terminated in a term of three months (notice period).

In the case there is no leasing and a fortiori of section A, the Lessee will meet the costs and charges, but not the rent of these premises. As soon as section A or B, or both, are wholly or partly used in any way, the terms of this lease agreement will apply as a whole to the section concerned (A or B, or both), as an extension to this lease agreement.

This option expires after three years and the Lessor will be free to lease these premises to third parties, whether the Lessee retains the right of first refusal to the premises, or not.

Article 29 - Preferential right

This lease agreement will expire after nine years. The Lessee will receive the preferential right to lease the leased premises again through, in that case, closing a lease agreement, based on the same conditions as this lease agreement (indexed rent amount).

Drawn up in Mechelen on 6/30/99 in triplicate, of which each party acknowledges to have received one signed copy following its signing, and one copy is intended for registration by the Lessor at the expense of the Lessee.

For the Lessor,

/s/ Bart Verhaeghe

For the Lessee,

/s/ Onno van de Stolpe

O. van de Stolpe
Managing Director
Galapagos Genomics NV

Attached:

1. plan of the leased premises
2. any additional work
3. internal regulations
4. ingoing delivery report

[stamp:] Registered fourteen pages — sealed
in Mechelen 1st Registration Office
On 1999
BOOK 61/24 page 02 box 147
Received [stamp:]
THE RECEIVER read: one hundred and three thousand, two hundred and eighty-five fr.
[signature] (103,285.00 BEF)

ADDENDUM 1 to LEASE AGREEMENT FOR OFFICE SPACE

Between

INNOTECH N.V., a public limited company with registered headquarters at the Generaal de Wittelaan 9/18, 2800 Mechelen, entered in the commercial registry in Mechelen under no. 28.683, duly represented here by Mr. Bart Verhaeghe, managing director, hereinafter referred to as the lessor,

and

GALAPAGOS GENOMICS N.V., a public limited company with registered headquarters at the Generaal de Wittelaan 11/A, 2800 Mechelen, entered in the commercial registry in Mechelen under number 85.469, VAT number BE 466.460.429, duly represented here by Mr. Onno van de Stolpe, managing director, hereinafter referred to as the lessee,

Was concluded on June 30, 1999 a lease agreement for 1100 m^2 of office space (as well as 142 m^2 of common space and 22 parking spaces) at the Generaal de Wittelaan 11/A in Mechelen.

This agreement was registered in Mechelen 1 on August 4, 1999, Volume 6^2/24, page 2 section 147, for the fee of 103,285 [Belgian] francs.

The parties wish to increase the term of this agreement from nine to fifteen years.

As a result, article 8 has been changed in the sense that the term of nine years has been increased to fifteen years.

In light of the duration, the lease agreement shall also be notarized. The notarial deed shall be executed within two months before notary Annemie Coussement in Duffel, who has been appointed to do so by both parties.

As stipulated in the lease agreement, the registration duties and legal fees for this shall be at the expense of the lessee.

Prepared in Mechelen, on January 19, 2000 in triplicate, whereby each party acknowledges having received one signed copy at signing.

For the Lessor,	For the Lessee,
/s/ Bart Verhaeghe	/s/ Onno van de Stolpe
Bart Verhaeghe, Managing Director	Onno van de Stolpe Managing Director

[stamp:]

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001
ADDENDUM 3

Between the undersigned:

1. Intervest Offices N.V., with registered headquarters at the Uitbredingsstraat 18, 2600 Berchem (Antwerp), legal successor of Innotech N.V. by virtue of merger on 06/29/2001, represented here by the B.V.B.A.[limited liability company] Gert Cowé, CEO, represented here by its business manager Mr. Gert Cowé, and 2/ by the BVBA Jean-Paul Sols, COO, represented here by its business manager Mr. Jean-Paul Sols,

hereinafter referred to as "the Lessor"

and

2. GALAPAGOS GENOMICS N.V., established at the Generaal de Wittelaan 11A, 2800 Mechelen, represented here by Mr. O. van de Stolpe, CEO,

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of February 21, 2001, and addendum 1 and 2 the lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan 11, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

This having been stated, the following is agreed:

Article 1 - Leased Property

In addition to the aforementioned lease, the lessor is herewith leasing to the lessee, who accepts, the following space in the aforementioned building, on the same floor:

- +/-322 m^2 of office space, including part of the common spaces and
- 7 parking spaces

as shown in the attached plans

Hereinafter referred to as "the leased property".

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the lessee.

The leased property is being leased in finished state, with standard office finish; so the lessor shall be responsible for performance of the following work: new carpet, painting of walls, peripheral cable ducts, new false ceiling and air-conditioning for open space.

The lessee may propose possible additional items or changes, which shall be at the lessee's expense.

The anticipated timeframe for performance is six weeks after the lessee has made its selections known to the lessor (subject to reservation of delivery time of any additional air-conditioning units).

A report of condition at handover shall be drawn up, at shared cost, by expert L. de Decker or J. De Prez, within a month after performance of the work.

Article 2 – Term of the Agreement

The aforementioned additional lease shall take effect on 12/01/2013 to end on the same date as the aforementioned notarial deed, i.e. on May 31, 2015.

Article 3 – Rent

The rent for this additionally leased space will be identical to that which is stipulated in the aforementioned notarial deed, i.e. a base rent for office space of €104.12/m^2/year or presently €111.97/m^2/year, and a base rent for parking spaces of €372/ps/year or presently €400.05/ps/year, or together presently €38,854.69/year or €9,713.67 payable per quarter.

The indexing of this rent amount shall be done at the same time and in the same way as the rent stipulated in the aforementioned notarial deed.

Article 4 - General Provision

Otherwise, all provisions of the aforementioned lease agreement plus addendum 1 and 2 shall remain integrally in force, and likewise applicable to the current agreement, unless otherwise stipulated in the current agreement.

Article 5 - Bank Guarantee

The lessee shall, in the month after the realization of the condition precedent mentioned hereinafter, present to the lessor, upon first request, a new unilateral, irrevocable, abstract and transferable bank guarantee to the amount of six months' rent, or €89,930.34 for the previously leased portion, and to the amount of three months' rent, or €9,713.67 for the portion being leased herewith, or in total for an amount of €99,644.01. This guarantee shall remain in effect up to six months after expiry of the lease agreement.

Article 6 - Special Provisions

In addition to what is stipulated in article 15 of the aforementioned lease agreement of 02/21/2001, it is agreed that the lessor shall not unreasonably deny permission to sublease, e.g. if at a later time the lessee no longer needs the space leased herewith for the performance of its activities.

Condition Precedent:

The lessee declares having been informed by the lessor of the fact that the space leased herewith is already being leased by another tenant. The lessor is in negotiations with that tenant in order to assign it a different location, on the first floor of the same building. That tenant has stated that it has no objection to this in principle, but that the terms of such relocation still need to be finalized. The current addendum is therefore also being concluded under the express condition precedent of conclusion between the lessor and previous tenant of an agreement for early termination of the lease for the space in question, and the leasing of another space.

Therefore, absolutely no right to compensation of damages shall arise for the lessee if the aforementioned condition precedent is not fulfilled.

If the above-mentioned [sic] condition is not realized within three months after the signing hereof, both parties shall be released from all obligations emanating from the present agreement.

For the levying of the registration fees, the total rental costs, at the expense of the lessee, are estimated at 5%.

Drawn up in triplicate in Berchem on *02/13/2004*, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Jean-Paul Sols	/s/ Gert Cowé	/s/ Onno van de Stolpe
The Lessor		The Lessee
Intervest Offices NV		Galapagos Genomics NV

Addenda: plan of leased space + parking spaces

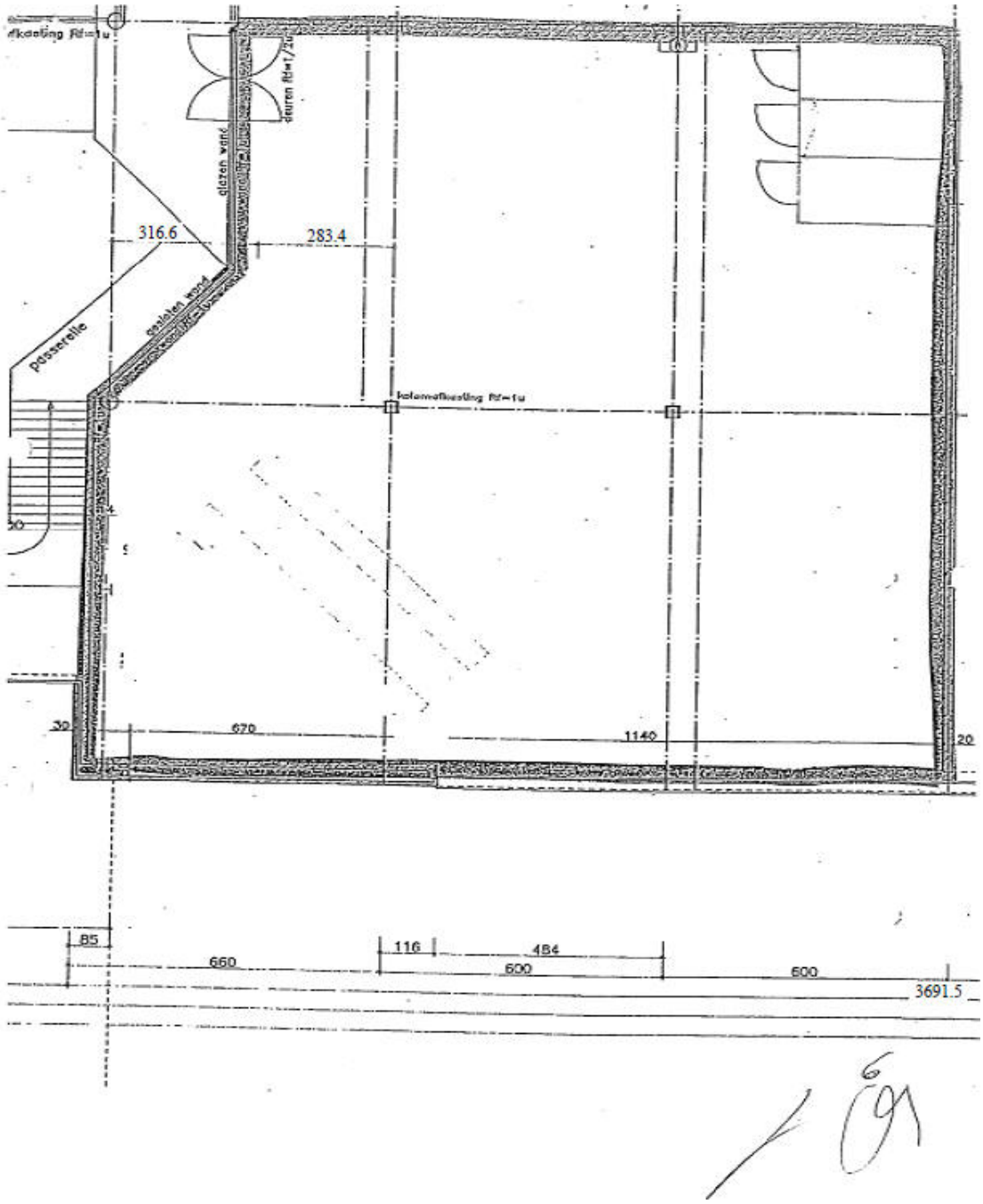
Duplicate
[stamp:]
Registered *page no*
in Mechelen 1st Office of the registration
On [stamp:] MARCH 24, 2004
VOLUME *6426* page *20* section *57*
Received: *nine hundred thirty-eight Euros.*
THE RECIPIENT: *thirty-four cents*

€938.34

For the senior inspector,
The administrative assistant,

/s/ Michèle Delcor

[stamp:] DELCOR Michèle

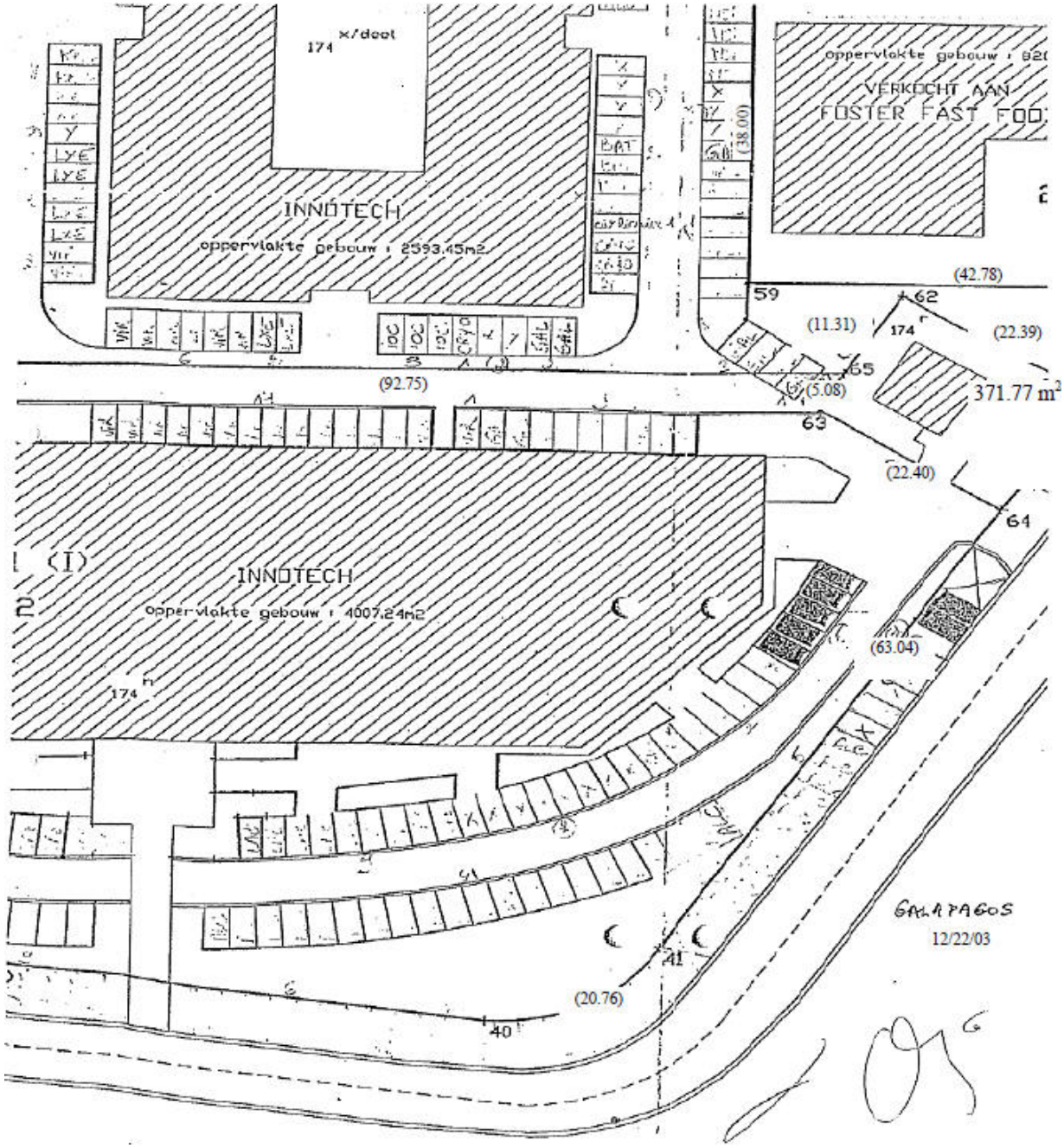


Flemish

[text cut off]afkasting Rf = 1u
deuren Rf=1/2u
glazen wand
wand Rf=1u
gesloten wand
wand Rf=1u
passerelle
kolomafkasting Rf=1u
wand Rf=1u

English

[text cut off]encasement FR = 1h
doors FR=1/2h
glass wall
wall FR=1h
closed wall
wall FR=1h
walkway
column encasement FR=1h
wall FR=1h



Flemish

x/deel
oppervlakte gebouw 2593.45m2
oppervlakte gebouw 82[text cut off]
VERKOCHT AAN FOSTER FAST FOO[text cut off]
oppervlakte gebouw 4007.24m2

English

x/section
surface area of building 2593.45m2
surface area of building 82[text cut off]
SOLD TO FOSTER FAST FOO[text cut off]
surface area of building 4007.24m2

[stamp:] RECEIVED AUGUST 09, 2005

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001
ADDENDUM 4 – Temporary Provision for Use

Between the undersigned:

1. Intervest Offices N.V., with registered headquarters at the Uitbreidingstraat 18, 2600 Berchem (Antwerp), legal successor of Innotech N.V. by virtue of merger on 06/29/2001, represented in that place by the B.V.B.A. [limited liability company] Gert Cowé, CEO, represented here by its business manager Mr. Gert Cowé, and 2/ by the BVBA Jean-Paul Sols, COO, represented here by its business manager Mr. Jean-Paul Sols,

hereinafter referred to as "the Lessor"

and

2. GALAPAGOS N.V. (formerly known as GALAPAGOS GENOMICS NV), established at the Generaal de Wittelaan 11A, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO,

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of February 21, 2001, and addendum 1 and 2 [sic] the lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan 11, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement "Addendum 3" of 02/13/2004 the lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

This having been stated, the following is agreed:

Article 1 - Leased Property

In addition to the aforementioned lease, the lessor is herewith temporarily providing for use to the lessee, who accepts, the following spaces in a different building, likewise at Generaal De Wittelaan 9:

+/-20 m^2 of floor space in a warehouse with a total area of 510 m^2, (including part of the common spaces) as shown in the attached plan.

Hereinafter referred to as "the leased property".

Article 2 - Purpose/Use

The property being provided is known by the lessee, who has visited it and requests no further description thereof, and accepts it in the state it is currently in. The aforementioned property shall be used only as a temporary storage space and not as workspace.

When using it, the lessee shall obey the rules stipulated in the internal regulations, a copy of which shall be attached hereto.

The Lessor is not familiar with the activity the Lessee intends to carry out in the Property and the Lessor does not guarantee that the property meets the requirements that, if necessary, may be imposed on the activities being undertaken by the Lessee.

The intended use of the property may not be changed by the Lessee, except with the prior, express and written consent of the Lessor, who shall at all times be authorized to refuse such proposed change, without providing a reason, and without the Lessee for that reason obtaining any right to compensation, early termination or otherwise any allowances.

It is expressly agreed that the Property may in no case be used for carrying out retail activities, nor for any work of an artisan in direct contact with the public, even if the Property is being used purely as a showroom, or otherwise, so that the present lease is not and can never be governed by the law of April 30, 1951 on commercial leases.

It is expressly agreed, acknowledged and accepted by the parties that respecting the purpose of the Property forms an essential component of the present agreement, in absence of which the Lessor would not have entered into an agreement. If the Lessee changes the intended purpose of the Property without the consent of the Lessor, the latter mentioned shall be authorized to demand - immediately and without prior notice - dissolution of this agreement to the detriment of the Lessee.

Should other parts of the 510 m^2 warehouse in which the leased property is located be leased to third parties or taken into use by the Lessor, the Lessor shall inform the Lessee hereof in advance and the Lessor shall take the necessary measures to completely divide off the space being leased by the Lessee, so that a safe storage of goods of the Lessee is guaranteed.

Article 3 - Term of the Agreement

The aforementioned additional provision of space for use shall take effect on **August 1, 2005 for an indefinite term**, terminable at any time by both parties subject to registered prior notice of termination of one month.

Article 4 - Fee

The fee for this provision for use is stipulated as follows:

a/ €900 per year, payable per trimester

b/ €190 per year for fixed share of duties and costs, payable per trimester

Or in total **€1,090** per year (excluding VAT), payable per trimester.

If the lease were to be terminated by one of the parties before expiry of a complete trimester, the fee for the trimester in which the termination falls will be calculated proportionate to the actual period of use.

In the context of this agreement, the term “trimester” means a period of three consecutive months, whereby the first trimester shall be the period from August 1, 2005 to October 31, 2005; the second trimester shall be the period from November 1, 2005 to January 31, 2006, and so forth.

Article 5 - Indexing

This fee shall be [sic] at the same time and in the same way as stipulated in the above-mentioned lease agreement, base index July 2005.

Article 6 - General Provision

Otherwise, all provisions of the aforementioned lease agreement shall be integrally applicable to the current agreement, unless otherwise stipulated in the current agreement.

Article 7 - Current State

Where the state of the leased property is concerned, both parties acknowledge that it is in a good state of maintenance, according to the photos taken by the lessor on 08/01/2005, and which the lessee declares it accepts. A copy of the photos is attached to this Addendum.

Article 8 - Special Provisions

The lessor shall have the right to enter the premises at all times in order to carry out the necessary modification work or repairs, and to verify that the provisions of the current agreement are being complied with.

The lessee acknowledges today having received one key for the office entrance, at the front of the building. He agrees to use this point of access only in order to open the warehouse from the inside via the offices, and to undertake all transport of materials directly via the sectional gate of the warehouse.

For the levying of the registration fees, the total rental costs, at the expense of the lessee, are estimated at 5%.

Drawn up in triplicate in Berchem on August 1, 2005, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

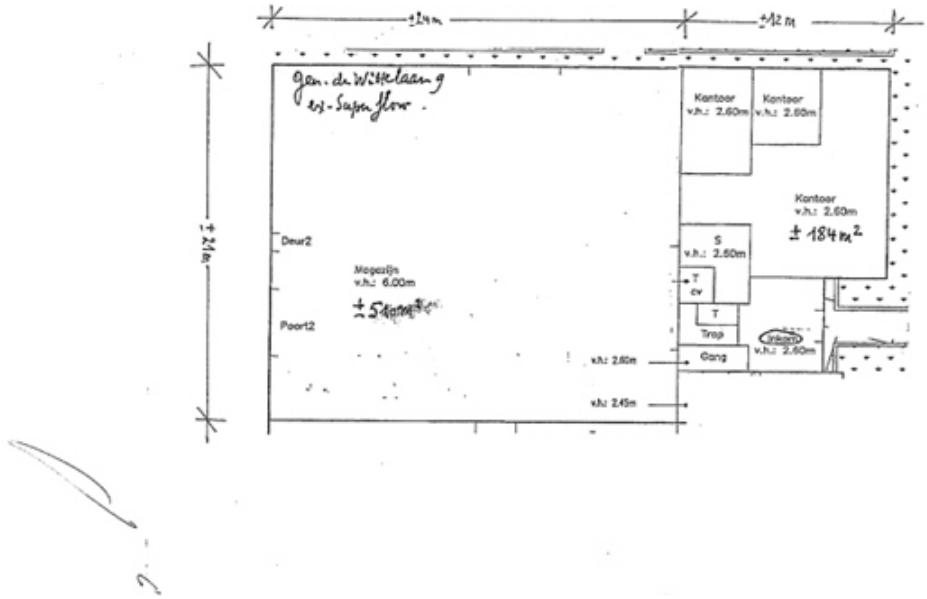
/s/ Jean-Paul Sols
The Lessor
Intervest Offices NV

/s/ Gert Cowé

/s/ Onno van de Stolpe
The Lessee
Galapagos NV

[stamp:] GALAPAGOS NV
LEGAL

Addendum: plan of spaces provided for use and copies of photos



Flemish

Gen. de Wittelaan 9
ex-Superflow
Deur
Magazijn
v.h.
Poort
Kantoor
S
cv
Trap
Gang
Inkom
T

English

Gen. de Wittelaan 9
formerly Superflow
Door
Warehouse
exp. amt.
Gate
Office
Sanitary facility
central heating
Stair
Hallway
Entrance
Technical space

[stamp:]

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001
ADDENDUM 5 – Lease of Warehouse Space

Between the undersigned:

1. Intervest Offices N.V., with registered headquarters at Uitbreidingstraat 18, 2600 Berchem (Antwerp), legal successor of Innotech N.V. by virtue of merger on 06/29/2001, represented in that place by Inge Tas, CFO ~~the B.V.B.A.[limited liability company] Gert Cowé, CEO, represented here by its business manager Mr. Gert Cowé~~, and 2/ by the BVBA Jean-Paul Sols, COO, represented here by its business manager Mr. Jean-Paul Sols,

hereinafter referred to as "the Lessor"

and

1. GALAPAGOS N.V. (formerly known as GALAPAGOS GENOMICS NV), established at the Generaal de Wittelaan 11A, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO,

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of February 21, 2001, and addendum 1 and 2 the lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan 11, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement "Addendum 3" of 02/13/2004 the lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the lessor provided to the lessee, for temporary use, +/-20 m^2 of floor space in a larger warehouse located at Gen. De Wittelaan 9.

This having been stated, the following is agreed:

Article 1 - Leased Property

In addition to the aforementioned lease, the lessor is herewith leasing to the lessee, who accepts, the following space, located in Mechelen, Generaal De Wittelaan 11A, amongst the already leased office space:

+/-**100 m**^{2} **of warehouse space,** as shown on the attached plan.

Hereinafter referred to as “the leased property”.

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the lessee.

The costs for setting up and any modification of the aforementioned warehouse, as well as for creating a passageway to the stairwell located in the section already being leased by the lessee, shall be completely at the expense of the lessee.

Article 2 - Purpose/Use

The property being provided for use is known by the lessee, who has visited it and requests no further description thereof, and accepts it in the state it is currently in. The aforementioned property shall be used only as storage space and not as workspace or production space.

Article 3 - Term of the Agreement

The aforementioned additional lease shall take effect on **March 1, 2006** and will end on the same date as the aforementioned notarial deed, i.e. **May 31, 2015.**

Article 4 - Rent

The rent is stipulated at €45/m^2/year, or **€4,500/year**, or €1,125/quarter (hereinafter referred to respectively as the “Annual rent” and the “Trimestral rent”).

The Trimestral Rent shall be payable in advance in Euros by January 1, April 1, July 1 and October 1 of each year, to account number 310-1658419-96 or any other account number to be provided to the Lessee by the Lessor and in a currency that is accepted in Belgium. Any banking costs shall be at the expense of the lessee.

The indexing of this rent amount shall be done at the same time and in the same way as the indexation of the rent, as stipulated in the aforementioned notarial deed, with base index January 2006.

Article 5 - Current State

A report of condition upon commencement shall be drawn up, at shared costs, by expert L. De Decker or J. De Prez, at the latest within the month after commencement of the current agreement.

Article 6 - Bank Guarantee

The lessee shall, within the month after the signing of the current agreement, present to the lessor, upon first request, a new (or modification of the existing) unilateral, irrevocable, abstract and transferable bank guarantee, to the amount of €99,644.01 for the previously leased portions, and to the amount of six months’ rent, or €2,250 for the portion being leased herewith, or in total for an amount of €101,894.01. This guarantee shall remain in effect up to six months after expiry of the lease agreement.

Article 7 - General Provision

Otherwise, all provisions of the aforementioned lease agreement and addenda shall remain integrally in force, and also applicable to the current agreement, unless otherwise stipulated in the current agreement.

Article 8 - Early Termination

It is herewith also agreed to terminate early the agreement “Addendum 4 - Temporary Provision for Use” of 08/01/2005, effective 02/28/2006.

For the levying of the registration fees, the total rental costs, at the expense of the lessee, are estimated at 5%.

Drawn up in triplicate in Berchem on *MARCH 3, 2006*, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Jean-Paul Sols	/s/ Inge Tas	/s/ Onno van de Stolpe
The Lessor		The Lessee
Intervest Offices NV		Galapagos NV

[stamp:]

Addendum:plan of leased space

[stamp:]
Registered [*three*] page(s) *no*
in Mechelen 1st Office of the registration
On [stamp:] JUNE 26, 2006
VOLUME *62/33* page *01* section *108*
Received: *Eighty-six Euros and sixty-three cents*
THE RECIPIENT:

€86.63

For the senior inspector,
The administrative assistant,

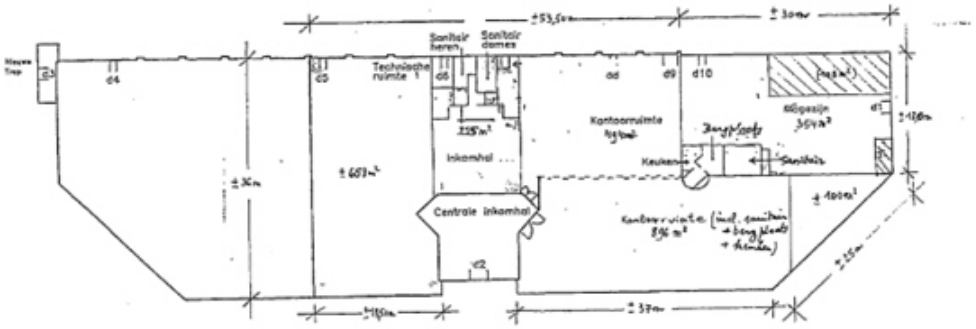
/s/ Michèle Delcor

[stamp:] DELCOR Michèle

Intercity Business Park
Generaal de Wittelaan
2800 Mechelen

Gebouw 11 A, gelijkvloers

INTERVEST
OFFICES



Flemish
Gebouw 11 A, gelijkvloers
Nieuw Trap
Technische ruimte 1
Sanitair heren
Sanitair dames
Inkomhal
Centrale inkomhal
Kantoorruimte
Keuken
Bergplaats
Sanitair
Magazijn
Kantoorruimte
(incl. sanitair + bergplaats + keuken)

English
Building 11 A, first floor
New Stair
Technical room 1
Men’s bathroom
Women’s bathroom
Entry hall
Main entry hall
Office space
Kitchen
Storage space
Sanitary facilities
Warehouse
Office space
(incl. sanitary + storage space + kitchen)

[stamp:] RECEIVED 2007

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001
ADDENDUM 6 – Lease of Additional Warehouse Space

Between the undersigned:

1. Intervest Offices N.V., with registered headquarters at Uitbreidingstraat 18, 2600 Berchem (Antwerp), represented in that place by 1/ the BVBA [limited liability company] Jean-Paul Sols, CEO, represented here by its business manager Mr. Jean-Paul Sols, and by 2/ Ms. Inge Tas, CFO

hereinafter referred to as "the Lessor"

and

1. GALAPAGOS N.V., established at the Generaal de Wittelaan 11A, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO,

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of February 21, 2001, and addendum 1 and 2 the lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m² of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan 11, lot 1 (known as number L11 A3), on the second floor, for a fixed term of 15 years, effective 06/01/2000.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement "Addendum 3" of 02/13/2004 the lessee additionally leased, in the same building, 322 m² of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the lessor provided to the lessee, for temporary use, +/-20 m² of floor space in a larger warehouse located at Gen. De Wittelaan 9.

In addendum 5 of 03/23/2006, the lessee additionally leased +/- 100 m² of floor space in a larger warehouse located at Gen. De Wittelaan L11A3 in Mechelen.

The temporary provision of use of space of addendum 4 was then terminated as a result.

This having been stated, the following is agreed:

Article 1 - Leased Property

In addition to the aforementioned lease, the lessor is herewith leasing to the lessee, who accepts, the following space, located in Mechelen, Generaal De Wittelaan L11A A3, amongst the already leased office space and in addition to the already leased warehouse space:

+/-**213 m**^{2} **of warehouse space,** as shown on the attached plan that is being attached as exhibit 1 to this Addendum 6

Hereinafter referred to as “the leased property”.

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the lessee.

The costs for creating the separation, creating the additional access and the necessary modifications to the existing warehouse (according to the attached plan) shall be completely at the expense of the lessee.

The lessor shall have to give its written approval of the submitted plans/offers in advance, however, where the creation of the warehouse with an additional exterior door is concerned. Such approval shall not be unreasonably denied.

Article 2 - Purpose/Use

The property being provided for use is known by the lessee, who has visited it and requests no further description thereof, and accepts it in the state it is currently in, taking into consideration the notes in the report of condition (see article 5 below).

The aforementioned property shall only be able to be used as storage space, office space and/or laboratory space (NMR) as per the attached plan.

The parking spaces already currently being leased are intended for passenger cars and small commercial vans only. It is expressly forbidden to store goods there or wash or service a vehicle there. However the lessee does have the right to use at most two (2) adjacent parking spaces for placement of small waste containers, on the condition it involves parking spaces that are located at the rear of the building and the containers are properly maintained and tidy.

Article 3 - Term of the Agreement

The aforementioned additional lease shall take effect on **February 1, 2007** and end on the same date as the aforementioned notarial deed, i.e. **May 31, 2015.**

Article 4 - Rent

The (additional) rent for the warehouse space is stipulated at €45/m^2/year, or **€9,585/year**, or **€2,396.25**/quarter (hereinafter referred to respectively as the “Annual rent” and the “Trimestral rent”).

The Trimestral Rent shall be payable in advance in euros by January 1, April 1, July 1 and October 1 of each year, to account number 310-1658419-96 or any other account number to be provided to the Lessee by the Lessor and in a currency that is accepted in Belgium. Any banking costs shall be at the expense of the lessee.

The indexing of this rent amount shall be done at the same time and in the same way as the indexation of the rent, as stipulated in the aforementioned notarial deed, i.e. on June 1 of each year, with base index January 2007.

Article 5 - Current State

A report of condition upon commencement shall be drawn up, at shared costs, by expert L. De Decker or J. De Prez, at the latest within the month after commencement of the current agreement, but before the performance of any modification work.

Article 6 - Bank Guarantee

The lessee shall, within the month after the signing of the current agreement, do what is necessary in order to increase the existing bank guarantee by an amount equal to six months' rent or **€4,792.50.** This guarantee must remain in effect up to six months after expiry of the lease agreement, unless the lessor and lessee mutually agree to a shorter period.

Article 7 - General Provision

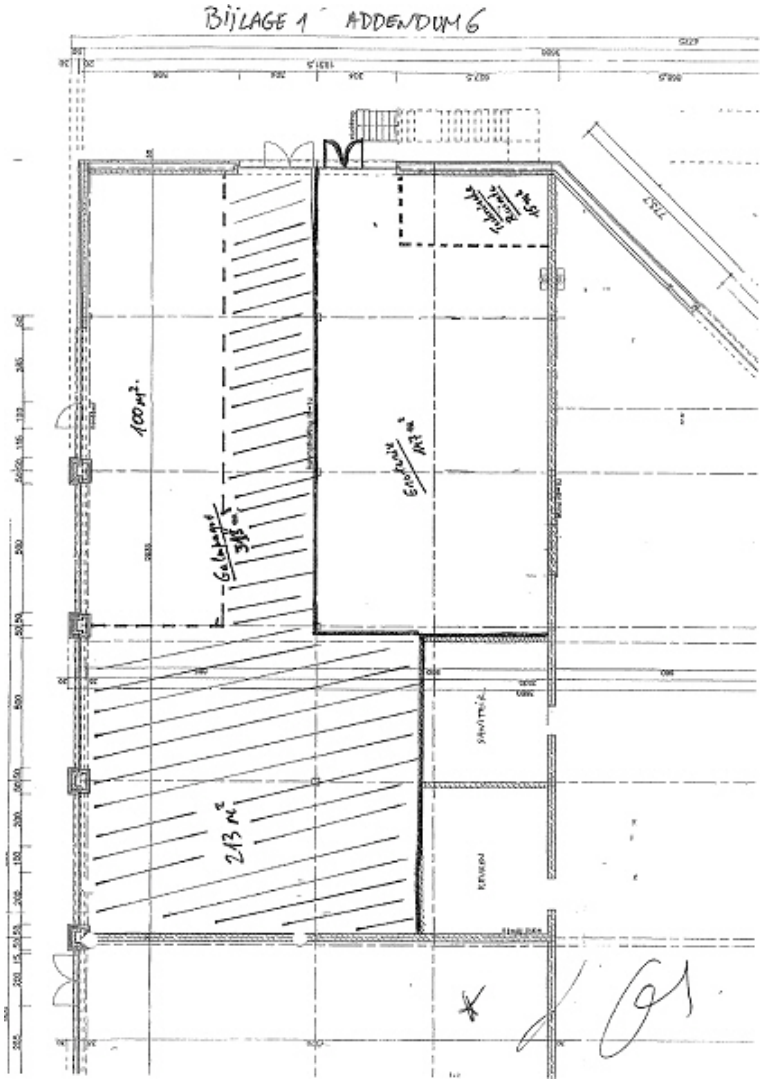
Otherwise, all provisions of the aforementioned lease agreement and its addenda shall remain integrally in effect, and also applicable to the current agreement, unless otherwise stipulated in the current agreement.

For the levying of the registration fees, the total rental costs, at the expense of the lessee, are estimated at 5%.

Drawn up in triplicate in Berchem on *02/06/2007*, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Inge Tas	/s/ Jean-Paul Sols	/s/ Onno van de Stolpe
The Lessor		The Lessee
Intervest Offices NV		Galapagos NV

Addendum 1: plan of leased space



Flemish

BIJLAGE 1
KEUKEN
SANITAIR
Technische Ruimte
Kolomafkasting Rf = 1u

English

ADDENDUM 1
KITCHEN
SANITARY FACILITIES
Technical Space
Column encasement FR=1h

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001
ADDENDUM 7 – Addition of office and reception area space on first floor

Between the undersigned:

1. **INTERVEST OFFICES N.V.,** with registered headquarters at Uitbreidingstraat 18, 2600 Berchem (Antwerp), represented in that place by 1/ the BVBA [limited liability company] Jean-Paul Sols, CEO, represented here by its business manager Mr. Jean-Paul Sols and 2/ Ms. Inge Tas, CFO;

hereinafter referred to as "the Lessor"

and

2. **GALAPAGOS NV,** (formerly known as GALAPAGOS GENOMICS NV), established at the Generaal de Wittelaan L11 A3, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO;

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of February 21, 2001, and addendum 1 and 2 the lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan L11 A3, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In Addendum 3 of 02/13/2004 the lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the lessor provided to the lessee, for temporary use, +/-20 m^2 of floor space in a larger warehouse located at Gen. De Wittelaan 9.

In addendum 5 of 03/23/2006 the provision for use according to addendum 4 was terminated early, and the lessee additionally leased a +/- 100 m^2 warehouse space in the same building Gen. De Wittelaan L11 A3 in Mechelen.

In addendum 6 of 02/06/2007, the lessee additionally leased, in the same building, +/- 213 m^2 of warehouse space.

This having been stated, the following is agreed:

Article 1 – Leased property

In addition to the aforementioned lease, the lessor is herewith leasing to the lessee, who accepts, the following space, in the same building located in Mechelen, Generaal De Wittelaan 11A, on the first floor:

- **+/- 467 m^2 of office space, and +/- 46 m^2 of sanitary facility space, or together +/- 513 m^2 gross, including part of the common spaces;-**
- **+/- 116 m^2 gross reception area space, including part of the common spaces;**
- **+/- 27 m^2 storeroom**
- **12 permanent parking spaces and 12 temporary parking spaces**

as shown in the attached plan (***Addendum 1***), and for the parking spaces the layout plan still to be drawn up by the parties, which shall be attached to this agreement as ***Addendum 2*** within six (6) weeks after the taking effect of this agreement.

Hereinafter referred to as “the leased property”.

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the lessee.

Article 2 - Term of the agreement.

The present Addendum 7 shall take effect on **January 1, 2008** and end on the same date as the aforementioned initial notarial lease, i.e. **May 31, 2015.**

Article 3 - Rent

The rent is stipulated as follows:

- The rent per m^2 for these additionally leased office spaces and sanitary facility spaces shall be identical to that which is stipulated in the aforementioned notarial deed, i.e. base rent for offices €104.12/m^2/year (base index 125.08), or currently €120.28/m^2/year x 513 m^2 = **€61,703.64/year.**
- The rent per m^2 for the reception area space with shall be identical to that which is stipulated in the aforementioned addendum 5 of 03/23/2006, i.e. base rent €45/m^2/year (base index 141.04), or currently
€45.18/m^2/year x 116 m^2 = **€5,240.88/year.**
- The rent for the permanent parking spaces shall be €450.00/space/year x 12 spaces = €**5,400**/year.
- The rent for the temporary parking spaces shall be €450/space/year x 12 spaces = €**5,400**/year.

or all together €**77,744.52/year** or €19,436.13/quarter.

The indexing of this rent amount shall be done at the same time and in the same way as the rent stipulated in the aforementioned notarial deed, i.e. on June 1 of each year.

The trimestral rent shall be payable in advance by January 1, April 1, July 1 and October 1 of each year, to the account number 310-1658419-96 of the lessor or any other account number to be provided to the lessee by the lessor, and in Euros. Any banking costs for the transfer shall be at the expense of the lessee.

Article 4 - Description of the leased property

The leased property is known by the lessee, who has visited it and requests no further description thereof, and who accepts it in the basic shell condition it will brought into by the lessor, at its expense, at the latest within three weeks after receipt by the lessor of the signed copies of the present addendum 7.

The lessor shall thus perform the work as described in the attached list (***Exhibit 3***):

The leased space is exclusively intended to be used as office space (including a server location as necessary) and reception area space.

The parking spaces are exclusively intended for passenger cars and small commercial vans. It is expressly forbidden to store goods there or wash or service a vehicle there. However the lessee does have the right to use at most two (2) adjacent parking spaces for the placement of small waste containers, on the condition it involves parking spaces that are not located on the side of the main entrance of the building and that the containers are properly maintained and tidy. These spaces are to be determined in consultation with the lessor, in all fairness, keeping in mind the esthetics of the office park.

Article 5 - Current state

A report of condition upon commencement shall be drawn up, at shared costs, by expert L. De Decker or M. Bernaerts, within the week after performance of the work by the lessor, as provided in article 4 of the present Addendum 7.

Article 6 - Bank guarantee

The lessee shall, within the month after the signing of the present Addendum 7, present to the lessor, upon first request, a new (or modification of the existing) unilateral, irrevocable, abstract and transferable bank guarantee, to the amount of six months' rent for the totality of the leased properties. This guarantee must remain in effect up to six months after expiry of the part of the lease agreement to which this Addendum 7 pertains, unless the lessor and lessee mutually agree to a shorter period.

Article 7 - Parking spaces

Based on the lease agreement of June 30, 1999 and the addenda numbers 1 through 6 to the aforementioned lease agreement and the present addendum 7, the lessee now leases a total of 59 permanent parking spaces from the lessor, and also 12 temporary parking spaces. Where the temporary parking spaces are concerned, it has been agreed that they may be canceled at any time by the lessor and/or by the lessee, subject to prior notice of one month, by the end of any month, and to the extent this is necessary for leasing the still available office spaces in the building in which the lessee is established.

The lessor shall ensure a reasonable distribution and spacing of the permanent parking spaces located in front of the main entrance of the building, in such a way that the lessee will have at minimum four permanent parking spaces to use close to the main entrance. The parties shall work out a solution regarding this within a reasonable timeframe.

Article 8 - Commercial contribution to the rent by the lessor

Under the present Addendum 7 the lessor is granting to the lessee a total commercial discount of 79,200 Euros. This discount shall be: 1°) used by the lessor, to the amount of 36,630 Euros, to enlarge and renovate the sanitary facilities, which at the request of the lessee shall no longer be shared with other users of the building, but that hence privately forms an integral part of the spaces leased below; and 2°) counted against the rent as follows, to the amount of 42,570 Euros:

1/ For the period from 01/01/2008 to 03/31/2008 no rent shall have to be paid by the lessee for the spaces leased in this Addendum 7 (with exception of the parking spaces). For informational purposes: this temporary exemption from rent represents a total value of €16,737.13.

2/ For the period from 04/01/2008 to 12/31/2008 the lessor shall furnish a credit to the lessee for the second, third and fourth calendar quarter of 2008 together with the invoice for the rent of the quarter in question, which credit shall be deductible from such invoice. The amount of such a credit shall be 8,611.29 Euros per quarter.

Starting 01/01/2009 the rent for the leased spaces shall be owed integrally without discount.

Article 9 - Performance of alteration work by the lessee

The lessor herewith grants permission to the lessee to perform the work mentioned below, at its own expense and sole responsibility, in accordance with the rules of the art, as per the plans attached hereto (***Exhibit 4***). Subject to approval of the lessor, these plans may be altered, at the request of the lessee, if necessary, whereby it has been agreed, however, that for noninvasive alterations of these plans no prior new approval from the lessor shall be required.

- Creation of a kitchen unit at the back of the reception area space;
- Modification of reception area space with storage/desk and installation of an additional stair and platform, with passageway to the adjacent offices;
- Creation of office space (marked in plan as “commercial space”);
- In general, performance of the necessary alteration work, in order to make the leased spaces ready to be used, in accordance with the standard instructions for interior furnishing work as described in ***Exhibit 5.***

Article 9 - Return of the leased property

Unless agreed otherwise, at the end of the lease the lessee shall be required to return the leased property in basic shell condition as delivered by the lessor upon commencement of the lease, taking into account normal wear and tear, and as stated in the attached table “Requirements for refurbishment at End of lease” (***Exhibit 6***).

Article 10 - General Provision

Otherwise, all provisions of the aforementioned lease agreement of 06/30/1999 and addenda 1 through 6 shall remain integrally in force, and also applicable to the current agreement, unless otherwise stipulated in the current agreement.

For the levying of the registration fees, the total lease costs, at the expense of the lessee, are estimated at 5%.

Drawn up in triplicate in Berchem on *01/31/2008*, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

The Lessor
Intervest Offices NV,

/s/ Jean-Paul Sols
/s/ Inge Tas

The Lessee
Galapagos NV,

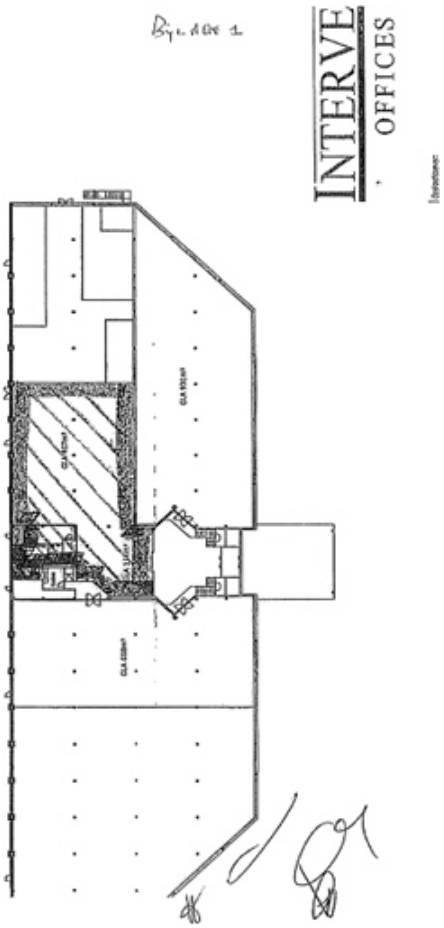
/s/ Onno van de Stolpe
Onno van de Stolpe
CEO

/s/ Leo Steenbergen
Leo Steenbergen
CFO

[stamp:] GALAPAGOS NV
LEGAL

Exhibit 1: plan of leased space
Exhibit 2: layout plan for parking spaces
Exhibit 3: list of demolition work to be performed by lessor
Exhibit 4: plan of permitted work
Exhibit 5: interior furnishing work instructions
Exhibit 6: requirements for refurbishment at end of lease

***



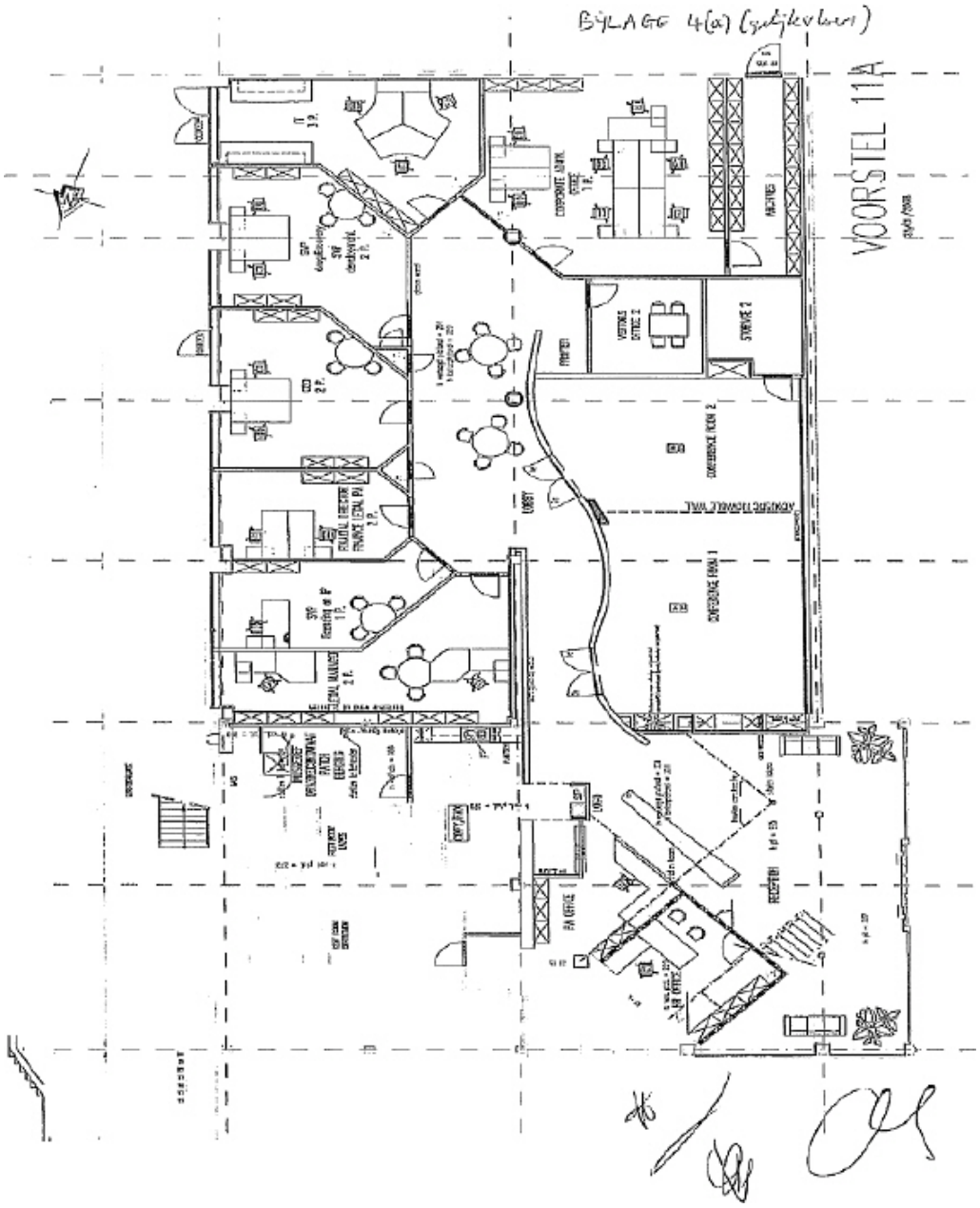
Flemish
Bijlage 1
Opdrachtgever:

English
Addendum 1
Client

Exhibit 3

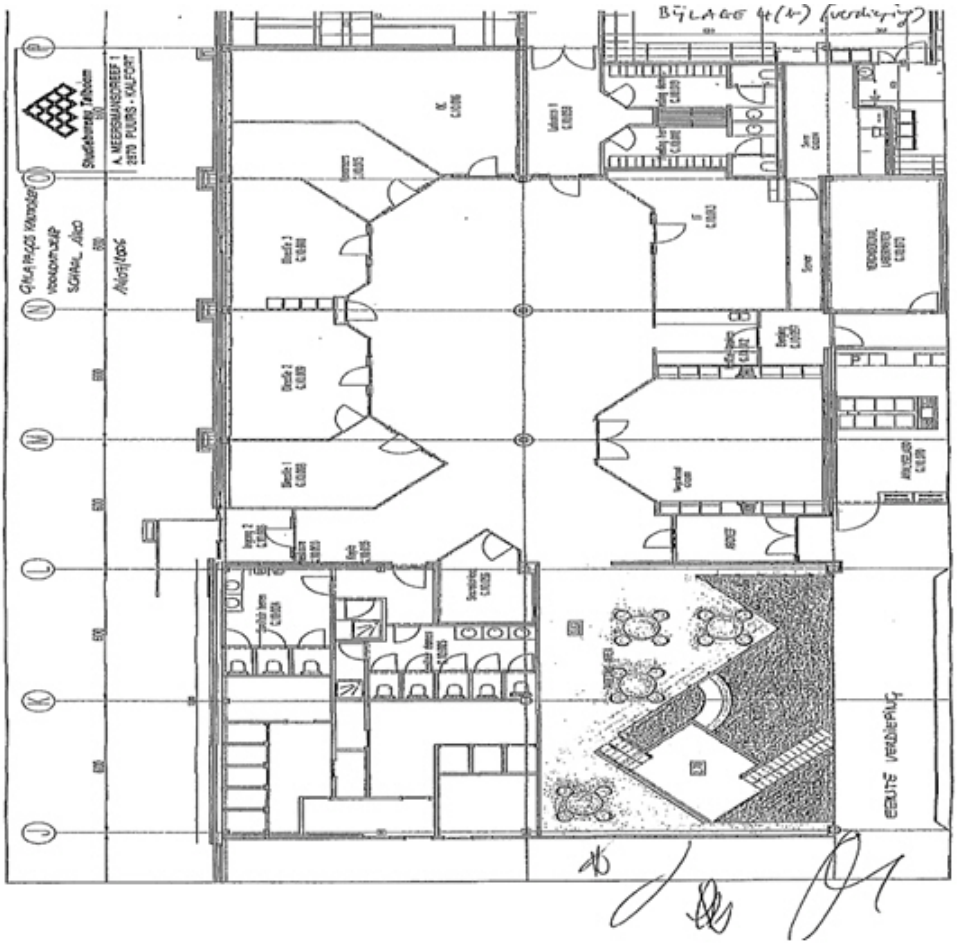
Exhibit 3 – List of work to performed by the lessor

1. Relocation of fire hose
2. Disassembly of existing VRF system
3. Installation of separation wall
4. Dismantling of windowsills, curtain cabinets and sunblinds
5. Dismantling of ramp on inside of double emergency door
6. Finishing of painting of fire hose in toilets



Flemish
Bijlage 4(a) (gelijkvloers)
VOORSTEL 11A
23/01/2008
glazen wand
h verhoogd plafond
DRANKECONOMAAT
BERGING

English
Addendum 4(a) (first floor)
PROPOSAL 11A
01/23/2008
glass wall
heightened ceiling
DRINKS MACHINE
STORAGE



Flemish

Bijlage 4(a) (verdieping)
KANTOREN
VOORONTWERP
Sanitair heren
SCHAAL
Sanitair dames
Secretariaat
Ingang
Vestiaire
Directie
EERSTE VERDIEPING
ARCHIEF
Vergaderzaal
ANALYSELABO
Koffie-keuken
Berging
VERGADERZAAL LABORANTEN
Kleding heren
Kleding dames

English

Addendum 4(b) (second floor)
OFFICES
PRELIMINARY DRAFT
Men’s sanitary facilities
SCALE
Women’s sanitary facilities
Secretariat
Entrance
Vestibule
Management
SECOND FLOOR
ARCHIVES
Meeting room
ANALYTICAL LABORATORY
Coffee kitchen
Storeroom
LAB WORKER MEETING ROOM
Men’s dressing room
Women’s dressing room

Exhibit 5

In follow-up to your request for the *SETTING-UP OF NEW OFFICES WITH RECEPTION AREA AND INSTALLATION OF STAIRS* we are herewith giving you a positive answer, under the following conditions:

- The installation must be carried out in accordance with the rules of the art and in compliance with the governing laws and ordinances, completely at the expense and accountability of the lessee; any authorizations and/or permits must be requested by the lessee and at its sole responsibility.
- The work must be carried out in accordance with the plans attached hereto (Exhibit 4). These plans may be altered, subject to the lessor's approval, at the request of the lessee, if necessary, whereby it has been agreed, however, that no prior new approval from the lessor shall be required for non-invasive alterations of these plans.
- No damage to the building and minimal inconvenience to the neighbors may be caused.
- At the end of the lease everything must be returned to its original basic shell condition, unless the owner chooses to keep the changes without compensation, in accordance with the lease contract.
- The lessee shall be responsible for all possible reasonable and necessary supplementary costs for maintenance to the building caused by the installation of the respective system.

***

Exhibit 6

Exhibit 6 Requirements for Refurbishment by Galapagos at End of Lease (basic shell condition)

Electric board for offices + inspection + single wire diagram.
Electric board for atrium + inspection + single wire diagram.
VRF system (cooling + heating of office space on independent system).
Sanitary facilities for women and men (as completely set up by Intervest at start of Addendum 7).
Kitchenette (as set up according to Galapagos plans).

The above-mentioned technical systems must be delivered in normal working order.

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001
ADDENDUM 8 – Addition of office space on first floor

Between the undersigned:

1. **INTERVEST OFFICES N.V.,** with registered headquarters Uitbreidingstraat 18, 2600 Berchem (Antwerp), represented in that place by 1/ the BVBA [limited liability company] Jean-Paul Sols, CEO, represented here by its business manager Mr. Jean-Paul Sols and 2/ Ms. Inge Tas, CFO;

hereinafter referred to as "the Lessor"

and

2. **GALAPAGOS NV** (formerly known as GALAPAGOS GENOMICS NV), established Generaal de Wittelaan L11 A3, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO;

hereinafter referred to as "the lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of February 21, 2001, and addendum 1 and 2 the lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan L11 A3, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement Addendum 3 of 02/13/2004 the lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the lessor provided to the lessee, for temporary use, +/-20 m^2 of floor space in a larger warehouse located at Gen. De Wittelaan 9.

In addendum 5 of 03/23/2006 the provision for use according to addendum 4 was terminated early, and the lessee additionally leased a +/- 100 m^2 warehouse space in the same building Gen. De Wittelaan L11 A3 in Mechelen.

In addendum 6 of 02/06/2007, the lessee additionally leased, in the same building, +/-213 m^2 of warehouse space.

In addendum 7 of 08/31/2008, the lessee additionally leased, in the same building, +/- 513 m^2 of office and sanitary facility space, +/- 116 m^2 of reception area space, +/- 27 m^2 of storage space, and 24 parking spaces.

This having been stated, the following is agreed:

Article 1 - Leased property

In addition to the aforementioned leases, the lessor herewith leases to the lessee, who accepts, the following space, in the same building located in Mechelen, Generaal De Wittelaan 11A, on the first floor: /- **716 m^2 of office space with private kitchen, including part of the common areas**, as marked 0/A and shaded dark on the attached plan (*Exhibit 1*).

Hereinafter referred to as “the leased property”.

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the lessee.

Article 2 - Term of the Agreement.

The present Addendum 7 shall take effect on **July 1, 2009** and end on the same date as the aforementioned initial notarial lease, i.e. **May 31, 2015**.

Moreover, the lessee shall have the possibility to cancel the herewith additionally leased space, by the end of the third year, i.e. by June 30, 2012, provided this is done so by registered notice of cancellation to the lessor at the latest three months before the same date, i.e. at the latest March 31, 2012.

Furthermore, the lessee shall have the possibility to cancel the herewith additionally leased space, at any time as of the commencement of this Addendum 8, provided this is done so by giving notice of cancellation of three months by registered letter addressed to the lessor, and on the condition that the lessee leases a space of at least the same surface area as that being leased with this Addendum 8, in the buildings that are being leased on the date of this Addendum 8 by the lessor to Virco/Tibotec at Generaal De Wittelaan in Mechelen.

Article 3 - Rent

The rent shall be €95/m^2/year or 68,020 m^2/year, or €17,005/quarter.

The indexing of this rent amount shall be done at the same time and in the same way as the rent stipulated in the aforementioned notarial deed, base index June 2009.

Article 4 - Current State

A report of condition upon commencement shall be drawn up, at shared costs, by expert L. De Decker or M. Bernaerts, within the month after the signing of the present contract.

Article 5 - Bank Guarantee

The lessee shall, within the month after the signing of the present Addendum 8, present to the lessor, upon first request, an additional (or modification of the existing) unilateral, irrevocable, abstract and transferable bank guarantee, whereby for these additionally leased properties a guarantee to the amount of four months' rent shall be furnished. This guarantee must remain in effect up to six months after expiry of the part of the lease agreement to which this Addendum 8 pertains.

Article 6 - Commercial contribution to the rent by the lessor

The lessor is granting to the lessee a total commercial discount on the rent to the amount of 37.50% of the rent for the herewith additionally leased space, for 12 months as of the commencement of the present lease contract. During this period the rent shall hence be reduced to €59.38/m²/year for the 716 m² of leased surface area, or to €42,516.08/year or €10,629.02/quarter.

For the period from 07/01/2009 to 06/30/2010 the lessor shall each quarter furnish a credit to the lessee together with the invoice for the rent of the quarter in question, which credit shall be deductible from such invoice. The amount of the credit shall be €6,375.98 per quarter.

Starting 07/01/2010 the rent for the leased spaces shall be owed integrally without discount.

Article 7 - Performance of work by the lessor

The lessor shall have the following work done at its own expense, at the latest within the month after the taking of effect of the present addendum:

- shampooing of the existing stains on the carpet
- washing off or repainting of soiled spots on the walls

Article 8 - Return of the leased property

Unless agreed otherwise, at the end of the lease the lessee shall be required to return the leased property in basic shell condition as delivered by lessor upon commencement of the lease, taking into account normal wear and tear.

Article 9 – General Provision

Otherwise, all provisions of the aforementioned lease agreement of 06/30/1999 and addenda 1 through 7 shall remain integrally in force, and also applicable to the current agreement, unless otherwise stipulated in the current agreement.

For the levying of the registration fees, the total lease costs, at the expense of the lessee, are estimated at 5%.

Drawn up in triplicate in Berchem on *July 14, 2009*, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Jean-Paul Sols /s/ Inge Tas

The Lessor
Intervest Offices NV

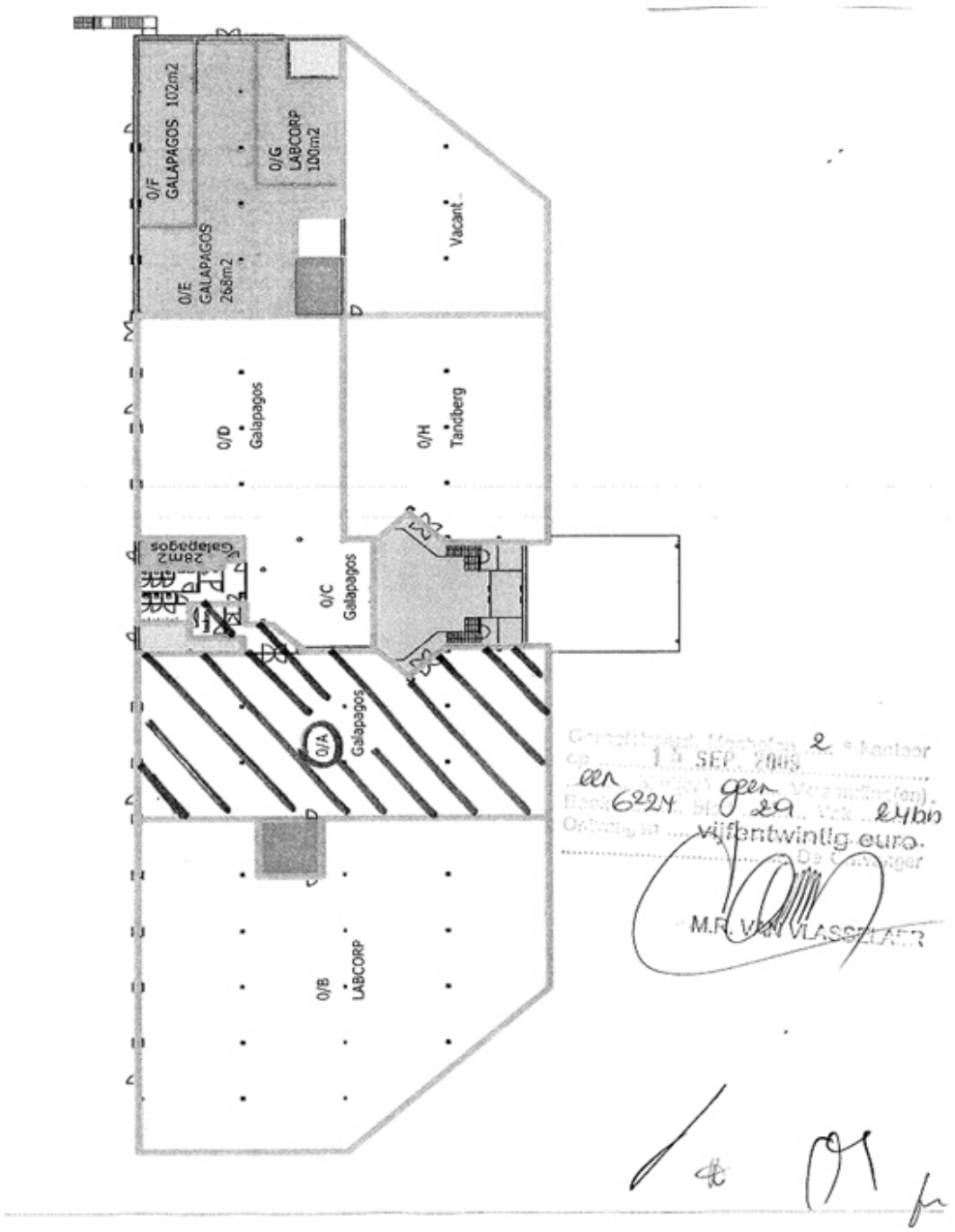
/s/ Onno van de Stolpe

The Lessee
Galapagos NV
Onno Van De Stolpe, CEO

[stamp:] GALAPAGOS NV
LEGAL

Exhibit 1: plan of leased space

[stamp:]
Registered, Mechelen *2nd* office
on [stamp:] SEP. 15, 2009
four page(s) *no* Dispatch(es)
VOLUME *62 24* Page *29* Section *24*
Received: *nine hundred and thirty-four Euros and forty-four cents* Recipient
(934.44)



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on [stamp:] SEP. 15, 2009
one page(s) *no* Dispatch(es)
VOLUME *62 24* Page *29* Section *24b*
Received: [stamp:] twenty-five Euros
.....The Recipient
/s/ M.R. Van Vlasselaer
[stamp:] M.R. VAN VLASSELAER

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001 plus addenda

**ADDENDUM 9: PARTIAL EARLY TERMINATION OF LEASE -
ADDITIONAL LEASE — LEASE EXTENSION**

Between the undersigned:

1. **INTERVEST OFFICES N.V.,** with registered headquarters at Uitbreidingstraat 18, 2600 Berchem (Antwerp), represented in that place by 1/ the BVBA [limited liability company] Jean-Paul Sols, CEO, represented here by its business manager Mr. Jean-Paul Sols and 2/ Ms. Inge Tas, CFO;

hereinafter referred to as "the Lessor"

and

2. **GALAPAGOS NV** (formerly known as GALAPAGOS GENOMICS NV), established at the Generaal de Wittelaan L11 A3, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO;

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of 02/21/2001, and addendum 1 and 2 the Lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan L11 A3, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000 and ending on 05/31/2015.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement "Addendum 3" of 02/13/2004 the Lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the Lessor provided to the Lessee, for temporary use, ± 20 m^2 of floor space in a larger warehouse located at Gen. De Wittelaan 9 in Mechelen.

In addendum 5 of 03/23/2006 the provision for use according to addendum 4 was terminated early, and the Lessee additionally leased a ± 100 m^2 warehouse space in the same building Gen. De Wittelaan L11 A3 in Mechelen, effective 03/01/2006 and ending on 05/31/2015.

In addendum 6 of 02/06/2007, the Lessee additionally leased, in the same building, +/-213 m^2 of warehouse space, effective 02/01/2007 and ending on 05/31/2015.

In addendum 7 of 08/31/2008, the Lessee additionally leased, in the same building, ± 513 m^2 of office and sanitary facility space, ± 116 m^2 of reception area space, ± 27 m^2 of storage space, and 24 parking spaces, effective 01/01/2008 and ending on 05/31/2015.

In addendum 8 of 07/14/2009 the Lessee additionally leased, in the same building, ± 716 m^2 of office space with private kitchen, effective 07/01/2009 and ending on 05/31/2015.

The Lessee therefore has in lease today 3,093 m^2 of office space, 116 m^2 of reception area space, 340 m^2 of storage space, and 71 outside parking spaces, with a current annual rent of €432,446.96.
This having been stated, the following is agreed:

A / PARTIAL EARLY TERMINATION OF THE LEASE

The parties agree to terminate early the lease of the 716 m^2 of office space with private kitchen, leased in addendum 8 of 07/14/2009, marked as unit 0/A and shaded yellow in the attached plan (*Addendum 1*), effective September 16, 2011.

The total annual rent for all spaces being leased by the Lessee shall therefore be reduced by €71,390.70 as of September 16, 2011.

The keys to the leased property will be handed over to the Lessor after the drawing up of the property description upon commencement, in conformance with the provisions of the aforementioned lease contract, which shall occur by September 16, 2011.

B/ ADDITIONAL LEASE

Article 1 - Leased property

The Lessor herewith leases to the Lessee, who accepts, the following space, in the same building located in Mechelen, Generaal De Wittelaan 11A, on the first floor, ± **458 m^2 of office space, including part of the common spaces,** as marked as unit 0/H and shaded yellow in the attached plan (*Exhibit 1*).

Hereinafter referred to as “the leased property”.

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the Lessee.

Article 2 - Term of the agreement.

The present additional lease took effect on **September 16, 2011** and will end on **May 31, 2024**.

Only the Lessee shall have the right to terminate the extended contract early, as per 05/31/2020, provided this is done so by registered notice of cancellation of at least 12 months in advance.

Article 3 - Rent

The rent shall be €95/m^2/year or €43,510/year, or €10,877.50/quarter.

The indexing of this rent amount shall be done at the same time and in the same way as the rent stipulated in the aforementioned notarial deed, base index June 2009 (125.72).

The current rent is therefore 43,510 x 132.46/125.72 = €45,842.62 per year.

Article 4 – Condition of the Leased Property - Current State

A report of condition upon commencement shall be drawn up, at shared costs, by expert M. Bernaerts, within the month after the signing of the present contract.

The Lessor herewith assigns, at no cost, to the Lessee, which accepts, the complete set-up as will be present in the Leased Property on the effective date of the present addendum.

The Lessee shall, at the end of the lease, return the Leased Property to the Lessor in so-called empty shell condition (so “empty”, without interior furnishings), unless at such time the Lessor decides to accept the spaces with the then existing furnishings, taking into account normal wear and tear.

C/ LEASE EXTENSION

1/ The parties agree to extend the aforementioned existing contracts of 06/30/1999 and 02/21/2001, and the additional lease agreements contained in addenda 3, 5, 6, and 7, by nine years, so for a period from that runs from 06/01/2015 to 05/31/2024.

Only the Lessee shall have the right to terminate the extended contract early, on 05/31/2020, provided this is done so by registered notice of termination at least 12 months in advance.

2/ As commercial contribution for this nine year extension, the Lessor shall grant the Lessee an annual discount on the overall rent, by means of trimestral credits deducted from the rental invoices, to the amount of €84,000 a year, or €21,000 per trimester, for the period 09/01/2011 through 05/31/2020, and to the amount of €44,000 a year, or €11,000 per trimester, for the period 06/01/2020 through 05/31/2024. The aforementioned rent discount shall be indexed annually in the same way as the rent, as of September 16, with base index August 2011.

3/ If the Lessee exercises his aforementioned right to terminate the lease on 05/31/2020, he shall be required to pay back part of the abovementioned rental discounts to the Lessor, namely €155,000 (one hundred and fifty-five thousand Euros, doing so within three months after notice is given.

4/ The parties expressly acknowledge that the minimum term up through 05/31/2020, as stipulated above, constitutes an essential condition of this agreement, without which the Lessor would not have entered into this lease extension with contribution. In the event this addendum regarding the extension of the lease by nine years should be breached by the Lessee before 05/31/2020, all contributions, as stipulated above, shall be paid by the Lessee back to the Lessor, at the latest within the month after such breach.

5/ The Lessee shall, within the month after the signing of the present Addendum 9, have the existing bank guarantee extended, through 11/30/2024, doing so for an amount equal to six months’ reduced overall rent.

6/ Otherwise all existing provisions contained in the contracts of 06/30/1999 and 02/21/2001, and all addenda, shall remain integrally in effect for the remaining term thereof, as well as for this extension, with the exception of the rent, as mentioned under 2.

D/ GENERAL PROVISION

For the levying of the registration fees, the total lease costs, at the expense of the Lessee, are estimated at 5%, and the overall additional net rent (i.e. the rent after implementation of all discounts) is stipulated at €3,565,516.05 for the period 09/01/2011 through 05/31/2024.

****

[SIGNATURES ON NEXT PAGE]

Drawn up in triplicate in Berchem on **September 30, 2011**, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Inge Tas

The Lessor
Intervest Offices NV

/s/ Onno van de Stolpe

The Lessee
Galapagos NV

Exhibits:

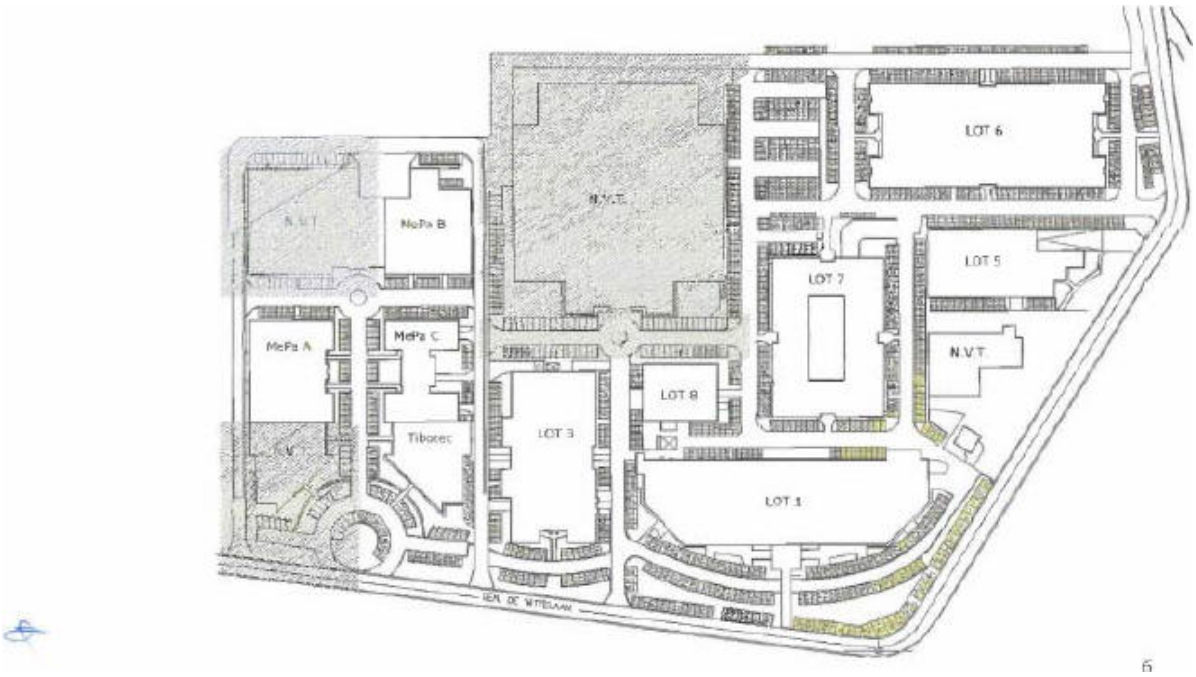
1. Plan of the Leased Property
2. Plan of outside parking spaces

Exhibit 1: Plan of the Leased Property

Flemish
keuken

English
Kitchen

Exhibit 2: Plan of Outside Parking Spaces



Flemish	**English**
N.V.T.	N/A

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001 plus addenda

ADDENDUM 10 - Addition of laboratories in IB8

Between the undersigned:

1. **INTERVEST OFFICES N.V.,** with registered headquarters at Uitbreidingstraat 18, 2600 Berchem (Antwerp), represented in that place by 1/ the BVBA [limited liability company] Jean-Paul Sols, CEO, represented here by its business manager Mr. Jean-Paul Sols and 2/ Ms. Inge Tas, CFO;

hereinafter referred to as "the Lessor"

and

2. **GALAPAGOS NV** (formerly known as GALAPAGOS GENOMICS NV), established at the Generaal de Wittelaan L11 A3, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO;

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of 02/21/2001, and addendum 1 and 2 the Lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan L11 A3, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000 and ending on 05/31/2015.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement "Addendum 3" of 02/13/2004 the Lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the Lessor provided to the Lessee, for temporary use, ± 20 m^2 of floor space in a larger warehouse located at Gen. De Wittelaan 9 in Mechelen.

In addendum 5 of 03/23/2006 the provision for use according to addendum 4 was terminated early, and the Lessee additionally leased a ± 100 m^2 warehouse space in the same building Gen. De Wittelaan L11 A3 in Mechelen, effective 03/01/2006 and ending on 05/31/2015.

In addendum 6 of 02/06/2007, the Lessee additionally leased, in the same building, +/-213 m^2 of warehouse space, effective 02/01/2007 and ending on 05/31/2015.

In addendum 7 of 01/31/2008, the Lessee additionally leased, in the same building, ± 513 m^2 of office and sanitary facility space, ± 116 m^2 of reception area space, ± 27 m^2 of storage space, and 24 parking spaces, effective 01/01/2008 and ending on 05/31/2015.

In addendum 8 of 07/14/2009 the Lessee additionally leased, in the same building, ± 716 m^2 of office space with private kitchen, effective 07/01/2009 and ending on 05/31/2015.

The Lessee therefore has in lease today 3,093 m^2 of office space, 116 m^2 of reception area space, 340 m^2 of storage space, and 71 outside parking spaces, with a current annual rent of €432,446.96.

In addendum 9, on this day the aforementioned lease agreements of 06/30/1999 and 02/21/2001 and all addenda were extended by nine years, from 06/01/2015 to 05/31/2024, 458 m^2 of office space on the first floor was additionally leased, and the lease for 716 m^2 of office space plus kitchen was terminated early.

This having been stated, the following is agreed:

Article 1 - Leased property

In addition to the aforementioned leases, the Lessor herewith leases to the Lessee, who accepts, the following spaces, in the adjacent building located in **Mechelen, Generaal De Wittelaan 21:**

1. (A) ± 753 m^2 of laboratory space on the 3rd floor, (B) plus the undivided half of the ± 165 m^2 of shared entrance and hallways (see also article 7) on the first floor, so ± 83 m^2, and (C) plus two technical storerooms each ± 18 m^2 and a ± 24 m^2 storage location for dangerous substances outside, together ± 60 m^2, as colored in on the attached plan (Addendum 1).
2. +/- 760 m^2 of laboratory space on the 2nd floor, as colored in on the attached plan (Exhibit 2).
3. 10 parking spaces, numbered 325 through 330, and 309 through 312, and as colored in on the attached plan (Exhibit 2).

Hereinafter referred to as “the Leased Property”.

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the Lessee.

The Leased Property is being leased in the state it is currently in and is known by the Lessee, who declares having viewed and inspected all aspects of the Leased Property.

A report of condition upon commencement shall be drawn up, at shared costs, by expert M. Bernaerts, within the month after the signing of the present contract.

The Lessor reserves the right to change or exchange the aforementioned parking places at any time if this is required e.g. for work, safety or internal organization of the building and without doing so producing a right to damage compensation for the Lessee.

Article 2 - Purpose of the Leased Property

The Leased Property is exclusively intended to be used as laboratory space. The leased parking spaces are exclusively intended for passenger cars and small commercial vans.

The Lessor is not familiar with the activity the Lessee intends to carried out in the Leased Property and the Lessor does not guarantee that the Leased Property meets requirements that, if necessary, may imposed on the activities undertaken by the Lessee.

Article 3 - Term of the Agreement

The present Addendum 10 took effect on **August 1, 2011** and will end on **May 31, 2024**, just as the other aforementioned contracts plus addenda.

The Lessee shall have the possibility to cancel the lease for both leased spaces by May 31, 2020, and furthermore exclusively the lease of the space mentioned above in article 1 number 2 (laboratory section on the second floor) by July 31, 2014, provided this is done so by registered notice of cancellation at least six (6) months in advance.

The Lessor shall also be able to cancel the lease of the Leased Property at any time, as long as he has a candidate tenant for the entire building, and may do so with a prior notice of 12 months. At such time the Lessee shall have a priority right, however, to lease the parts of the building not yet leased, under conditions that are consistent with the conditions the Lessee is currently enjoying at that time for the space mentioned above in article 1, number 1. Termination by virtue of this provision, however, may not take effect before July 31, 2013.

The Lessor may likewise cancel the lease for the aforementioned space at any time, if he has another candidate for the space mentioned in article 1 number 2 (i.e. on the second floor), and subject to a prior notice of six months. At that time the Lessee shall likewise have a priority right, however, to lease the aforementioned space, under conditions that are consistent with the conditions the Lessee is currently enjoying at that time for the space mentioned above in article 1, number 1. Termination by virtue of this provision, however, may not take effect before July 31, 2014.

Article 4 - Rent

The rent shall be:

1. for the laboratories: €200/m^2/year or €302,600/year, or €75,650/quarter.
2. for the technical storerooms: €45/m^2/year or €2,700/year or €675/quarter;
3. for the common spaces: €95/m^2 per year, or €7,885/year, or €1,971.25/quarter
4. for the parking spaces: €465/parking space/year or €4,650/year or €1,162.50/quarter

Or in total €317,835/year or €79,458.75/quarter.

The indexing of this rent shall occur at the same time and in the same way as the rent stipulated in the aforementioned notarial deed, but with base index August 2011.

For this addition leasing for 13 years, the Lessor shall grant the Lessee an annual discount on the overall rent, by means of trimestral credits deducted from the rental invoices, to the amount of €54,120 a year, or €13,530 per trimester, for the period 08/01/2011 through 05/31/2020, and to the amount of €30,120 a year, or €7,530 per trimester, for the period 06/01/2020 through 05/31/2024. The aforementioned rent discount shall be indexed annually in the same way as the rent, as of September 16, with base index August 2011.

With regard to the laboratory section on the second floor the Lessor shall grant the Lessee, in the same way as well, an annual discount of €152,000, and doing so for the period 08/01/2011 through 07/31/2014 (so a rent-free period for the first three years).

For the period from 08/01/2014 to 05/31/2024 an annual discount shall be granted for that space of (760 x 40) = €30,400.

The amount of these discounts shall be indexed in the same way as the rent, base index August 2011.

If the Lessee exercises his aforementioned right to terminate the lease on 05/31/2020, he shall be required to pay a part of an amount back to the Lessor, mainly €236,775, and doing so within three months after the given notification.

Should this addendum be terminated early before 05/31/2020 due to liquidation of the Lessee, or legally severed at the expense of the Lessee, the discounts granted, for the lapsed period, shall have to be paid back integrally by the Lessee, with exception of the discounts for the laboratory section on the second floor (760 m^3), and doing so at the latest within a month after the early termination or severance.

Article 5 - Bank guarantee

The Lessee shall, within the month after the signing of the present Addendum 10, furnish to the Lessor a unilateral, irrevocable, abstract and transferable bank guarantee, upon first request, to the amount of six months' rent, in accordance with the appended model. This guarantee shall be required to remain valid up to six months after the end of the lease agreement, i.e. 11/30/2024.

Article 6 - Return of the leased property

Unless agreed otherwise, at the end of the lease the Lessee shall be required to return the leased property in the condition described in the property description prepared upon commencement, taking into account normal wear and tear.

Article 7 - Special provisions

Given that at the current time no other tenant is occupying the building, the Lessee shall be able to make integral use of the common entrance and hallways on the first floor.

In the event more tenants move into the building, the aforementioned shared entrance and hallways on the first floor shall be used mutually. At that time the Lessee shall give any additional tenant the possibility to lease one of the technical storerooms of +/ 18 m^2 and the rent for the storerooms leased by the Lessee shall be reduced proportionally. As mutually agreeable an arrangement shall also be worked out for use of the ± 24 m^2 storage space for dangerous substances outside.

The Lessor shall not charge the Lessee for any utilities or costs related to any governmental taxes/charges that rest on the building, inasmuch as such costs and taxes/charges (prorated or otherwise) pertain to areas that are not part of the herewith Leased Property.

The other common rental charges for the entire building shall be borne by the Lessee, as long as no other tenant is occupying the building.

In the event multiple tenants move into the building, these expenses shall be proportionally divided among the various tenants.

Article 8 - General Provision

Otherwise all provisions of the aforementioned lease agreements of 06/30/1999 and 02/21/2001 and all addenda shall remain integrally in force, and also applicable to the current agreement, unless otherwise stipulated in the present agreement.

For tax purposes, the total rental charges, at the expense of the lessee, are estimated at 5%.

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[SIGNATURES ON NEXT PAGE]

Drawn up in triplicate in Berchem on **September 30, 2011**, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Inge Tas

The Lessor
Intervest Offices NV

/s/ Onno van de Stolpe

The Lessee
Galapagos NV

Exhibits:

1. Plan of the Leased Property
2. Plan of outside parking spaces
3. Model bank guarantee

Exhibit 1: Plan of the Leased Property – first floor

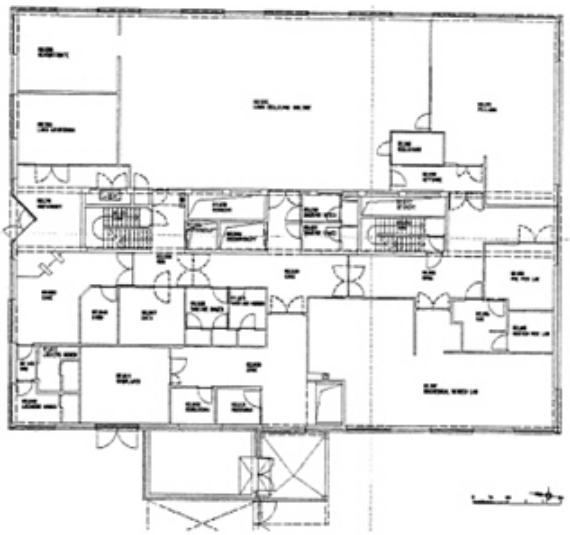


Exhibit 1: Plan of the Leased Property – 2nd floor

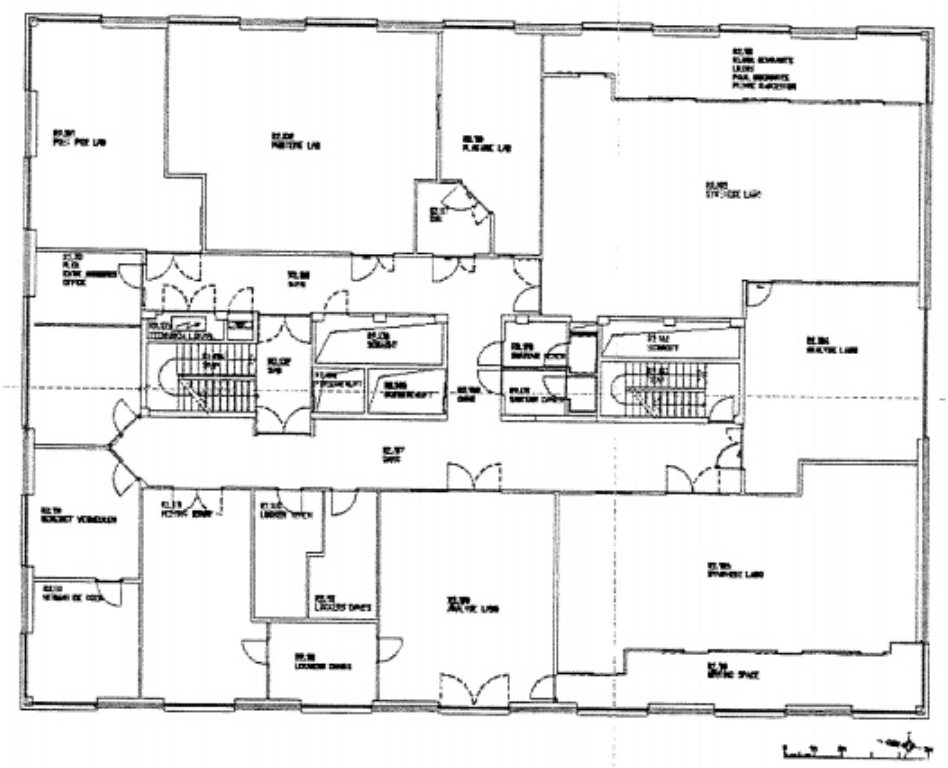


Exhibit 1: Plan of the Leased Property – 3rd floor

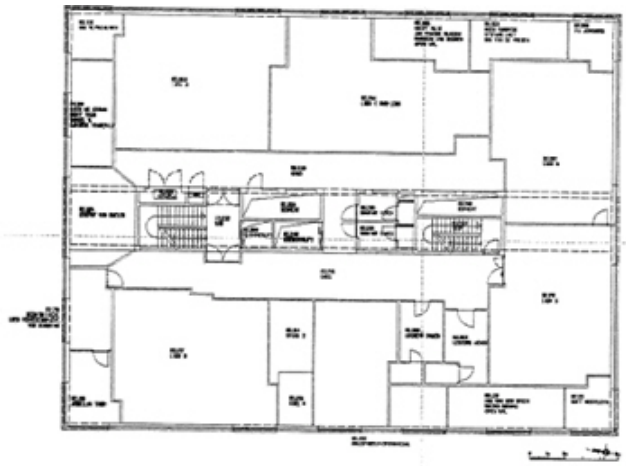
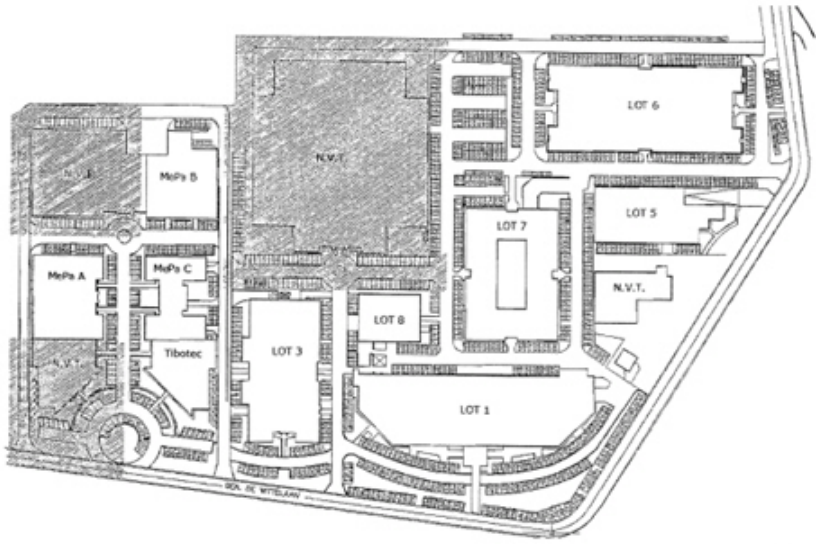


Exhibit 2: Outside parking plan



Flemish	**English**
N.V.T.	N/A

Intervest Offices NV/Galapagos NV

Addendum 10 (September 2011)

Exhibit 3: model bank guarantee

BANK GUARANTEE

This bank guarantee is provided by (Belgian bank) with registered office in , herein represented by .

To the benefit of Intervest Offices N.V., Uitbreidingstraat 18, 2600 Berchem (Antwerp) (hereinafter referred to as “the Lessor”) in implementation of article of the lease agreement entered into on between Lessor and (hereinafter referred to as “the Lessee”), and in which the Lessor leased to the Lessee for the period .

(bank) acknowledges having received a copy of the aforementioned lease agreement.

This bank guarantee forms an irrevocable, abstract and unconditional unilateral agreement, by virtue of which (Bank) agrees, under the conditions stipulated below, to pay the Lessor a certain sum upon first request.

The rules pertaining to the collateral and more specifically articles 2011 through 2039 of the Civil Code are not applicable to this bank guarantee.

1. The (Bank) guarantees to the amount of Euros, i.e. months’ rent, payment in full to the Lessor of all amounts owed to the latter by the Lessee by virtue of the above-mentioned lease agreement. The bank guarantee must be permanently equal to months’ rent.
2. This bank guarantee shall remain in effect up to six months after the end of the lease.
3. Notwithstanding any objection of the Lessee, the (Bank) shall release the bank guarantee to the benefit of the Lessor by paying to the latter, within five business days after receipt of its request to pay all sums owed to the Lessor by the Lessee.
4. The request for payment must be served to (Bank) by registered letter.
5. (Bank) declares that it has taken note of article 14 of the lease agreement regarding the bank guarantee.
6. The bank guarantee may not be revoked without written and formal agreement of the Lessor.
7. The bank guarantee is transferable to the Lessor’s rightful claimants by virtue of his capacity.

LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001 plus addenda

ADDENDUM 11: Termination of storage in IB8

Between the undersigned:

1. **INTERVEST OFFICES & WAREHOUSES N.V.,** with registered headquarters at Uitbreidingstraat 18, 2600 Berchem (Antwerp), represented in that place by 1/ the BVBA [limited liability company] Jean-Paul Sols, CEO, represented here by its business manager Mr. Jean-Paul Sols and 2/ Ms. Inge Tas, CFO;

hereinafter referred to as "the Lessor"

and

2. **GALAPAGOS NV** (formerly known as GALAPAGOS GENOMICS NV), established at the Generaal de Wittelaan L11 A3, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO;

hereinafter referred to as "the Lessee"

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of 02/21/2001, and addendum 1 and 2 the Lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan L11 A3, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000 and ending on 05/31/2015.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement "Addendum 3" of 02/13/2004 the Lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the Lessor provided to the Lessee, for temporary use, ± 20 m^2 of floor space in a larger warehouse located at Gen. De Wittelaan 9 in Mechelen.

In addendum 5 of 03/23/2006 the provision for use according to addendum 4 was terminated early, and the Lessee additionally leased a ± 100 m^2 warehouse space in the same building Gen. De Wittelaan L11 A3 in Mechelen.

In addendum 6 of 02/06/2007, the Lessee additionally leased, in the same building, +/-213 m^2 of warehouse space.

In addendum 7 of 01/31/2008, the Lessee additionally leased, in the same building, ± 513 m^2 of office and sanitary facility space, ± 116 m^2 of reception area space, ± 27 m^2 of storage space, and 24 parking spaces.

In addendum 8 of 07/14/2009 the Lessee additionally leased, in the same building, ± 716 m^2 of office space with private kitchen.

In addendum 9 of 09/30/2011 the aforementioned lease agreements of 06/30/1999 and 02/21/2001 and all addenda were extended by nine years, from 06/01/2015 to 05/31/2024, 458 m^2 of office space on the first floor was additionally leased, and the lease for 716 m^2 of office space plus kitchen was terminated early.

In addendum 10 of 09/30/2011 the Lessee additionally leased, in the adjacent building in Mechelen, Gen. De Wittelaan 21, 753 m^2 of laboratory space on the 3rd floor, 83 m^2 of common space, two technical storerooms 18 m^2 each, a 24 m^2 storage location, 760 m^2 of laboratory space on the 2nd floor, and 10 parking spaces.

On October 27, 2011 the name of Intervest Offices N.V. was changed to Intervest Offices & Warehouses N.V.

This having been stated, the following is agreed:

Article 1 -Termination of the lease for technical storage space

The parties refer to article 7 of the aforementioned addendum 10. Given that at the current time another tenant has leased the remaining part of the building Gen. De Wittelaan 21, **effective February 1, 2012** the lease of one technical storage space in a separate location outside (marked 005 on the attached plan) was terminated early. The Lessee shall also make an arrangement with the other tenant for shared use of the storage space for dangerous substances, (marked 004 on the attached plan) in a separate location outside.

Article 2 - Rent

The rent for the laboratories and appurtenances in the building Gen. De Wittelaan shall therefore also **be reduced** by
€45 x (18 m^2 +12 m^2) = **€1,350 per year**, or €337.50 per quarter, indexed in accordance with the provisions of the aforementioned addendum 10.

Article 3 - General Provision

Otherwise all provisions of the aforementioned lease agreements of 06/30/1999 and 02/21/2001 and all addenda shall remain integrally in force, and also applicable to the current agreement, unless otherwise stipulated in the current agreement.

****

Drawn up in triplicate in Berchem on *May 15, 2012*, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Jean-Paul Sols
The Lessor
Intervest Offices & Warehouses NV
/s/ Inge Tas

/s/ Onno van de Stolpe
The Lessee
Galapagos NV
Onno Van De Stolpe,CEO

DOUBLE

[stamp:]

Addenda:

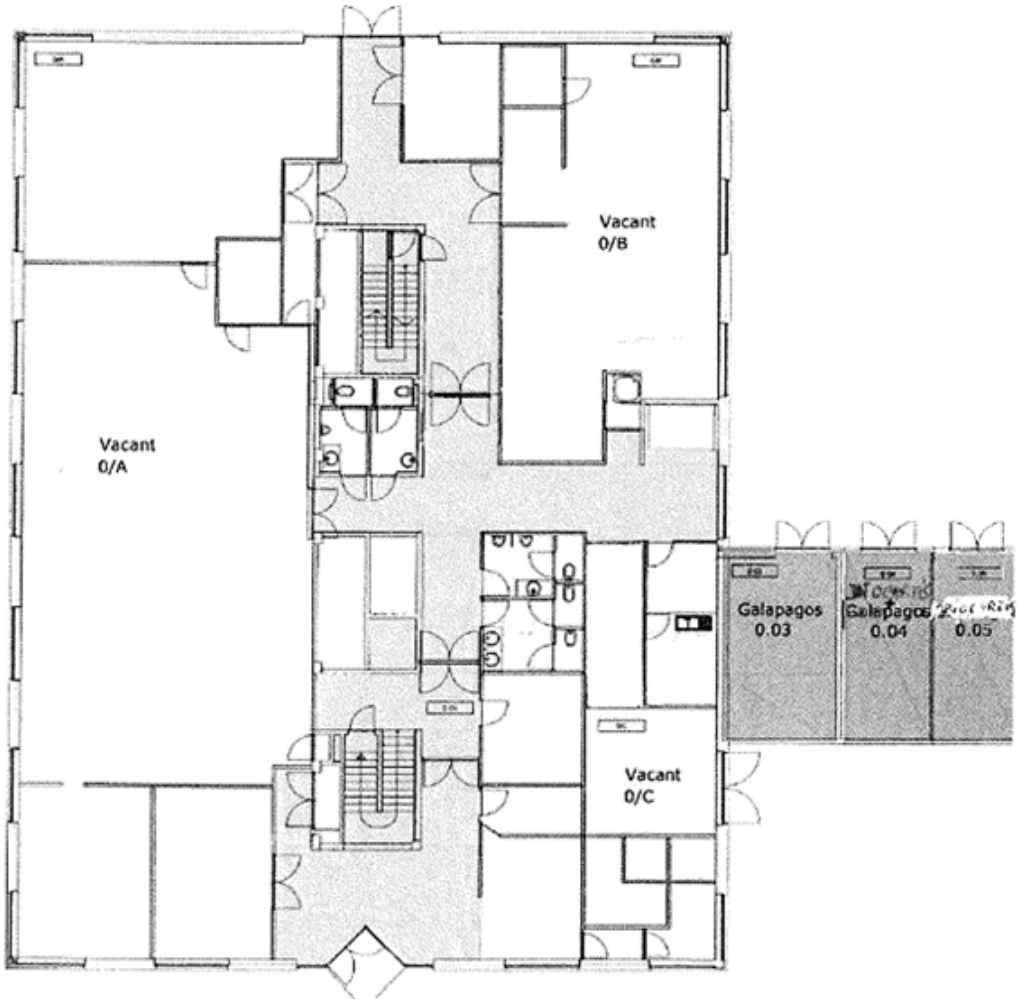
Registered, Mechelen __ office
on [stamp:] JULY 20, 2012
two page(s) *no* Dispatch(es)
VOLUME *6 /45* Section *15*
Received: *twenty-five Euros*
€25.00 The Recipient
[stamp:] adm. assistant

05/11/2012

[stamp:] GALAPAGOS NV
LEGAL

Intervest Offices NV/Galapagos NV

1. Plan of the storage spaces in question



LEASE AGREEMENT DATED 06/30/1999 and 02/21/2001 plus addenda

ADDENDUM 12 - Addition of office spaces, storage space and parking spaces

Between the undersigned:

1. **Intervest Offices & Warehouses NV**, Public Investment Company with fixed capital and Real Estate Investment Trust under Belgian law, with company number 0458.623.918 (RPR [Register of Legal Entities] Antwerp), the registered headquarters of which is located at Uitbreidingstraat 18, 2600 Berchem (Antwerp), represented in that place by three members of the Management Board, i.e. 1/ the BVBA [limited liability company] Jean-Paul Sols, 2/ Ms. Inge Tas, CFO and 3/ the BVBA Luc Feyaerts, COO, represented here by its permanent representative, Mr. Luc Feyaerts.

hereinafter referred to as “the Lessor”

and

1. **Galapagos NV** (formerly known as GALAPAGOS GENOMICS NV), established at the Generaal de Wittelaan L11 A3, 2800 Mechelen, represented here by Mr. Onno van de Stolpe, CEO;

hereinafter referred to as “the Lessee”

Is first stated the following:

In a private lease agreement dated 06/30/1999, followed by the notarial lease agreement of 02/21/2001, and addendum 1 and 2 the Lessee leased from the then owner, Innotech N.V. in Mechelen, 1,542 m^2 of office space, plus 40 parking spaces, located in the Intercity Business Park in Mechelen-North, Generaal de Wittelaan L11 A3, lot 1, on the second floor, for a fixed term of 15 years, effective 06/01/2000 and ending on 05/31/2015.

On 06/29/2001, Innotech N.V. merged with Perifund CVA, at which time the name was also changed to Intervest Offices N.V.

In agreement “Addendum 3” of 02/13/2004 the Lessee additionally leased, in the same building, 322 m^2 of office space plus seven parking spaces, effective 12/01/2003 and ending on 05/31/2015.

In addendum 4 of 08/01/2005 the Lessor provided to the Lessee, for temporary use, ± 20 m^2 of floor space in a larger warehouse located at Gen. De Wittelaan 9 in Mechelen.

In addendum 5 of 03/23/2006 the provision for use according to addendum 4 was terminated early, and the Lessee additionally leased a ± 100 m^2 warehouse space in the same building Gen. De Wittelaan L11 A3 in Mechelen, effective 03/01/2006 and ending on 05/31/2015.

In addendum 6 of 02/06/2007, the Lessee additionally leased, in the same building, +/-213 m^2 of warehouse space, effective 02/01/2007 and ending on 05/31/2015.

In addendum 7 of 01/31/2008, the Lessee additionally leased, in the same building, ± 513 m^2 of office and sanitary facility space, ± 116 m^2 of reception area space, ± 27 m^2 of storage space, and 24 parking spaces, effective 01/01/2008 and ending on 5/31/2015.

In addendum 8 of 07/14/2009 the Lessee additionally leased, in the same building, ± 716 m² of office space with private kitchen, effective 07/01/2009 and ending on 05/31/2015.

In addendum 9 of 09/30/2011 the aforementioned lease agreements of 06/30/1999 and 02/21/2001 and all addenda were extended by nine years, from 06/01/2015 to 05/31/2024, 458 m² of office space on the first floor was additionally leased, and the lease for 716 m² of office space plus kitchen was terminated early.

In addendum 10 of 09/30/2011 the Lessee leased, in the adjacent building located in Mechelen, Generaal De Wittelaan 21, the following additional spaces: 753 m² of laboratory space on the 2nd floor, 83 m² of the shared entrance and hallways on the first floor, plus two technical storerooms ± 60 m² in size, and +/- 760 m² of laboratory space on the 2nd floor, and 10 parking spaces.

In addendum 11 of 05/15/2012 the lease of 30 m² of storage was terminated.

The Lessee therefore currently has in lease 4,431 m² of office space, 116 m² of reception area space, 370 m² of storage space, and 81 outside parking spaces, with a current annual rent of €454,362.

This having been stated, the following is agreed:

Article 1 - Leased property

In addition to the aforementioned leases, the Lessor herewith leases to the Lessee, who accepts, the following spaces, in the same building located in **Mechelen, Generaal De Wittelaan 11A:**

1. **+/- 398 m² of office space on the first floor,**
2. **+/- 156 m² of storage space** as designated with numbers 0/R2 and 0/03 on the attached plan (*Exhibit 1*).
3. **20 outside parking spaces** numbers 412 through 415, 394B, 470 through 474, and 477 through 486, as shown on the attached plan (*Exhibit 2*)

Hereinafter referred to as “the Leased Property”.

The surface areas being leased are not guaranteed in terms of more or less surface area, which shall be at the benefit or detriment of the Lessee.

The Leased Property is being leased in the state it is currently in and is known by the Lessee, who declares having viewed and inspected all aspects of the Leased Property.

A report of condition upon commencement shall be drawn up, at shared costs, by expert M. Bernaerts, within the month after the signing of the present contract.

Article 2 - Term of the agreement

The present Addendum 12 shall take effect on **September 1, 2013** and end on **May 31, 2024**, just as the other aforementioned contracts plus addenda. Notwithstanding the foregoing, article 5 shall take effect upon signing by both parties of the current addendum.

Article 3 - Rent

The rent shall be:

1. for the offices: €96.41/m²/year or €38,371.18/year,
2. for the storage space: €52.13/m²/year or €8,132.28/year
3. for the outside parking spaces: €450/parking space/year or €9,000/year

Or in total €**55,503.46**/year or €13,875.87/quarter.

The indexing of this rent shall occur on June 1, with base index May 2013.

Article 4 - Bank guarantee

The Lessee shall, within the month after the signing of the present Addendum, increase the amount of the existing bank guarantee by €27,751.50.

Article 5 - State of the leased property

The Lessor agrees to perform the following work at its own expense within the shortest possible reasonable timeframe, and by September 1, 2013:

- Addition of raised floor
- Fixing of ceiling tiles and lighting
- Demolition of existing partition walls, repairing consequential damage
- Installation of new carpet
- Painting of permanent walls
- Modification of air-conditioning for R22 replacement
- Encasement of ventilation system
- Inspection of warehouse space access door

Article 6 - Contribution

In a financial regard, the Lessor shall grant the Lessee a rent-free period for the Leased Property, leased with this addendum 12, for the period of three months, effective 09/01/2013 through 11/30/2013. The common rental charges and taxes related to the same Leased Property shall be owed as of 09/01/2013.

If the aforementioned work is not finished by the owner (not including details or delays in modifying the air-conditioning ducts for which the Lessee is responsible) by 09/01/2013:

(a) the rent-free period will be extended by a period that is equal to the number of days by which the timeframe mentioned in article 5 is exceeded; and

(b) the common rental charges and taxes shall only be owed by the Lessee as of the completion of the aforementioned work.

Article 8 - General Provision

Otherwise all provisions of the aforementioned lease agreements of 06/30/1999 and 02/01/2001 and all addenda shall remain integrally in force, and also applicable to the current agreement, unless otherwise stipulated in the present agreement.

For tax purposes, the total rental charges, at the expense of the lessee, are estimated at 5%.

****

Drawn up in triplicate in Berchem on August 8, 2013, whereby each party acknowledges having received its own copy, and one copy is intended for registration.

/s/ Luc Feyaerts	[stamp:] Luc Feyaerts COO	/s/ Onno van de Stolpe
The Lessor	Intervest O&W	The Lessee
Intervest Offices & Warehouses NV		Galapagos NV
/s/ Inge Tas		

DOUBLE

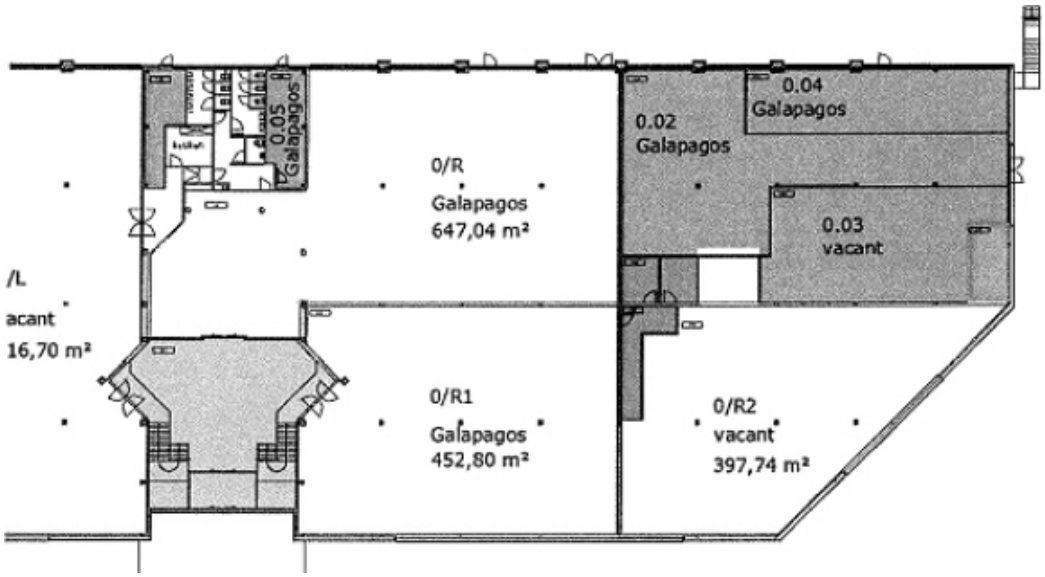
[stamp:]
Registered, Mechelen *_1*st _ office
on
five page(s) *no* Dispatch(es)
VOLUME *6 Page 28* Section *02*
Received: *one thousand eighty-six* Euros
The Recipient

[signature]
[stamp:] adm. assistant

Exhibits:

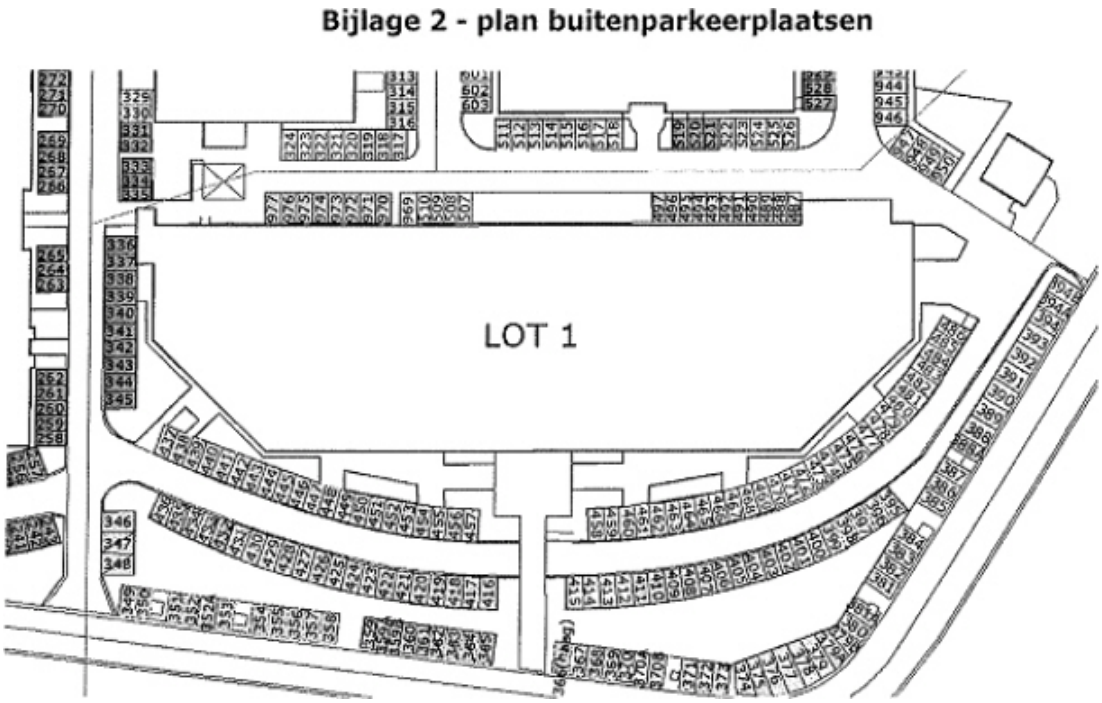
1/ Plan of the Leased Property
2/ Plan of parking spaces

Exhibit 1 – Plan of the Leased Property



[647,04 m² = 647.04 m²]
[16,70 m² = 16.70 m²]
[452,80 m² = 452.80 m²]
[397,74 m² = 397.74 m²]

Exhibit 2 – plan of outside parking spaces



In the year two thousand one
On February twenty-first
Before me, Civil-law Notary **Annemie COUSSEMENT**, civil-law notary in Duffel, the following

HAVE APPEARED

1. **The Public Limited Company INNOTECH**, established at the Uitbreidingstraat 18, 2600 Antwerp-Berchem, listed in the commercial register in Antwerp under number 340.415 and as liable to pay VAT under number BE 414.260.769. Founded under the name N.V. RELIANCE BELGIUM S.A. by deed on April twenty-fifth, nineteen hundred seventy-four, executed before Civil-law Notary Vandekerckhove in Mechelen, published in the annexes to the Belgian Official Gazette of May 11 thereafter, under numbers 1529-1 and -2;

whose name was changed to ETABLISSEMENTS VAN GALEN-VAN DER SANDE by deed on April twenty-ninth, nineteen hundred seventy-four, executed before the aforementioned Civil-law Notary Vandekerckhove, published thereafter in the annexes to the Belgian Official Gazette of May twenty-three under number 1766-3; whose name was changed to RELIANCE UNIVERSAL NV by deed on March seventeenth, nineteen hundred seventy-six, executed before the aforementioned Civil-law Notary Vandekerckhove, published thereafter in the annexes to the Belgian Official Gazette of April eight under number 949-6, and whose Articles of Incorporation were last amended, including the amendment of the name to its current name, by deed executed before Civil-law Notary Marc Van Nuffel in Antwerp on July twenty-eighth, nineteen hundred ninety-seven, published thereafter in the annexes to the Belgian Official Gazette of August twenty-first under number 970821-495.

Whose registered office was moved to its current registered office by the decision of the Board of Directors dated June twenty-seventh, two thousand, published thereafter in the annexes to the Belgian Official Gazette of July twelve under number
20000712-667.

Represented here in accordance with Article 15a of its Articles of Incorporation by its Managing Director, the public liability company INTERVEST MANAGEMENT, with its registered office at the Uitbreidingstraat 18, 2600 Berchem, listed in the commercial register in Antwerp under number 336.258, with VAT number 467.057.176.

Appointed to director through the decision of the Extraordinary General Meeting dated June twenty-seventh, two thousand, published thereafter in the annexes to the Belgian Official Gazette of July twelfth under number 20000712-668. Appointed to Managing Director through the decision of the aforementioned Board of Directors dated June twenty-seventh, two thousand, published thereafter in the annexes to the Belgian Official Gazette of July twelfth under number 2000712-667.

Which company INTERVEST MANAGEMENT, in turn, is represented in accordance with Article 12 of its Articles of Incorporation, by its Managing Director, being the private limited company “Gert Cowé”, with its registered office at the Van Boendalestraat
8, 2000 Antwerp, listed in the commercial register in Antwerp under number 336-526, appointed to this mandate by decision of the General Meeting and the Board of Directors dated September twenty-ninth, two thousand, published thereafter in the annexes to the Belgian Official Gazette of October nineteen, under number 20001019-519.

The private limited company “Gert Cowé” is represented here by its manager under the Articles of Incorporation,

- Mr. Gert Cowé, born in Geel on March thirty-first, nineteen hundred seventy, residing at the Van Boendalestraat 8, 2000 Antwerp, (National Register number 700331 095 78), authorized to only act in accordance with the Articles of Incorporation and appointed to this mandate, by decision of the general meeting of September twenty-ninth,

nineteen hundred ninety-nine, published thereafter in the annexes to the Belgian Official Gazette of October twenty-first, under number 991021-577.

Hereinafter referred to in short as “The Lessor”

2. **The Public Limited Company GALAPAGOS GENOMICS**, with its registered office at the Generaal de Wittelaan 11/A, 2800 Mechelen, listed in the commercial register of Mechelen under number 85469, VAT number BE 466.460.429.

The company was established by deed executed before Civil-law Notary Aloïs Van den Bossche in Vorselaar on the date of June thirtieth, nineteen hundred ninety-nine, of which an extract was published thereafter in the annexes to the Belgian Official Gazette of July seventeenth, under number 990717-412.

Whose Articles of Incorporation were last amended by deed executed before Civil-law Notary Aloïs Van den Bossche in Vorselaar on the date of August third, two thousand, of which an extract was published thereafter in the annexes to the Belgian Official Gazette of August twenty-seventh, under number 20000823-245.

The company is represented by its Managing Director in accordance with Article 20 of the Articles of Incorporation, namely:

- Mr. Onno VAN DE STOLPE, born in Geldrop (the Netherlands) on October twenty-fifth, nineteen hundred fifty-nine, residing at the Borzestraat 50/201, 2800 Mechelen.

appointed to this position at the Extraordinary General Meeting and meeting of the Board of Directors held on December twentieth, two thousand, submitted for publication in the annexes of the Belgian Official Gazette.

The aforementioned Mr. VAN DE STOLPE expressly declares to be authorized by the Board of Directors to carry out this legal act.

Hereinafter referred to in short as “The Lessee”

PRELIMINARY EXPLANATION

1) A private lease agreement was signed between the aforementioned persons appearing on June thirtieth, nineteen hundred ninety-nine, concerning one thousand one hundred square meters of office space, as well as one hundred and forty-two square meters of common areas and twenty-two outdoor parking spaces in and around a building located at the Generaal de Wittelaan 11A in Mechelen for a duration of nine years. This lease agreement was registered at the first registration office in Mechelen, as mentioned hereinafter.

2) The aforementioned lease agreement commenced on June first, two thousand.

3) The parties have verbally agreed to extend the duration of this agreement to fifteen years, so that this will end on May thirty-first, two thousand fifteen, through which this lease agreement should be notarially recorded.

4) In addition, it appears that contrary to what was mentioned in the original private lease agreement, the twenty-two outside parking spaces indicated above are not all located around the building situated at Generaal de Wittelaan 11A in Mechelen. In particular, there are sixteen outside parking spaces located around the building at the Generaal de Wittelaan 11A (described below under
Article 1 - PROPERTY 2) and six outside parking spaces located around the building at the Generaal de Wittelaan 19 (described below under Article 1 - PROPERTY 6).

5) The one thousand one hundred square meters of office space, as well as one hundred forty-two square meters of common areas, referred to in the original lease agreement as mentioned above, is hereinafter described under Article 1- PROPERTY 1.

6) In the aforementioned lease agreement of June thirtieth, nineteen hundred ninety-nine, the option of leasing additional premises of three hundred square meters (300 m^2) of private areas in the same building at the Generaal de Wittelaan 11A in Mechelen was offered to the Lessee in Article 28.

This option was exercised as follows:

- initially, the Lessee had indicated to the Lessor they would like to exercise this option, as far as an area of eighty square meters (80 m^2) of private areas are concerned. These properties are hereinafter further described under Article 1- PROPERTY 3A.

It was decided in mutual consultation between the parties to fix the rent, with regard to this additional area, at four thousand two hundred Belgian francs (4,200.00 BEF), or one hundred and four Euros and twelve Euro cents (104.12 EUR) per square meter per year. This lease agreement takes effect on July first, two thousand and will end on May thirty-first, two thousand fifteen.

- secondly, the Lessee had indicated to the Lessor they would like to exercise the option, as far as an additional area of one hundred and thirty square meters (130 m^2) of private areas are concerned. These properties are hereinafter further described under Article 1- PROPERTY 3B.

It was decided in mutual consultation between the parties to fix the rent, with regard to this additional area, at four thousand two hundred Belgian francs (4,200.00 BEF), or one hundred and four Euros and twelve Euro cents (104.12 EUR) per square meter per year. By exercising this option, the initial lease agreement was extended and all lease terms are applicable in accordance.

This lease agreement takes effect on December first, two thousand, and will end on May thirty-first, two thousand fifteen.

- thirdly, the Lessee had indicated to the Lessor they would like to exercise the option, as far as the remaining area of ninety square meters (90 m^2) of private areas are concerned. These properties are hereinafter further described under
  Article 1- PROPERTY 3C.

It was decided in mutual consultation between the parties to fix the rent, with regard to this additional area, at four thousand two hundred Belgian francs (4,200.00 BEF), or one hundred and four Euros and twelve Euro cents (104.12 EUR) per square meter per year. By exercising this option, the initial lease agreement was extended and all lease terms are applicable in accordance.

This lease agreement takes effect on September first, two thousand two, and will end on May thirty-first, two thousand fifteen.

7) In the aforementioned lease agreement of June thirtieth, nineteen hundred ninety-nine, the option of leasing eight additional outside parking spaces at the same building at the Generaal de Wittelaan 11A in Mechelen was offered to the Lessee in Article 4.

The Lessee decided to exercise this option to lease the eight additional outdoor parking spaces and communicated this to the Lessor.

These properties are hereinafter further described under Article 1- PROPERTY 4.

It was decided in mutual consultation between the parties to fix the rent, with regard to these additional parking spaces, at fifteen thousand Belgian francs (15,000.00 BEF), or three hundred and seventy-one Euros and eighty-four Euro cents (371.84 EUR) per square meter per year.

By exercising this option, the initial lease agreement was extended and all lease terms are applicable in accordance.

This lease agreement takes effect on January first, two thousand one, and will end on May thirty-first, two thousand fifteen.

8) Furthermore, the parties verbally agreed that the Lessee would lease ten additional outside parking spaces around the building at the Generaal de Wittelaan 19 in Mechelen under the same terms and conditions. These properties are hereinafter further described under Article 1- PROPERTY 5.

These parking spaces are leased at a rental price of fifteen thousand Belgian francs (BEF 15,000.00), or three hundred and seventy-one Euros, and eighty-four Euro cents (371.84 EUR) per parking space per year.

This lease agreement takes effect on July first, two thousand and will also end on May thirty-first, two thousand fifteen.

Otherwise, all conditions that apply to the leasing of the premises and parking spaces at and around the building located at the Generaal de Wittelaan 11A in Mechelen apply accordingly to this new lease agreement.

LEASE AGREEMENT

The persons appearing request that the undersigned Civil-law Notary notarially records the foregoing as follows:

Article 1 - Leased premises

The Lessor leases out to the Lessee, who accepts, the following premises/parking spaces:

DESCRIPTION OF THE PROPERTIES.

CITY of MECHELEN, second section

A. In and around a building, on and with land, along Generaal de Wittelaan 11A, at the corner of Schaliënhoefdreef and Generaal de Wittelaan, according to the title, recorded at the land registry as District A, part of number 174/E, for an area, according to the survey listed in the title, of ten thousand, two hundred point ninety-seven square meters (10,200.97 m^2), currently recorded at the land registry as Section A number 174/N, for an area of ten thousand and eighteen square meters (10,018 m^2), the following properties, are described respectively hereinafter as PROPERTY 1, PROPERTY 2, PROPERTY 3A, PROPERTY 3B, PROPERTY 3C, and PROPERTY 4.

PROPERTY 1

The office space on the first floor with a constructed area of one thousand one hundred square meters of private areas and one hundred forty-two square meters of common areas, as these properties are depicted in blue on the attached sketch, which is annexed to the aforementioned verbal lease agreement and also currently annexed to this deed as Annex 1, to be registered with it, but not to be transferred with it.

PROPERTY 2

Sixteen parking spaces located around the building, as depicted in blue on the sketch that is attached as Annex 2 to this deed, to be registered with it, but not to be transferred with it.

PROPERTY 3A

Office space on the first floor with a constructed area of eighty square meters (80 m^2) of private areas, as this property is depicted under PART A, more specifically, premises A2, A3 and A4 are depicted in yellow on the sketch annexed here, which is annexed to the aforementioned lease agreement and also currently annexed to this deed as Annex 3, to be registered with it, but not to be transferred with it.

PROPERTY 3B

Office space on the first floor with a constructed area of one hundred and thirty square meters (130 m^2) of private areas, as this property is depicted under PART A, more specifically premises A1 and under PART B, more specifically premises B2 and B4 in

pink on the above-mentioned sketch annexed here as Annex 3 to the aforementioned verbal lease agreement and also currently annexed to this deed as Annex 1, to be registered with it, but not to be transferred with it.

PROPERTY 3C

Office space on the first floor with a constructed area of ninety square meters (90 m^2) of private areas, as this property is depicted under PART B, more specifically, premises B1 and B3 are depicted in green on the above-mentioned sketch annexed here, which is annexed to the aforementioned verbal lease agreement and also currently annexed to this deed as Annex 3, to be registered with it, but not to be transferred with it.

The office space mentioned under PROPERTY 1, 3A, 3B and 3C the aforementioned office spaces will delivered to the Lessee in shell condition (without dropped ceilings, lighting fixtures, air conditioning, computer floors and without further finishing), however with carpeting and mipolam (200 series) on the current floors.

PROPERTY 4

Eight parking spaces located around the building, as depicted in pink on the sketch that is attached as Annex 2 to this deed, to be registered with it, but not to be transferred with it.

B. Around an office building located at the Generaal De Wittelaan 19, surveyed under part 174/E/2 according to a recent cadastral extract, with an area, according to the survey listed in the title mentioned below, of seven thousand and sixty-eight point sixty-five square meters (7,068.65 m^2), currently recorded at the land registry under Section A number 174G2, for an area of seven thousand and forty-seven square meters (7,047 m^2) the following properties, hereafter described as PROPERTY 5 and PROPERTY 6:

PROPERTY 5

Ten outside parking spaces, as these parking spaces are depicted in yellow on the sketch that is attached as Annex 2 to this deed, to be registered with it, but not to be transferred with it.

PROPERTY 6

Six outside parking spaces, already mentioned in the aforementioned lease agreement of June thirtieth, nineteen hundred ninety-nine. These outside parking spaces are depicted in green on the sketch that is attached as Annex 2 to this deed, to be registered with it, but not to be transferred with it.

VENDOR'S TITLE TO PROPERTY

PROPERTIES 1, 2, 3A, 3B, 3C and 4

The Lessor owns the aforementioned properties as follows:

- the ground belongs to the company under the name Public Limited Company RELIANCE UNIVERSAL, which was purchased under larger area on behalf of the Public Limited Company BRITISH LEYLAND BELGIUM, in Antwerp, pursuant to a deed executed before Civil-law Notary Karel Vandekerckhove of Mechelen on the date of October sixth, nineteen hundred eighty-two, transferred thereafter at the mortgage office in Mechelen on October twentieth, book 9358, number 32.

- the buildings and right of superficies that rested thereon at the time, were obtained on behalf of the Public Limited Company ING LEASE (BELGIUM) in Brussels pursuant to a deed of sale, with the termination of leasing, ground leases and right of superficies, executed before Civil-law Notary Marc Van Nuffel and Civil-law Notary Erik Celis, both in Antwerp on April twelfth, two thousand, transferred at the mortgage office in Mechelen on April twenty-second, two thousand, book 14.248, number 4.

PROPERTIES 5 and 6

The aforementioned properties belong to the Lessor under the name Public Limited Company RELIANCE UNIVERSAL, which was purchased under larger area on behalf of the Public Limited Company BRITISH LEYLAND BELGIUM, in Antwerp, pursuant to a deed executed before Civil-law Notary Karel Vandekerckhove of Mechelen on the date of October sixth, nineteen hundred eighty-two, transferred thereafter at the mortgage office in Mechelen on October twentieth, book 9385, number 32.

Article 2 - Intended use of the leased premises

The leased premises are exclusively intended to be used as offices and high tech areas. The parking spaces at the building are solely intended for parking of passenger cars and small vans.

The Lessee cannot change this intended use, nor extend it, without the prior written consent of the Lessor.

It is explicitly agreed that in no case the leased premises may be used for the exercise of retail trade, nor for the business of a craftsman, or any other activity or any other activity in direct contact with the public.

This lease agreement can therefore never be governed by the Act of April thirtieth, nineteen hundred, fifty-one on retail rent.

The exercise of such activity would constitute a serious shortcoming on the part of the Lessee in its obligations in this agreement. The Lessee is responsible for obtaining all the permits required for the use of the premises; he bears the risk.

Article 3 - Intended use of the leased premises

At first request, the Lessee shall voluntarily intervene in any dispute relating to the activities or the presence of the Lessee in the leased premises and the Lessor shall indemnify the Lessor against any possible damage that may result.

The Lessee knows the properties of the building and knows which load the floors, walls and the like can bear.

The Lessor is not familiar with the activities that the Lessee exercises in the leased premises.

The Lessee should ensure compliance with all legal and regulatory obligations, regulations, permits, instructions of competent bodies and authorities, such as, among others: building permits, environmental permits and any special permits in connection with the activities of the Lessee, the regulations on fire safety, General Occupational Health and Safety Regulations, NBN (Bureau for Standardisation) standards....

The Lessee has informed the Lessor of the modifications or changes he will make to the leased premises at his expense, in order to comply with regulations that apply to the Lessee and/or his activities. All modifications or changes are made at the expense of the Lessee, without any right to compensation being due to him at the end of the lease agreement.

If the Lessor believes that certain laws, regulations or instructions of competent authorities are not being complied with, at the first request of the Lessor, the Lessee will carry out the modifications required under the responsibility and at the expense of the Lessee.

Article 4 - Rent

The parties have agreed on a base rent as follows:

For PROPERTIES 1, 3A, 3B and 3C

A rental price of four thousand, two hundred Belgian francs (4,200.00 BEF) or one hundred and four Euros and twelve Euro cents (104.12 EUR) per square meter per year for the leasing of the private areas and proportionally, the rent of the common areas on a shell condition basis, as defined in Article 1.

As far as PROPERTY 1 is concerned, this rental price includes the leasing of the twenty-two outside parking spaces, namely PROPERTIES 2 and 6.

PROPERTIES 4 and 5

A rental price of fifteen thousand Belgian francs (BEF 15,000.00), or three hundred and seventy-one Euros and eighty-four Euro cents (371.84 EUR) per parking space per year.

The rent is paid quarterly in advance, on the first day of the month of the start of the quarter (this is one on January first, April first, July first and October first), in Belgian francs to the bank account indicated by the Lessor. This payment occurs through direct debit.

Article 5 - Indexation of the rent

Every year on the anniversary of this lease agreement, automatically and without any form of notice of default, an adjustment of the rent will take place on the basis of the health index figure and this according to the following formula:

$$\text{new rental price} = \frac{\text{base rent x new index}}{\text{base index figure}}$$

In view of the expansion and the extension of the lease agreement, the parties determine the date of indexation to be on June first.

The basic index figure is the index figure of the month preceding the month during which the original lease agreement was closed, namely May nineteen hundred ninety-nine.

The new index figure is the index figure for the month of May.

The new rental price can never be lower than the last rent paid, calculated in accordance with the applicable index figure.

The Lessor can only abandon this system through an express, signed confirmation in writing.

Article 6 - Fees and taxes

All fees, taxes, levies or duties applicable to the property, such as real estate taxes, taxes on the activities of the Lessee, taxes levied by the state, municipality, province, federation of municipalities or conurbation or region or community or any other government should be borne by the Lessee.

The Lessor will immediately transmit these taxes to the Lessee, who undertakes to take the steps necessary to make payment within the specified term. The distribution of the taxes for the common areas is carried out as provided for in Article 7.1, second paragraph, concerning the distribution of the common charges. Possible fines and/or default interest for late payment will be owed immediately by the Lessee to the Lessor.

If the Lessor would like to pay these taxes directly, he will provide a copy of the assessment notice to the Lessee, who will transfer the amount due to the Lessor within the time limit specified on the assessment notice. The Lessor can also request an advance payment at a rate of one hundred and fifty Belgian francs per square meter per year (150 BEF/m^2/year), with periodic settlement according to the arrangement for the common charges.

Article 7 - Charges

7.1 Common charges

The Lessee undertakes to pay the common charges to the Lessor, and this by way of advances. An advance payment of one hundred and twenty-five Belgian francs (125.00 BEF), or three Euros and ten Euro cents (3.10 EUR) per square meter per quarter was agreed on, which will be paid for the first time on the date of occupancy of the building and then each time on the date on which the rent is paid, in accordance with Article 4.

These advances are for the payment of, among others, the following common charges, so these will be charged if they are present (illustrative list that only serves as an example):

- Consumption costs and rental of counters for the common areas, such as electricity, gas, heating, water, cable distribution,...
- Cost of technical maintenance, such as heating, air conditioning, ventilation, electricity, elevator, electricity, sanitary facilities, ports,...
- Cleaning costs of, among others, the windows, the common areas,...
- Maintenance of plants and shrubs, this is, for example, the maintenance of the garden, the parking area,...
- Costs associated with the site drainage, gullies, the drainpipes, the drains,...
- Waste collection
- Cost of inspections (these are the required regulatory inspections and, any optional controls), such as the inspection of the fire detection system, gas monitoring,...

The definitive share of the Lessee in these common charges will be calculated by dividing the area of the leased private premises by the total area of all private premises of the building.

Periodically, and at least once per calendar year, the Lessee will receive a statement of the actual expenditure. The difference between the advance and the periodic statement will be, depending on the case, deposited to the Lessor (manager) or to the Lessee within thirty days after notification of the statement. When the advances appear to be insufficient, they will be modified by the Lessor or the manager she has designated.

7.2 Private charges

The Lessee will bear the costs (including fixed charges, subscriptions, and the cost of distributors and connections) that are associated with his consumption of water, gas, electricity, telephone, fax, cable TV, etc., or that are related to other services he purchases. The Lessor will provide a distribution point for the connections of water, gas, cable TV and electricity.

If the “assets” that the Lessee wishes to utilize require special provisions (e.g. private high-voltage cabin), the installation and maintenance thereof will be paid by the Lessee.

To the extent that certain private charges will be charged to the Lessor, the relevant invoices and/or documents are delivered to the Lessee, who will reach the arrangements necessary for payment within the specified term.

Article 8 - Duration of the agreement

The lease will commence after the delivery report, namely concerning

PROPERTIES 1.2 and 6

On June first, two thousand, to end by operation of law on May thirty-first, two thousand fifteen.

PROPERTY 3A

On July first, two thousand, to end by operation of law on May thirty-first, two thousand fifteen.

PROPERTY 3B

On December first, two thousand, to end by operation of law on May thirty-first, two thousand fifteen.

PROPERTY 3C

On September first, two thousand two, to end by operation of law on May thirty-first, two thousand fifteen.

PROPERTY 4

On January first, two thousand one, to end by operation of law on May thirty-first, two thousand fifteen.

PROPERTY 5

On July first, two thousand, to end by operation of law on May thirty-first, two thousand fifteen.

There will be no form of reimbursement or compensation that can be claimed for the termination of this agreement in accordance with this provision.

Automatic renewal of the rent is not possible, even if the occupancy of the leased premises would continue after the planned contractual period.

Article 9 - Condition of the leased premises

On the date of the first occupancy of the leased premises, a final, inter partes delivery report will be issued, with the exception of the properties described under Property 3B and 3C, on which the persons appearing agree in mutual consultation. This delivery report forms an integral part of this lease agreement. Both persons appearing declare to have an original copy in their possession, and release the undersigned Civil-law Notary from attaching this to this deed.

The property that the Lessee wants to install will be submitted for approval to the Lessor in advance. They are subject to the provisions of Articles ten and eleven.

No later than thirty days before the end of the agreement, the Lessee will invite the Lessor to discuss which modifications, changes, repairs, etc. still need to be completed before the end of the agreement.

At the end of the lease agreement, according to the same procedure as for the ingoing delivery report, an outgoing delivery report will be issued in order to determine the amount of any damage, as well as any compensation due to unavailability.

The delivery report is completed by the Lessee and Lessor or, if desired, by an expert, appointed in mutual agreement between the parties.

The Lessee undertakes, as soon as he has vacated the leased premises, to invite the Lessor by registered mail to draft this delivery report.

The Lessee must return the property he had received it. Damage caused by old age or wear and tear that has arisen during the lease period shall be borne by the Lessee, even if this is not his fault.

If the premises are not made available in time, either because they were not vacated in time, or because the modifications and repairs were not carried out in time, the Lessee, regardless of his other obligations, will owe the following compensation:

- per month commenced that the Lessor cannot access the premises, he will be owed compensation of twice the monthly rental price that was due in the last period, plus the compensation that the Lessor has to remit to a new Lessee because the property could be made available in time.

The handing over of the keys, in any form, at or after departure of the Lessee will never be a partial or complete discharge for the Lessee.

Article 10 - Additional work

Additional work is all deviations from the current finished state of the premises. This additional work should be ordered through the Lessor and is always the subject of a separate order form.

The works will only be carried out after the order form has been validly signed and after an agreement on the method of payment has been created.

The Lessor reserves the right to either invoice the price of the additional work, or to include it in the rent over the first lease term within which no cancellation is possible.

The Lessor reserves the right, following such additional work, to adjust the date of occupancy.

Article 11 - Renovations, changes, improvements

The Lessee cannot make any modifications or alterations to the leased premises without the prior express written consent of the Lessor.

Also the placement of appliances which give rise to certain works on the inside or outside of the building, requires the express and written consent of the Lessor. The Lessor can always refuse to grant his consent.

The renovations or modifications should be ordered with priority from the Lessor.

In case the Lessor decides to not perform these works himself, these works will be carried out under the sole responsibility of the Lessee and the Lessor has the right to supervise the works, without entailing any kind of liability for the Lessor.

All works for which the Lessor grants his consent, be carried out at the expense of the Lessee. All costs of placement, use and removal at the end of the lease shall be borne by the Lessee.

All costs and expenses imposed by a competent authority because of the presence of the Lessee, an act or omission of the Lessee, will also be carried solely by him, or be recovered from him.

The Lessor reserves the right, to demand that the premises are returned to their original state at the end of the lease agreement, without any compensation being owed to the Lessee. Nor will he owe compensation to the Lessee, if the Lessor wishes to keep the changes or improvements that were made, even if he has agreed to it. In any case, the Lessee cannot remove the alterations that are made to be in line with certain regulations or laws without the express and written consent of the Lessor, which must be requested in a timely manner by the Lessee.

Article 12 - Repairs and maintenance

The Lessee shall maintain the leased premises in a good state of repair and be responsible for the costs of maintenance and repairs. He will, among other things, be responsible for the repair and, if necessary, replacement of the locks of the doors, windows, hinges and handles, taps, interior paint work, flooring and the like. All private drainage systems and pipes need to be maintained and cleaned and in such a state that no blockage is possible. He will maintain the water pipes and the central heating (as far as these are private, otherwise through the maintenance contract) and, when necessary, protect them from frost. The Lessor or manager of the building can close maintenance contracts for this purpose on the behalf of the Lessee.

All defects, damage, and the like are presumed to have arisen after the effective date of this lease agreement, with the exception of those listed in the delivery report, and are to be borne by the Lessee.

Only the hidden defects of the leased premises that impede the use thereof and that are reported within twelve months after the signing of the contract to the Lessor shall be borne by the Lessor.

It is agreed that only major and structural repair work, in accordance with Section 606 Civil Code, will be borne by the Lessor, as far as they are not caused by the failure of the repairs or errors of the Lessee.

The Lessee must immediately report to the Lessor by registered letter which obligations he believes the Lessor should have to fulfill. The damage or inconvenience sustained by failing to recognize this notification requirement will be borne by the Lessee.

The Lessee will tolerate any repairs or renovations performed by the Lessor to fulfill his obligations regarding major repairs, as defined, and this without any right to compensation or reduction of the rental price. However, if the works result in a permanent unavailability of more than fourteen days and of at least twenty percent (20%) of the leased premises, then the Lessee and the Lessor will hold consultations regarding a rent reduction.

The Lessee will always grant access to the Lessor or his representative to all leased premises, in order to carry out the necessary inspections and/or to be able to perform repairs, or to verify the state of the leased premises.

The Lessor shall not be liable for any interruption of services or utilities of the building or the consequences thereof, unless the interruption is caused by his willful misconduct, fraud or gross negligence.

The Lessor can give notice to the Lessee by registered mail, demanding that he carries out the necessary repair work and to end this within thirty days after sending this letter. The Lessor has no task of supervision or control over the repairs and the like that the Lessee must perform.

Article 13 – Insurance policies

The Lessor undertakes, during the full duration of the lease, to insure the building in its entirety for proper amounts on the basis of a “Belgian Insurance Association (BVVO) All Risks” policy.

The premiums will be, possibly pro rata in accordance with Article 7.1, second paragraph on the distribution of the common charges, distributed among the lessees. The Lessor pays the premiums to the insurance company and will charge these to the Lessee who undertakes to pay the amount due within the time limit specified by the Lessor. In the event of negligence, Article 17 of the lease agreement will apply.

Any change in activity, local situation or circumstance in general which may lead to an increase in risk, must be reported spontaneously and in writing by the Lessee to the Lessor.

At his expense, the Lessee will insure all movable objects that are in the leased premises, as well as the property modifications and expansions. This insurance will at least cover the risks of fire damage, explosion damage, electrical damage, water damage and related risks damage, storm damage, glass breakage, and recovery from third parties.

Every year, the Lessor will receive insurance certificates that confirm the payment of the premium.

The parties mutually waive any recourse that they mutually could exercise against each other, as well as against the owner, leaseholder, sublessees, transferors and acquirers and this because of all the damage they could suffer as a result of the

risks to be insured. They also undertake to accept a similar waiver for any sublessee or user, as well as their insurers, with the exception of the conservation of recourse against the perpetrator of willful misconduct.

The policies shall provide that there can be no suspension or deferment of the coverage, or that the coverage can end after at least one month’s notice that is served to the Lessor.

The insurance also cannot be changed without prior notice from the Lessor thirty days in advance.

Damage to the leased property, of which the costs of repair do not exceed twenty-five thousand francs or less, and is caused by burglary or attempted burglary, will be borne by the Lessee.

If damage occurs, at the first request of the Lessor, the Lessee must undertake to take steps to remove his systems and contents, or remove the remnants thereof from the premises as soon as possible, according to the applicable laws, regulations and provisions. As the case may be, these should be kept at another location of the insurers and experts that is even temporarily made available.

Article 14 - Management expenses

The fee for management expenses will be determined in accordance with the guidelines of the Belgian Institute of Real Estate Agents.

The Lessee undertakes to take the steps required for payment of the costs, whenever the Lessor so requests and this within the term indicated by the Lessor. In the event of late payment, Article 17 of this lease agreement will apply.

Article 15 - Transfer or sublease

The leased premises cannot, in whole or in part, be transferred or subleased without the express and written consent of the Lessor. Mere acquiescence will therefore not be considered as consent.

If the Lessor permits the sublease or the transfer of the lease agreement, the Lessee and the sublessee, or the transferor and the acquirer, are jointly and severally liable for all obligations arising from this agreement with respect to the Lessor.

The Lessee undertakes to ensure that the sublessee or the acquirer will lease the premises under the same contract terms as himself.

The Lessee will provide a copy of the sublease agreement to the Lessor within ten days after its signature.

The Lessor is entitled to transfer his rights and obligations arising from this agreement to third parties at all times, with a simple notification to the Lessee.

Article 16 - Rental guarantee

As security for all of its obligations under this agreement, the Lessee will provide a bank guarantee solely in favor of the Lessor that is issued by a recognized Belgian financial institution, in which an amount that is at least equivalent to six month’s rent is guaranteed.

This guarantee will issued and the letter of guarantee will be handed to the Lessor before the lease enters into force. The bank guarantee will take effect when the leased premises are occupied.

The bank guarantee can be validly claimed by the Lessor by just sending a registered letter to the bank and is payable at first request.

The guarantee cannot be used under any circumstances by the Lessee for his other commitments, such as the payment of rent, to be fulfilled under this agreement.

The guarantee expires six months after the termination of the lease agreement.

Article 17 - Payments and interest

Regardless of all other rights and claims of the Lessor, all amounts that are due or still owing from the Lessee pursuant to this contract, by operation of law and without requiring any form of notice, will bear interest equal to the then-applicable legal interest rate, plus three percent, with a minimum of ten percent (10%). Every month commenced applies as a full month.

All collection costs of amounts due under this agreement (including legal costs, management and follow-up costs, fees,...) shall be borne by the Lessee and this at a minimum of twenty-five thousand Belgian francs (25,000.00 BEF), or six hundred and nineteen Euros and seventy-three Euro cents (619.73 EUR).

Article 18 - Termination of the lease agreement

Any default or non-compliance with the agreement by the Lessee, of one of the clauses in this agreement, after first demand or notice of default is sent by registered mail, will be considered as a serious breach of contract by the parties.

Only in accordance with the termination of the lease agreement to the detriment of the Lessee, compensation will be owed, which is set at (six) month’s rent. This compensation is payable without prejudice to the rent and the charges until a new lessee leases the premises against lease terms that are better for the Lessor, plus any costs, expenses and expenditures arising from the termination, without prejudice to the other obligations under the lease agreement.

In bankruptcy, composition, upon dissolution or liquidation of the Lessee, the immediate termination of the lease can be demanded. In this case, the Lessee would owe the same compensation (see preceding paragraph).

Article 19 - Expropriation

In the case of expropriation of the leased premises, the Lessee may demand no compensation whatsoever from the Lessor. The Lessee will only be able to exercise his rights against the expropriating authority.

Article 20 - Visitation of the leased premises

During the six months before the end of lease agreement, as well as when offering the logistics building for sale, the Lessee will give his consent to place posters

in high visibility locations in the leased premises or the building, announcing the leasing or sale. Thus, the Lessee will permit persons who must be accompanied by a representative of the Lessor, and this by appointment, to visit the leased premises two days per week, in the morning or afternoon.

Article 21 - Internal regulations

The Lessee undertakes to comply with the existing provisions, internal regulations and others, which apply to the building complex and the areas. These regulations were transferred to the Lessor before occupancy, which he confirms. The persons appearing declare to be fully aware of these internal regulations, and release the undersigned Civil-law Notary from including further provisions on this matter in the deed. All reasonable changes will be binding one month after notification thereof by registered mail to the Lessee.

Article 22 - Date of service

All documents served by registered mail are considered to have been served on the date on which the registered letter was submitted at the post office, proven by the date on the proof of shipment.

Article 23 - Advertising

If the Lessee wishes to install advertising, he must first obtain the prior express and written consent of the Lessor. The necessary permit applications and the like will be requested by the Lessee and at his expense. The Lessor has already agreed with installing a commonly used plexiglass plate in the business park, at the entrance of the building (company name).

Article 24 - Election of domicile

For the implementation of the lease agreement, the Lessor elects domicile at his registered office. The Lessee elects domicile at the leased premises and this from the time of occupancy of the building until the moment that this lease agreement is terminated and he has vacated the leased premises.

Article 25 - Invalidity

If any provision of this agreement is declared invalid or unenforceable by a competent court, the remaining provisions are still fully valid. With regard to provisions that were found to be invalid or unenforceable in whole or in part, the parties will negotiate again in good faith, with the goal of replacing the invalid provision with a valid one, of which the economic results best corresponds with the invalid provision in a manner that is consistent with the common intention of the parties.

Article 26 - Competent courts - Applicable law

This agreement is governed by Belgian law.

For all disputes concerning the provisions of this agreement, only the courts of Mechelen are competent.

Article 27 - Registration

The lease agreement concluded on June thirtieth, nineteen hundred ninety-nine, concerning one thousand, one hundred square meters of office space (as well as one hundred and

forty-two square meters of common areas and twenty-two parking spaces) for a duration of nine years, was registered on August fourth, nineteen hundred ninety-nine and has following registration record:

“Registered fourteen pages, - sealed, in Mechelen, 1st registration office, On August 4, 1999, book 6th/24 page 02, box 147, Received one hundred and three thousand two hundred and eighty-five francs (103,285.00 Fr.), THE COLLECTOR, N. DEPUTTER.” As far as necessary, the persons appearing request the collector of registration duties for exemption from the proportionate right to the rental price with appurtenances of PROPERTIES 1, 2 and 6 for, as far as the first nine years are concerned.

The costs, rights and remuneration of this deed, including the extension of the term of the original lease agreement and the additional leases are to borne by the Lessee.

As regards to the levying of registration duties on the Lessee, the parties estimate the charges imposed on the Lessee to be ten percent of the annual rent. The registration duty of zero point two percent will be levied on the combined amounts of rents and the charges imposed on the Lessee for the term to be run.

Article 28 - Preferential rights

This lease agreement will run until May thirty-first, two thousand fifteen, commencing on the date as mentioned in Article 8. The Lessee will receive the preferential right to lease the leased premises again through, in that case, closing a lease agreement, based on the same conditions as this lease agreement (indexed rent amount).

Article 29 - Soil Remediation Decree

PROPERTIES 1, 2, 3A, 3B, 3C and 4

1) the Lessors declare that there was a facility located or an activity that was carried out on or in the property that is included in the list of facilities and activities that could cause soil contamination, as referred to in Article 3, paragraph 1 of the Soil Remediation Decree, as is likewise confirmed in letter from the city of Mechelen dated May thirty-first of last year, stating that environmental permits were issued for the property for the activities that appear on the list of polluting activities within the meaning of the Soil Remediation Decree. The Lessees expressly declare in advance to have received a copy of this letter and release the Lessors and the Civil-law Notary from including further provisions concerning this matter in this deed.

PROPERTIES 5 and 6

1) the Lessors declare that there was no facility located or activity that was carried out on or in the property that is included in the list of facilities and activities that could cause soil contamination, as referred to in Article 3, paragraph 1 of the Soil Remediation Decree, as is likewise confirmed in letter from the city of Mechelen dated May thirty-first of last year. The Lessees expressly declare in advance to have received a copy of this letter and release the Lessors and the Civil-law Notary from including further provisions concerning this matter in this deed.

In terms of both locations

The Lessors declare that in terms of both properties, they complied with Article 37 and the following from the Soil Remediation Decree, in particular:

- an initial soil survey was carried out with regard to both properties, under the leadership of the Private Limited Company Deckers Milieubeheer, recognized soil remediation expert, on July seventh, nineteen hundred ninety-nine.

- less than two years have passed since the initial soil survey.
- The Lessor, being the Public Limited Company INNOTECH, declares through its representative that since the acquisition of the buildings, pursuant to the deed of April twelfth, two thousand, executed before Civil-law Notary Marc Van Nuffel and Civil-law Notary Erik Celis, both of Antwerp, up to the moment this lease agreement takes effect, no facility was located or activity was carried out which is included in the list of facilities and activities that could cause soil contamination, as referred to in Article 3, paragraph 1 of the Soil Remediation Decree.

2) the Lessor declares that the Lessee, before closing this agreement, was notified of the content of the soil certificates issued by the Public Waste Agency of Flanders (OVAM) on November tenth, two thousand and on December nineteenth, two thousand, in accordance with Article 36§1 of the aforementioned Decree, the content of which is as follows:

"For this cadastral parcel, there is no data available in the register of contaminated soils.

When the initial soil survey, "Initial soil survey of Generaal de Wittelaan 9-15 in Mechelen." performed by Deckers Milieubeheer bvba, dated 07.07.1999 was carried out, in which this cadastral parcel was included, elevated levels in relation to the background values were determined, in which a level where serious adverse effects may occur in humans or the environment was not exceeded.

In accordance with the Soil Remediation Decree, soil remediation should not take place.

Comment:

Ground on which a facility is or was located, or an activity that is or was exercised that is included in the list referred to in Article 3§1 of the Soil Remediation Decree can only be transferred as of October 1, 1996 if an initial soil survey is provided to the OVAM in advance with notification of the transfer".

3) The Lessor declares, with respect to the aforementioned property, to have no knowledge of soil contamination that could cause harm to the Lessee or to third parties, or which may give rise to an obligation to remediate the soil, to usage restrictions or other measures that may be imposed by the government in this regard.

To the extent that the previous statement was made in good faith by the Lessor, the Lessee takes the risks of any soil contamination and the damage, as well as the costs that may arise as a result, and he declares that the landowner will not be bound to give indemnity for this.

PROPERTIES 1, 3A, 3B and 3C

The properties will be used by the Lessee as a laboratory for biotechnology. In case of transfer by the owner, within the meaning of the Soil Remediation Decree, the Lessee will thus advance all costs and pay for an initial soil survey, and if necessary, a descriptive soil survey, soil remediation project, soil remediation works and all other measures that may be imposed by the competent authority.
The Lessors declare that they accept the data from the aforementioned initial soil survey conducted by Deckers Milieubeheer bvba on the date of July seventh, nineteen hundred ninety-nine, as a baseline for the determination of any contamination caused by the Lessee. The Lessee notes that the premises located on the ground floor of the building will not be leased to him. At the outgoing initial soil survey, the expert will therefore be given the express assignment, in case contamination is established, to find out who caused this contamination. The decision of the designated soil remediation expert, with regard to the cause of the contamination, is binding on the persons appearing in this matter.

Article 30 - Decree on the Organization of Spatial Planning (DORO)

The Lessor declares that as far as she is concerned, no expropriation order relating to the aforementioned properties was served, nor a preliminary draft, or draft of a list of buildings, village or urban conservation area that require protection, nor a decision establishing the final protection as a building, village or urban conservation area, or as a landscape.

The Lessor furthermore declares to have obtained the permits necessary for all installation and construction work that she had erected on the aforementioned property and also ensured that all these installation and construction works were carried out in accordance with the constructions permits obtained.

In addition, the Lessor declares to not to be aware of any construction violation. Since it was not yet published in the Belgian Official Gazette that the city of Mechelen, in which the aforementioned property is situated, already has a planning or permits registry, the provisions of Articles 135, 137, 141 and 142 of the Decree on the Organization of Spatial Planning (DORO) are not yet applicable.

The undersigned Civil-law Notary points out to the persons appearing out that Article 99 of DORO already applies, and that this article specifies for which actions one needs a town planning permit in advance. Article 99 reads literally as follows:

"Article 99

§ 1. Without a town planning permit in advance, no person may:

1° construct, place one or more permanent facilities on the ground, demolish an existing permanent facility, or existing structure, rebuild, remodel or expand, with the exception of conservation or maintenance work;

2° deforest, within the meaning of the Forest Decree of June 13, 1990 of all tree-covered surfaces, as referred to in Article 3 § 1 and § 3 of that Decree.

3° fell tall trees, singly, in group or line connection, in so far as they are not part of tree-covered surfaces, within the meaning of Article 3, § 1 and § 2 of the Forest Decree of June 13, 1990

4° significantly change the relief of the soil;

5° usually use, prepare, or organize the ground for:

a) the storage of used or discarded vehicles, of all kinds of materials, equipment or waste;

b) the parking of vehicles, cars or trailers;

c) placing one or more portable facilities that can be used for residential purposes, such as caravans, campers, discarded vehicles, tents;

d) placing one or more movable fixtures or rolling stock which essentially is used for advertising purposes;

6° modify all or part of the main function of developed real estate with a view to a new function, in so far as this change in function appears on a list to be drawn up by the Flemish Government of function changes that require a permit;

7° change the number of housing units in a building that are intended for the accommodation of a family or a single person, regardless of whether it is a single-family dwelling, an apartment, a high-rise apartment building, a studio, or an unfurnished or furnished room;

8° place or modify advertising installations or placards;

9 ° construct or modify recreational fields, including a golf course, a football field, a tennis court, a swimming pool.

Constructing and installing permanent facilities, as referred to in paragraph 1, 1°, means the erecting of a building or construction works or installing a facility, even from non-sustainable materials, built into the ground, secured to the ground,

or resting on the ground for the sake of stability, and intended to remain standing on location, even if it can be deconstructed, moved, or is completely underground. This also includes functionally bringing together materials, through which a permanent facility or construction comes into being, and the laying of pavement.

Conservation or maintenance works, as referred to in paragraph 1, 1°, means works that set the building for the future by updating, repairing or replacing worn or eroded materials or parts. (No works below that relate to the structural elements of the building may be included, such as:

1° replacing roof trusses or load-bearing beams of the roof, with the exception of local repairs

2° rebuilding or replacing, in whole or in part, outside walls, even with recovery of the existing stone.)

A tall tree, as referred to in paragraph 1, 3°, is considered to be any tree that at a height of 1 meter above ground level, has a trunk circumference of 1 meter.

A significant relief modification, as referred to in paragraph 1, 4°, is considered to be any addition, raising, excavation or extension that changes the nature or function of the site.

Without prejudice to paragraph 1, 5°, c, no town planning permit is required for camping with movable facilities on a campsite, within the meaning of the Decree of March 3, 1993, defining the statute of the areas for outdoor recreational accommodation.

§ 2. The Flemish Government can determine the list of works, acts and amendments for which, because of their nature and/or size, by way of derogation from § 1, no town planning permit is required.

§ 3. Provincial and municipal planning regulations may supplement the works, actions and modifications requiring a permit mentioned in § 1. They can also introduce a requirement for a town planning permit for the permit-exempt works and actions with application of § 2."

In its letter of October twenty-fifth, two thousand, the city of Mechelen has, with regard to the properties concerned, information relating to the condition of urban planning, in the broadest sense and stating, among other things, the following:

"Regarding the property located at Generaal de Wittelaan 11A

- *A building permit for the property was issued with reference 542.98 for building offices.*
- *on the property, an activity was exercised and/or a facility is or was located, which is included in Annex 1 of the Flemish Regulations Concerning Soil Remediation (VLAREBO), namely: the manufacture of varnishes and paints, automotive assembly, transport company storing 80,000 liters of diesel.*
- *an unexpired environmental permit applies to the property, namely: facilities for research and development.*

Regarding the property located at Generaal de Wittelaan 19

- *A building permit for the property was issued with references 204-92 and 802-92 for building a business park.*

Regarding both properties

The properties are:

- *located in the MECHELEN regional plan, dated August fifth, nineteen hundred seventy-six, with the intended use of industrial area.*
- *not located in a general development plan, but in a special development plan dated November thirtieth, nineteen hundred eighty-nine, with industry as the intended use.*
- *not located in an unexpired allotment of land."*

The Lessee is required to comply with all the obligations arising from aforementioned intended use.

FINAL STIPULATIONS

Release of ex officio registration.

The land and mortgage registrar is released from taking an ex officio registration at the transfer of this deed.

Explanation - Acceptance

The persons appearing recognize that the Civil-law Notary has pointed out the specific obligations imposed on the Civil-law Notary by Article 9 § 1 subparagraphs 2 and 3 of the Act establishing the Notarial Profession and has explained that when a notary blatantly finds conflicting interests or the presence of clearly unbalanced clauses, they must draw this to the attention of the parties and must inform them that each party is free to choose to appoint another notary, or to be assisted by counsel. The Civil-law Notary must also fully inform each party of the rights, liabilities and expenses arising from the legal actions in which they are involved and must provide impartial advice to all parties.

Those present confirmed that they believe there are no overt conflicts of interest with this and that they have included the clauses in this deed to keep balanced and to accept this, both for themselves and their successors.

Election of domicile - Proof of identity

In implementation of this deed, the parties elected domicile at their aforementioned registered office.

The undersigned Civil-law Notary confirms that the identity of the persons appearing, natural persons, was demonstrated to her on the basis of the aforementioned evidential identity cards.

WHEREOF DEED

Executed in Mechelen, Schaliënhoevedreef 20A.

After the deed was read in its entirety and explained, all parties, represented as mentioned above, signed together with us, Civil-law Notary.

Registered, Mechelen 2nd R.E.G. office on March 1, 2001, ten pages, eleven postings, book 267, page 27, box 16.

Received one hundred and nine thousand and twenty-four francs (=109,024.00)

The Receiver (signed)

LAUWERS M.

CERTIFIED TRUE COPY

THE CIVIL-LAW NOTARY

Free translation for information purposes only

2002 BELGIAN WARRANT PLAN

1. RATIONALE AND PURPOSE

The general shareholders' meeting of "**GALAPAGOS GENOMICS NV**" (the "**Company**") has, by decision dated February 22, 2002, approved the 2002 Belgian Warrant Plan.

The purpose of this Plan is to allow the Company to inform the Beneficiaries (see 2 "**Definitions – Beneficiaries**" and 4 "**Beneficiaries of the Plan**") under which conditions it intends to issue Warrants. By doing so, the Company wishes to express its gratitude for the efforts of the Beneficiaries in helping to make the Company a successful enterprise.

2. DEFINITIONS

In this Plan, the following terms shall have the following meaning:

- **Offer**: the notice to the Beneficiaries of the Plan of the possibility to acquire Warrants;

- **Offer Letter**: the letter specifying the Offer;

- **Acceptance Letter**: the form the Beneficiary receives at the time of the Offer and which the Beneficiary should return, duly executed, to the address mentioned in the Offer Letter, specifying whether or not the Beneficiary accepts the offer;

- **Shares**: all the Shares in the Company;

- **Beneficiary**: in principle, all employees and directors of the Subsidiaries of the Company. The possibility to acquire Warrants can also be allowed by the Board of Directors on an additional and individual basis, to other persons that have rendered meritorious services to the Company or its Subsidiaries in the framework of their professional activities;

- **Certificates**: the Certificates issued by the Foundation in return for Shares that are certified with the Foundation;

- **Control**: the power, in fact or by laws, to exercise a decisive influence with respect to the appointment of the directors or with respect to the activities of the Company, as set forth in article 5 and following the Company Code;

- **Subsidiary**: a company vis-à-vis which Control exists, as set forth in article 6 of the Company Code;

- **Class D Shares**: the shares to be issued upon the exercise of the Warrants under this Plan;

- **Plan**: this 2002 Belgian Warrant Plan;

- **Board of Directors**: the board of directors of the Company;

- **Successor(s)**: the successors or heirs of a deceased person;

- **Foundation**: the Administrative Office ("STAK") "**Galapagos Genomics**", having its registered office at Leiden;

- **Grant**: the moment of acceptance of an offered Warrant by the Beneficiary, or the moment on which the Beneficiary is deemed to have accepted the offered Warrants. The Grant is, for tax purposes, deemed to occur 60 days following the date of the Offer. No grant shall be deemed to occur if the Beneficiary expressly waives its right to acquire the Warrants within 60 days as of the date of the Offer;

- **Exercise**: the exercise of the right, acquired by accepting the Offer, to convert the Warrants into Class D Shares at the Exercise Price;

- **Exercise Price**: the upfront determined price at which a Share may be acquired at the occasion of the Exercise of a Warrant, during the Exercise Periods and within the Exercise Term;

- **Exercise Term**: the term within which a Beneficiary is entitled to exercise its Warrants in order to acquire Shares of the Company, subject to compliance with the specific Exercise Periods and the specific modalities set forth in chapter 6 of this Plan;

- **Exercise Period**: the period within which a Warrant can effectively be Exercised;

- **Company**: the limited liability company "Galapagos Genomics", having the registered office at Generaal Dewittelaan L11 A3, 2800 Mechelen;

- **Warrant**: the right to acquire/subscribe to one Class D Share, within the Exercise Term and the Exercise Price;

- **Warrantholder**: any Beneficiary to whom Warrants have been granted but who has not yet Exercised all of them;

3. WARRANTS

*** General**

3,013,000 Warrants are created in the framework of this Plan. These Warrants shall be called "2002 Warrants".

The Warrants are issued by the Company to the Beneficiary for free.

Each Warrant entitles the Beneficiary thereof to acquire / subscribe to one Class D Share in accordance with the terms and conditions of this Plan.

As from the date of creation of the Warrants by the general shareholders' meeting of the Company, the Board of Directors may, during a 5 year period, offer Warrants to the Beneficiaries. The Board of Directors may delegate its authorities under this 2002 Warrant Plan to a "Remuneration Committee".

*** Number of Warrants per Beneficiary**

The number of Warrants to be offered to the Beneficiaries shall be determined by the Board of Directors and, with respect to the directors of the Company, by the shareholders' meeting or the Board of Directors.

*** Transfer restrictions**

The Warrants are registered securities and cannot be transferred "*inter vivos*" once they are granted to a Beneficiary.

The Warrants can not be pledged nor encumbered in the any other way.

Warrants transferred, pledged or encumbered in violation of the above become automatically void.

*** Exercise Price**

The Board of Directors shall determine the Exercise Price per Warrant at the time the Warrants are offered to a Beneficiary.

If the Shares of the Company are not traded or listed on a stock exchange at the time of the Offer, the Exercise Price shall at least be equal to the actual value of the Class D Shares, as determined by the Board of Directors of the Company and as certified by the auditor of the Company or by an accountant appointed for this purpose by the Board of Directors, should there be no auditor. In addition, the Exercise Price needs in this case (i) at least to be equal to accounting value of the existing Shares as demonstrated from the last annual accounts of the Company as approved by the competent body prior to the date of the Offer and (ii) at least to be equal to 1 Euro.

If the Shares of the Company are traded or listed on a stock exchange at the date of the Offer, the Exercise Price needs, at the Option of the Board of Directors, at least to be equal to (a) the price per share at close of business on the day immediately preceding the day of the Offer or (b) the average trading price of the shares on the stock exchange during a period of 30 days (or any other relevant period) immediately preceding the day of the Offer.

Upon Exercise, an amount of the Exercise Price equal to the fractional value of the existing Shares needs to be booked as capital. The amount of the Exercise Price exceeding the fractional value shall be booked as an issuance premium on an unavailable account which shall serve as a guarantee for third parties in the same manner as the capital, and which can only be reduced or booked away by a decision of the general shareholders' meeting to that effect in accordance with the rules applicable to a reduction of capital.

In derogation of article 501 of the Company Code, the Company expressly preserves the right to take any decision and to carry out any transaction which might have an impact on its capital, on the distribution of profits or the distribution of liquidation dividends or that may otherwise affect the rights of the Warrantholders, unless the only purpose of these decisions and transactions would be to reduce such advantages. Should the rights of a Warrantholder be affected or influenced by such a decision or transaction, the Warrantholder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Board of Directors may, however, in its sole discretion, modify (i) the number of shares in respect of which any Warrant may be exercised or (ii) the Exercise Price. As soon as reasonably practicable, notice in writing of such amendments shall be given by the Board of Directors to any Warrantholder affected thereby.

In case of merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the applicable conversion ration at the occasion of the merger, demerger or stock-split to the other shareholders.

4. BENEFICIARIES

The Beneficiaries are the persons as described in section 2 ("**Definitions – Beneficiaries**").

Employees whose employment contract with the Company or with a Subsidiary is temporarily suspended due to a mission in another country ("**expatriates**") may also qualify as a Beneficiary.

The Board of Directors may, in its sole discretion, include or exclude other persons as a Beneficiary.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries may accept or refuse any individual Offer.

An Offer is deemed to be refused when the corresponding paragraph in the Acceptance Letter is checked.

Each Beneficiary shall receive an Acceptance Letter wherein the Beneficiary mentions its decision regarding the Offer: Acceptance or Refusal.

The Acceptance Letter needs to be returned to the address mentioned therein, duly completed and signed, prior to the date mentioned therein.

In case of Acceptance, the Beneficiary will be recorded in the Warrantholders' Register. This register is safeguarded at the registered office of the Company, mentioning the name of the Warrantholder and the number of Warrants owned by him/her. The Beneficiary will receive a confirmation of the number of Warrants accepted by him/her.

In case of Refusal, the Beneficiary will receive a confirmation that no Warrants were accepted.

The Company shall contact the Beneficiary if, 40 days following the Offer, the Beneficiary has not yet notified its Acceptance or Refusal.

6. EXERCISE AND PAYMENT MODALITIES

*** Exercise Term**

The Exercise Term is 8 years as from the date of the Offer, it being understood that the Warrants can no longer be exercised after February 1, 2012.

*** Exercise Period – General Rule**

Warrants cannot be exercised prior to the third calendar year following the year in which the Offer took place.

Between the 4th calendar year after the year in which the Offer took place and the 4th anniversary date of the Offer, maximum 60% of the granted Warrants is exerciseable.

As of the 4th anniversary date of the Offer the Warrants are fully exerciseable at any time.

*** Exercise Period - Exceptions**

In case of substantial change of control, i.e. in case of acquisition, take-over, merger, etc., of the company by or with another company, the Board of Directors may decide to shorten the Exercise Term. The Beneficiary will be timely informed by the Company of such a decision and will be entitled to immediately and fully exercise its Warrants that are exerciseable at that time. Any adverse tax consequences shall be borne by the Warrantholder.

In case of IPO, the exerciseability may be suspended for a period of 6 months as from the first trading day.

*** Exercise Modalities**

Separate Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrantholder shall submit a notice (the exercise form) to the Board of Directors or to a body appointed by it, together with the Exercise Price, to be deposited into a bank account opened in the name of the Company.

The Warrantholder needs to mention the number of Warrants it desires to exercise on the exercise form.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrantholder thereof and will reimburse the amount that was deposited too late or was insufficient within a week. The Warrants will consequently not be lost and remain exerciseable at a later stage.

*** Exercise of the Warrants in accordance with the law**

In case a Warrant, that is not exerciseable or cannot be exercised in accordance with the exercise modalities (as specified in the Plan), becomes prematurely exerciseable pursuant to article 501 of the Company Code and is also exercised pursuant to this article, the Shares issued upon exercise of the Warrants will be untransferable, except with the explicit prior consent of the Company, until such time the Warrant would have become exerciseable pursuant to this Plan.

7. ISSUANCE AND POSSIBLE CERTIFICATION OF THE CLASS D SHARES

*** Issuance of new Class D Shares**

The Company shall only be obliged to issued Class D Shares upon exercise of the Warrants unless all Exercise Modalities set forth in section 6 have been complied with.

As soon as these modalities are complied with, Class D Shares will be issued, with due consideration of the necessary administrative formalities. The Board of Directors shall in this connection timely – and at lease once every quarter – determine, before a notary public, that the capital is increased.

The Class D Shares issued at the occasion of the Exercise of the Warrants shall have the same dividend rights as the existing not-preferred (common) shares.

*** Certification of the new Class D Shares**

The Company has the right, at its sole discretion, to certify the Class D Shares, issued upon exercise of the Warrants, with the Foundation in the name and on behalf of the Beneficiary. The certificates created in this connection shall be registered in the Register of Owners of Certificates of the Foundation in the name of the Beneficiary - Owner of Certificate.

The Class D Shares will be registered Shares, as a consequence of which the Certificates issued after certification with the Foundation shall also be registered certificates.

The Board of Directors may, in its sole discretion, decide not to comply with the above (under 7 "**Issuance and possible certification of Class D Shares**") for the benefit of the Beneficiary.

*** Sale of Class D Shares and/or Certificates**

If the Beneficiary requests the Company to sell the Shares or Certificates representing these Shares immediately following the issuance thereof and the Company succeeds therein, the Beneficiary shall receive the sale proceeds on its bank account as mentioned on the exercise form.

8. TERMINATION OF THE EMPLOYMENT OR SERVICE RELATIONSHIP

*** End of employment or service relationship**

In case the employment or service relationship with the Beneficiary is terminated after the end of the 3rd calendar year following the date of the Offer, the Beneficiary must exercise its not yet Exercised Warrants within a 3-month period as from the date of the termination. If the employment or service relationship terminates prior to the end of the 3rd calendar year following the year in which the Offer of the Warrants took place, the Warrants shall become partially void as follows:

- 90% if terminated prior to the 1st anniversary of the Offer;
- 80% if terminated prior to the 2nd anniversary of the Offer;
- 60% if terminated prior to the 3rd anniversary of the Offer;
- 40% if terminated following the 3rd anniversary of the Offer but prior to the end of the third calendar year.

The Warrants that do not become automatically void in accordance with the above, shall be exerciseable for a 3 month period as from the first day of the 4th calendar year following the year in which the Offer took place.

*** Death**

In case a Warrantholder dies, the Warrants previously granted to him/her pass to his/her heirs and must subsequently be exercised within a 3 month period.

*** Pension**

If the Warrantholder retires (pension), the Warrants must be exercised within a 3 month period.

*** Sickness or disability**

If the employment relationship is terminated due to long term sickness or disability, the Warrants must be exercised within a 3 month period.

The Board of Directors may, at its discretion, choose not to apply the rules provided in this section 8.µ

9. PROTECTIVE MEASURES

The Board of Directors shall take appropriate measures to protect and safeguard the interests of the Warrantholders, in case of:

- a fundamental change of control of the Company;
- a fundamental change in the legislation;
- serious and exceptional circumstances jeopardizing the rights of the Beneficiaries.

This Warrant Plan 2002 may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of any such amendments and will be bound by them. The modifications may not amend the essential provisions of this Plan.

10. DISPUTE RESOLUTION

All disputes regarding this 2002 Warrant Plan shall be settled by the Board of Directors. If required, the dispute shall be submitted to the Courts and Tribunals of Mechelen, at the occasion of which all parties shall elect domicile at the registered office of the Company.

11. FINAL PROVISIONS

*** Additional Information**

If desired, the Company shall submit the following documents to the Beneficiary:

- charter of the Company and modifications thereto;
- charter of the Foundation and modifications thereto.

*** Taxes and social security**

The Company or a Subsidiary shall be entitled, in accordance with the applicable legislation or customs, to withhold an amount on the cash salary or remuneration of the month of the taxable moment or on the cash salary or remuneration of any subsequent month, and/or the Beneficiary shall be obliged to pay to the Company or to a Subsidiary (if requested by the Company or the Subsidiary) the amount of any tax and/or social security contributions due or payable by virtue of the Offer, the exerciseability or the exercise of the Warrants or due by virtue of the issuance of the Class D Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable legal provisions or customs, to perform the necessary reporting which may be required by virtue of the Offer of the Warrants, the exerciseability thereof or the issuance of the Class D Shares.

*** Costs**

All taxes and duties levied at the occasion of the Exercise of the Warrants and/or the issuance of new Class D Shares shall be borne by the Warrantholder.

Costs in connection with the issuance of the Warrants or the Class D Shares will be borne by the Company.

*** Relation with employment or consultancy agreement or position as a director**

Notwithstanding any provision in this Plan, the rights and obligations of any individual or entity under the terms of his/her office, employment or consultancy agreement with the Company or any Subsidiary, shall not be affected by his/her participation in the Plan or any right he/she might have to participate therein. An individual to whom Warrants are granted pursuant to the Plan shall have no rights to compensation or damages in consequence of the termination of his/her office, employment or consultancy agreement with the Company or any Subsidiary, for any reason whatsoever, insofar as those rights arise or may arise from his/her ceasing to have rights under or be entitled to Exercise any Warrant under the Plan as a result of such termination or from the loss or reduction in value of such rights or entitlements.

Free translation for information purposes only

WARRANT PLAN 2006 BELGIUM/THE NETHERLANDS

ON SHARES OF

GALAPAGOS NV

GENERAL RULES

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1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as “the Company”) has approved the present Warrant plan 2006 Belgium/The Netherlands in its decision of 3 February 2006.

With the Plan set forth hereafter (see infra sub section 2 “Definitions - Beneficiary” and section 4 “Beneficiaries of the Plan”) the Company wants to inform all Beneficiaries of the conditions under which it is willing to grant Warrants.

The Company thus wants to acknowledge the best endeavours used by the Beneficiaries to help the company be a successful company.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Notice of Offer: the letter specifying the Offer;

Notice of Acceptance: the form that is received by the Beneficiary at the moment of the Offer and that needs to be returned to the Company, f.a.o. the managing director, prior to the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: in principle any Employees, Consultants and Directors of the Company and its Subsidiaries. The Board of Directors can also additionally and on an individual basis grant the opportunity to acquire Warrants to other persons who in the framework of their professional activity made themselves useful for the Company or its Subsifdiaries;

Director: the individuals or corporations who at any moment during the existence of the Company exercise a director’s mandate to which they were appointed by either the shareholders’ meeting or the Board of Directors by way of cooptation;

Consultant : an individual or a corporation who performs on a contractual basis professional services to the Company or a Subsidiary, but who is not an Employee (irrespective of whether the contract is concluded directly with the individual or corporation under consideration or – in case of an individual – with a corporation that has entrusted said performance of services to that individual);

Control: the competence de iure or de facto to have a decisive influence on the designation of the majority of its Directors or on the orientation of its management, as determined in article 5 et seq. of the Company Law Code;

Participant: a Beneficiary who has accepted the Offer and to whom a Warrant is granted in accordance with this Plan;

Subsidiary: a company in relation to which exists a competence to Control as set forth in article 6 of the Company Law Code;

Cessation of Employment Contract: the effective date of the cessation, for whatever reason, of the employment contract concluded between the Participant-Employee under consideration and either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous employment for the Company or a Subsidiary;

Cessation of Consultancy Agreement: the effective date of cessation for whatever reason of the Consultancy Agreement concluded between the Participant-Consultant and either the Company or a Subsidiary, except for a cessation accompanied by the simultaneous conclusion of a new Consultancy Agreement or an Employment Contract with the Company or a Subsidiary;

Cessation of Director's Mandate: the effective date of cessation for whatever reason of the Director's Mandate exercised by the Participant-Director for either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous new appointment as a Director with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant plan 2006 Belgium/The Netherlands as approved by the Board of Directors on 3 February 2006 and as amended from time to time by the Board of Directors in accordance with its provisions;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased person;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is tax wise deemed to take place on the 60th day following the date of the Offer;

Exercise: making use of the Warrant right acquired by accepting the Offer to acquire Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a new Share can be acquired when Exercising a Warrant, during one of the specific Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise his/her Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise terms and conditions as set forth in section 6 of the present general rules;

Exercise Period: a period to be determined by the Board of Directors of two weeks within the Exercise Term during which Warrants can be Exercised;

Company: the public limited liability company Galapagos NV, having its seat at Generaal De Wittelaan, L11 A3, 2800 Mechelen;

Warrant: the right to acquire, within the framework of this Plan, one New Share within the Exercise Term and at the Exercise Price;

Warrant Holder: any Beneficiary who has been granted Warrants and who has not yet Exercised all of them;

Warrant Agreement: the agreement that, if need be, is concluded between the Participant and the Company;

Employee: any employee of the Company or a Subsidiary who has concluded an open-ended employment contract and who has ended his/her probationary period;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

Outline

The number of Warrants created in the framework of this Plan is of maximum 350.000. These Warrants shall be called “Warrants 2006 Belgium/The Netherlands”.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary thereof to subscribe to one Share in accordance with the terms and conditions of this Plan.

As from the date of creation of the Warrants by the General Meeting of Shareholders of the Company, the Board of Directors may, within a period of five (5) years, grant Warrants to the Beneficiaries. The Board of Directors may delegate its authorities under this Plan to the Nomination and Remuneration Committee.

Grants made under this Plan are not required to be identical for each Beneficiary.

Number to be Offered per Beneficiary

The number of Warrants to be offered to the Beneficiaries shall be determined by the Board of Directors and, with respect to the Directors of the Company, by the Shareholders’ Meeting.

Limits on the Transferability of Warrants

The acquired Warrants are registered in the name of the Warrant Holder and cannot inter vivos be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge, security or right in rem or be charged in any other manner.

Warrants that in conflict with the foregoing are transferred, pledged or charged shall become legally null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment the Warrants are granted to the Beneficiary.

If the Shares of the Company are not listed or traded on a regulated market at the date of the Offer, the Exercise Price shall in no circumstances be lower than the market value of the Shares, as determined by the Board of Directors of the Company uniformly with the advice of the internal auditor of the Company or of an auditor appointed for these purposes by the Board of Directors, in the absence of an internal auditor. In addition in this case the Exercise Price (i) shall at least be equal to the book value of the existing shares as it appears from the last annual accounts of the Company closed and approved by the competent organ prior to the date of the Offer and (ii) shall, in addition, at least be equal to the par value of the Shares.

If the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price shall, at the discretion of the Board of Directors, at least be equal to (a) the closing price of the Shares on the last trading day preceding the date of Grant or (b) the average of the closing price of the Shares of the last thirty (30) days preceding the date of Grant, on the understanding that the Exercise Price may under no circumstances be lower than the issue price as calculated in accordance with article 598, section 2 of the Company Law Code and in any case may never be lower than the par value of the ordinary shares at the date of issue of the Warrants, being €5,45.

At exercise the Exercise Price must be booked as capital for an amount equal to the par value of the existing shares of the Company. The amount exceeding the par value must be recorded as an issue premium that, to the same extent as capital, forms part of the collateral of third parties and that must be recorded on an unavailable liabilities account which can only be reduced or transferred by a decision of the General Meeting of Shareholders observing the same rules and formalities as those applicable to a capital reduction.

In derogation of article 501 of the Company Law Code and without harming the legally foreseen exceptions, the Company expressly preserves the right to take any decision and to carry out any transaction which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the par value of the existing shares (in order not to conflict with article 582 of the Company Law

Code)), even in the event that these decisions might cause a reduction of the advantages offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be to reduce such advantages.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Board of Directors may, however, in its sole discretion, modify (i) the number of shares in respect of which one Warrant may be exercised or (ii) the Exercise Price. As soon as reasonably practicable, notice in writing of such amendment shall be given by the Board of Directors to any Warrant Holder affected thereby.

In case of a merger, split-up or stock-split of the company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the applicable conversion ration applicable at the occasion of the merger, split-up or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company ensures that the Warrant Plan is managed and administered and makes sure that all questions of Beneficiaries or Warrant Holders are answered in an accurate and fast manner.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the persons as described in section 2 (“Definitions – Beneficiaries”).

Employees whose employment contract with the Company or with a Subsidiary mentioned in the list is temporarily suspended due to a mission in a foreign company (“expatriates”) may also qualify as a Beneficiary.

The Board of Directors shall have an absolute discretion as to the selection or refusal as Beneficiary of other persons.

The majority of the Warrants under this Plan will be reserved for and granted to Employees. The Board of Directors will ensure that a minority of the number of Beneficiaries will consist of Directors and Consultants and a majority will consist of Employees. Furthermore, the Board of Directors will ensure that the majority of the issued Warrants will be reserved for and issued to Employees.

5. ACCEPTANCE OR REFUSAL OF THE GRANT

The Beneficiaries may accept or refuse any individual Grant in whole or in part. Acceptance of the Grant has to be formally established by completing, i.e. putting a cross next to the paragraph concerned in the Notice of Acceptance, and returning the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the offer: Acceptance or Refusal.

The Acceptance Letter needs to be returned to the address mentioned therein, duly completed and signed, prior to the date mentioned therein.

In case the Beneficiary has not returned the Notice of Acceptance prior to the date mentioned therein, he/she shall be deemed to have refused the Grant.

The Warrants are registered in the name of the Beneficiary. In case of Acceptance, the Beneficiary will be recorded in the Register of Warrant Holders. This register is kept at the registered office of the Company, mentioning the name of the Warrant Holder and the number of Warrants held by him/her. For each Grant of Warrants the Company will provide the Warrant Holder with a Warrant Certificate.

The Nomination and Remuneration Committee can decide to replace or complement the Notice of Acceptance by a written Warrant Agreement to be signed by the Participant and the Company, which agreement will contain the conditions determined by the Nomination and Remuneration Committee, in accordance with this Plan.

The ownership of the Warrants accepted by the relevant Beneficiary will pass to the Beneficiary on the sixtieth (60th) day following the date of the Grant.

6. EXERCISE AND PAYMENT CONDITIONS

Exercise Term

A Warrant may not in any circumstances be exercised more than eight (8) years after the date of Grant, provided however that the Warrants can be exercised no later than 2 February two thousand sixteen (02/02/2016).

Exercise Period

Warrants may not be exercised earlier than the end of the third (3rd) calendar year following the one in which the Grant has been made.

Between the commencement of the fourth calendar year following the one in which the Grant has been made and the fourth anniversary of the Grant maximum sixty percent (60%) of the granted Warrants may be exercised during an Exercise Period.

As of the fourth (4th) anniversary of the Grant all granted Warrants may be exercised without any restriction as to the number of vested warrants during an Exercise Period.

The Board of Directors will determine per quarter at least one Exercise Period of two weeks.

The Board of Directors may decide, with a view to avoid misuse of foreknowledge, to establish closed periods during which Warrants cannot be exercised.

Conditions of Exercise

Separate Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder shall submit an appropriate Exercise Notice (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, together with the Exercise Price, to be deposited into a bank account opened in the name of the Company.

The Warrant Holder needs to mention the number of Warrants he/she desires to exercise on the Exercise Notice.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage.

Exercise of Warrants in accordance with the Law

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the exercise conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Company Law Code and thus is also exercised pursuant to this article, the Shares issued upon exercise of the Warrants will be not transferable, except with the explicit prior consent of the Company, until such time the Warrant would have become exercisable pursuant to this Plan.

7. ISSUE OF NEW SHARES

The Company shall not be obliged to issue New Shares pursuant to the exercise of the Warrants unless all Exercise Conditions set forth in section 6 have been complied with.

As soon as these conditions are complied with, the New Shares will be issued, with due consideration of the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once every quarter establish, before a notary public, that the capital of the Company is increased.

The New Shares shall participate in the profit of the Company as of the first day of January of the year in which they have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company can propose to the Warrant Holders who complied with the Exercise Conditions to receive existing Shares awaiting the issue of New Shares by notary deed. In such case

the Warrant Holders will receive an advance of existing Shares subject to the conditions that they sign an authority by which the New Shares upon issue will immediately and directly be delivered to the Company or to any other Party who provided the advance.

The Board of Directors has given proxy to two (2) members of the Board of Directors or to the managing Director, with possibility of subdelegation and privilege of entering into the rights, to establish by notary deed the exercise of Warrants, the issue of the corresponding number of Shares, the contribution in cash, the corresponding realization of the capital increase, the allocation of the difference between the Exercise Price and the par value of the Shares to an unavailable liabilities account "issue premiums", and the coordination of the articles of association of the Company with the new situation of the social capital.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market. The Company has not issued VVPR ("Verlaagde Voorheffing – Précompte Réduit") strips and has no intention whatsoever to do so in the future either.

8. CESSATION OF EMPLOYMENT OR SERVICE RELATIONSHIP

Cessation of Employment or Service Relationship

In case of Cessation of the Employment Contract, the Consultancy Agreement or the Director's Mandate after the end of the third (3rd) calendar year following the date of the Grant, the Beneficiary must exercise its not yet exercised Warrants within a three (3)-month period as from the date of the cessation of employment or the date he/she is otherwise not involved any more in the activities of the Company.

In case of Cessation of the Employment Contract or the Consultancy Agreement prior to the end of the third (3rd) calendar year following the year of the Grant, a part of the granted Warrants shall become legally null and void as follows:

- 90% if Cessation occurs prior to the first (1st) anniversary of the Grant;
- 80% if Cessation occurs prior to the second (2nd) anniversary of the Grant;
- 60% if Cessation occurs prior to the third (3rd) anniversary of the Grant;
- 40% if Cessation occurs following the third (3rd) anniversary of the Grant but prior to the end of the third (3rd) calendar year.

If Cessation of the Director's Mandate occurs prior to the third (3rd) anniversary of the Grant, subject to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall become legally null and void as follows:

- 1/36th of the Grant for each full month between the Cessation of the Director's Mandate and the third (3rd) anniversary of the Offer.

The Warrants that do not become legally null and void are exercisable during a period of three (3) months, starting as of the first (1st) day of the fourth (4th) calendar year following the year of Grant, during an Exercise Period of two (2) weeks to be determined by the Board of Directors.

Death

In case a Warrant Holder dies, all Warrants acquired by such Warrant Holder pass to his/her Personal Representatives and must be exercised within three (3) months, during an Exercise Period of two (2) weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will become legally null and void.

Retirement

Upon retirement of a Warrant holder, the Warrants must be exercised within three months, during an Exercise Period of two weeks to be determined by the Directors. Warrants that are not exercised within such period will become legally null and void.

Illness or Disability

In case of termination of the employment contract because of long term injury or disability, the Warrants acquired by the Warrant Holder must be exercised within three (3) months, during an Exercise Period of two (2) weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will become legally null and void.

Deviations

The Board of Directors shall have an absolute discretion to deviate at any time it thinks fit from the rules set forth in this section 8.

9. PROTECTIVE MEASURES

The Directors shall take appropriate measures to protect and safeguard the interests of the Warrant Holders in case of:

- a fundamental change of control of the Company;
- a fundamental change in the regulations;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries.

This Plan may, if required by the circumstances, be modified by the Board of Directors. The Beneficiary shall be informed of any such amendments and will be bound by them. The modifications may in no event affect the essential provisions of this Plan. The amendments may not harm the rights of the existing Warrant Holders. In the event the rights of the existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

The Board of Directors shall take note of any disputes arising from or in connection with the present Plan and, the case being, may propose for a dispute to be amicably settled. If required the dispute may be taken to court. In the latter case the parties submit to the jurisdiction of the Belgian courts and the legal venue for any disputes arising from or in connection with this Plan shall then be the Courts and Tribunals of the judiciary Mechelen (Belgium) where all parties involved shall make election of domicile in this respect at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

If desired, the Company will provide the Beneficiary with:

- the articles of association of the Company as well as their amendments, if any;

Taxes and Social Security Tax Treatment

The Company or a Subsidiary shall be entitled, according to the applicable law or customary law, to apply a withholding on the salary in cash or compensation for the month in which the taxable moment occurs or on the salary in cash or compensation of any following month, and/or the Beneficiary shall be compelled to pay to the Company or a Subsidiary (if required by the Company or a Subsidiary) any amount of tax and/or social security contributions due or payable because of grant, vesting or exercise of the Warrants or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, according to the applicable law or customary law, to prepare the required reportings, necessary as a result of grant of the Warrants, the vesting or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

The costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with Employment Contract, Consultancy Agreement or Director’s Mandate

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary the right to have additional Warrants granted to him/her later. The grant of Warrants under this Plan shall not deliver on a promise of continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his/her director's mandate, employment contract or consultancy agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in this Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with this Plan shall not be entitled to any compensation or damages by reason of the cessation of his/her director's mandate, employment contract or consultancy agreement with the Company or a Subsidiary, for any reason or in any circumstance, to the extent that these rights or entitlements would arise or might arise for loss or potential loss by reason of being or becoming unable to exercise Warrants under the Plan as a result of the cessation of such agreement or by reason of a loss or decrease in value of the rights or advantages.

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RULES OF THE GALAPAGOS NV

WARRANT PLAN 2006 UK

ADOPTED ON 12 May 2006

GALAPAGOS NV

RULES OF THE GALAPAGOS NV WARRANT PLAN 2006 UK

Established by resolution of the board of Directors on 12 May 2006

Approved by the U.K.'s HM Revenue and Customs (ref no X23100/APT) on .....
2006

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1 INTERPRETATION

Definitions

1.1 In this Scheme (unless the context otherwise requires) the following words and phrases have the meanings given below:

"Act"	the U.K. Income Tax (Earnings and Pensions) Act 2003;
"Acceptance Notice"	means a notice substantially in the form of Appendix B or in such other form as the Directors may decide, that the Beneficiary receives at the moment of the Grant of the Warrants and that the Beneficiary needs to sign and return to the Company (for the attention of the managing director) for acceptance of the Grant;
"AIM"	the Alternative Investment Market of the London Stock Exchange;
"Approval Date"	the date on which the Company receives notice that this Scheme has been approved by the U.K.'s HM Revenue and Customs in accordance with the CSOP Code;
"Associated Company"	has the meaning ascribed to it in the CSOP Code;
"Auditors"	the auditors of the Company for the time being;
"Beneficiary"	Any Employee of the Group.
"Cessation of Employment"	The effective date of cessation, for any reason whatsoever, of the employment agreement between the relevant Employee-Warrant holder and the Company or a Subsidiary, with the exclusion of cessation in conjunction with simultaneous entering into employment with the Company or a Subsidiary.
"Cessation of Directorship"	The effective date of cessation, for any reason whatsoever, of the office of Director of the relevant Director-Warrant holder with the Company or a Subsidiary, with the exclusion of cessation in conjunction with simultaneous appointment with the Company or a Subsidiary.

"Company"	GALAPAGOS NV, a Belgian corporation with seat at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium (registered in the register of enterprises under number 0460.460.429);
"CSOP Code"	Chapter 8 of Part 7 and Schedule 4 of the Act and Part 3 of Schedule 7D to the U.K. Taxation of Chargeable Gains Act 1992;
"Control"	has the meaning given in section 840 of the United Kingdom Taxes Act;
"Date of Grant"	in relation to any Warrant, the date on which that Warrant is Granted;
"Directors"	The board of directors of the Company consisting of persons (individuals or legal entities) appointed by the shareholders' meeting (or by the Directors by way of cooptation) as members of the board of directors of the Company from time to time;
"Employee"	(a) an employee who is a director of any member of the Group and required under his contract of employment to work for not less than 25 hours per week (excluding meal breaks) disregarding holiday entitlement; or (b) any other employee of any member of the Group;
"Euronext"	means the Brussels and Amsterdam based stock exchanges of Euronext NV.
"Exercise Notice"	means a notice substantially in the form of Appendix C or in such other form as the Directors may decide;
"Exercise Period"	any period of two weeks to be determined by the Directors within the Exercise Term during which Warrants can be exercised.
"Exercise Price"	in relation to a Warrant, the pre-determined price at which a Share can be acquired and which is payable upon the exercise of that Warrant and determined in accordance with Rule 5 hereof;

“Exercise Term”	the term in which the Beneficiary can exercise his/her Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and specific exercise conditions set forth in section 7 of this Scheme.
“Grant”	when used as a noun, the written and dated notification to Beneficiaries of the Scheme of the opportunity to acquire Warrants in accordance with the terms of the Scheme, or when used as a verb, the act of providing such notification;
“Group”	the Company and each and every company which is for the time being a Subsidiary;
“Key Feature”	in relation to this Scheme, a provision which is necessary in order to meet the requirements of Schedule 4 to the Act;
“London Stock Exchange”	London Stock Exchange plc;
“Market Value”	in relation to a Share on a given day, the market value of a Share determined in accordance with the provisions of Part 8 of the U.K. Taxation of Chargeable Gains Act 1992 and agreed for the purposes of this Scheme with the U.K.’s HM Revenue and Customs’ Shares Valuation on or before that day;
“Material Interest”	has the meaning given in paragraph 10 of Schedule 4 to the Act;
“Model Code”	the Model Code for securities transactions by directors of companies traded on AIM or, if fully listed, by directors of listed companies, published from time to time by the London Stock Exchange, or any equivalent code applicable to securities transactions by directors of companies trading on Euronext;
“New Shares”	Shares to be issued pursuant to the exercise of Warrants under this Scheme;
“NICs”	U.K. National Insurance Contributions;
“NIC Warrant Gain”	a gain realised upon the exercise of, or acquisition of Shares in pursuance of, a Warrant, being a gain that is treated as remuneration derived from the Warrant-holder’s employment by virtue of section 4(4)(a) of the U.K. Social Security Contributions and Benefits Act 1992;

“NI Regulations”	the laws, regulations and practices currently in force relating to liability for and the collection of NICs;
“Warrant”	a right to acquire one Share, granted in accordance with and subject to the Rules of this Scheme;
“Warrant Certificate”	means a certificate substantially in the form of Appendix A or in other such form as the Directors may decide;
“Warrantholder’s Employer” or “my Employer”	in relation to a Warrant holder, such member of the Group as is the Warrant holder’s employer or, if he has ceased to be employed within the Group, was his employer or such other member of the Group, or such other person as, under the PAYE Regulations or, as the case may be, the NI Regulations, or any other statutory or regulatory enactment (whether in the U.K. or any other jurisdiction) is obliged to account for any Warrant Tax Liability;
“Warrant Tax Liability”	in relation to a Warrant holder, any liability of the Warrant holder’s Employer to account to HM Revenue and Customs or other tax authority for any amount of, income tax or NICs (which shall include secondary Class I NICs) or any equivalent charge which the U.K.’s HM Revenue & Customs accepts in the nature of tax or social security contributions (whether under the laws of the U.K. or of any other jurisdiction) which may arise upon the exercise of, or the acquisition of Shares pursuant to, Warrants;
“Warrant holder”	a person who has been Granted Warrants in accordance with this Scheme and who has accepted such Warrants by means of the Acceptance Notice and who has not yet exercised such Warrants or, if that person has died, his Personal Representatives;
“Ordinary Share Capital”	issued share capital of the Company (other than fixed rate preference shares);

"PAYE Regulations"	the regulations made under section 684 of the Act;
"Personal Data"	has the meaning it bears for the purposes of the U.K. Data Protection Act 1998 or of any equivalent act applicable in the jurisdiction in which the Company is incorporated;
"Personal Representatives"	in relation to a Warrant holder, the legal personal representatives of the Warrant-holder (being either the executors of his will to whom a valid grant of probate has been made or if he dies intestate the duly appointed administrator(s) of his estate) who have provided to the Directors evidence of their appointment as such;
"Related Company"	any company which, in relation to the Company, is an associated company as that term is defined in section 416 of the Taxes Act except that, for the purposes of this Scheme, sub-section (1) of that section shall have effect with the omission of the words "or at any time within one year previously";
"Rules"	these Rules as from time to time amended in accordance with their terms and reference to a "Rule" shall be construed as a reference to the equivalent numbered paragraph of these Rules;
"Scheme"	The GALAPAGOS NV Warrant Plan 2006 UK as set out in these Rules as approved by the Directors on [DATE] and as amended from time to time;
"Shares"	fully-paid ordinary shares in the capital of the Company which satisfy the requirements of paragraphs 16 to 20 of Schedule 4 to the Act ;
"Subsidiary"	any company which is for the time being both a subsidiary (as defined in section 736 of the U.K. Companies Act 1985 and in article 6 of the Belgian Code of Companies) of the Company and under the Control of the Company;
"Taxes Act"	the U.K. Income and Corporation Taxes Act 1988.
"U.K."	the United Kingdom

1.2 References to Warrants vesting or being or becoming vested in respect of any number or proportion of the Shares over which it subsists are to be read as references to the Warrants becoming capable of being exercised either immediately or, subject to the Warrant holder continuing to hold office or employment within the Group (or with any Related Company), at some future time.

1.3 References to Shares in respect of which Warrants subsist at any time are to be read and construed as references to the Shares over which the Warrants are then held (and in respect of which it has not then lapsed and ceased to be exercisable).

1.4 Any reference to any enactment shall include any consolidation, modification, extension, amendment or re-enactment thereof or any subordinate legislation made under it for the time being in force.

1.5 Words denoting the masculine gender shall include the feminine.

1.6 Words denoting the singular shall include the plural and vice versa.

1.7 Words not otherwise defined in this Rule 1 have the same meanings as in the CSOP Code.

2 GRANT OF WARRANTS

2.1 The number of Warrants created in the framework of this Scheme is of 453,715. These Warrants shall be called “2006 UK Warrants”. This Scheme shall be called the “Warrant Plan 2006 UK”.

Subject to the following provisions of this Rule 2, the Directors shall have an absolute discretion as to the selection of persons to whom Warrants are granted but no Warrant shall be granted to any person unless he is a Beneficiary and no Beneficiary shall be entitled as of right to be granted Warrants.

The number of Warrants to be offered to the Beneficiaries shall be determined by the Board of Directors and, with respect to the directors of the Company, by the shareholders’ meeting.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary thereof to acquire / subscribe to one Share in accordance with the terms and conditions of this Scheme.

As from the date of creation of the Warrants by the Board of Directors of the Company, the Board of Directors may, during a five (5) year period, Grant Warrants to the Beneficiaries. The Board of Directors may delegate its authorities under this Warrant Plan 2006 UK to the Nomination and Remuneration Committee.

Grants made under this Scheme are not required to be identical for each Beneficiary.

Warrants may, subject to Rule 2.3 below, only be granted in that period commencing:

2.1.1 on the Approval Date and ending forty-two (42) days thereafter; or

2.1.2 on the day following the announcement of the interim or final results of the Company for any financial year or part thereof and ending forty-two (42) days thereafter,

and any grant of Warrants shall be effected by the issue, as a deed, of a Warrant Certificate.

2.2 Warrants may be granted outside the periods specified in Rule 2.1 if:

2.2.1 the Directors, in their absolute discretion, consider the circumstances sufficiently exceptional to justify the grant of Warrants; or

2.2.2 the Company is not listed on the official list of the London Stock Exchange or otherwise quoted on, dealt in or traded on AIM or any other market, including but not limited to Euronext.

2.3 Warrants shall not be granted to any person at any time when he has or has within the preceding 12 months had, a Material Interest in the Company or a company which has control of the Company or is a member of a consortium which owns such a company or the Warrant holder's Employer.

2.4 Warrants shall be granted by the Company and, as soon as reasonably practicable after the grant, the Company shall issue to the Warrant holder a Warrant Certificate which, inter alia, specifies:

(a) the Date of Grant;

(b) the identity of the Company;

(c) the number of Shares in respect of which the Warrants are granted;

(d) the Exercise Price;

(e) the earliest date on which the Warrants may be exercised by reason of Rule 7.2;

(f) that it is a condition of exercise of the Warrants that the Warrant holder agrees to indemnify the Company and the Warrant holder's Employer in respect of any Warrant Tax Liability, and is otherwise in such form as the Company may from time to time determine.

2.5 Unless the Company otherwise determines in relation to the grant of Warrants on any occasion, any person to whom Warrants are granted must confirm his acceptance of such grant by delivering to the Company a duly completed Acceptance Notice and if no such Acceptance Notice is received by the Company within the period of sixty days after the Date of Grant (or such later time as the Company may notify to the Warrant holder) the Warrants shall be deemed as never having been granted.

3 RELATIONSHIP WITH CONTRACT OF EMPLOYMENT

3.1 Beneficiaries are the persons as described in Rule 1 (“Definitions – Beneficiaries”).

Employees whose employment contract with the Company or with a Subsidiary is temporarily suspended due to a mission in another country (“expatriates”) may also qualify as a Beneficiary.

The majority of the 2006 UK Warrants will be reserved for and granted to Employees. The Directors will ensure that a minority of the number of Beneficiaries will consist of Directors and a majority will consist of Employees. Furthermore, the Directors will ensure that the majority of the issued Warrants will be reserved for and granted to Employees.

3.2 The grant of Warrants does not form part of the Warrant holder’s entitlement to remuneration or benefits pursuant to his contract of employment or office nor does the existence of a contract of employment between any person and the Warrant holder’s Employer, the Company, any Subsidiary or Related Company or former Subsidiary or former Related Company give such person any right or entitlement to have Warrants granted to him in respect of any number of Shares or any expectation that Warrants might be granted to him whether subject to any conditions or at all and the grant of Warrants shall not confer on any Warrant holder any rights whatsoever against the Company or any Subsidiary or Related Company or former Subsidiary or former Related Company directly or indirectly.

3.3 The rights and obligations of a Warrant holder under the terms of his contract of employment or office with the Company or any Subsidiary or Related Company or former Subsidiary or former Related Company shall not be affected by the grant of Warrants.

3.4 The rights granted to a Warrant holder upon the grant of Warrants shall not afford the Warrant holder any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company or any Subsidiary or Related Company or former Subsidiary or former Related Company for any reason whatsoever, whether or not such termination is ultimately held to be wrongful or unfair.

3.5 A Warrant holder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being or becoming unable to exercise Warrants in consequence of the loss or termination of his office or employment with the Company or any Subsidiary or Related Company or former Subsidiary or former Related Company for any reason (including, without limitation, any breach of contract by his employer) or in any other circumstances whatsoever, whether or not such termination is ultimately held to be wrongful or unfair or a breach of contract.

4 NON-TRANSFERABILITY OF WARRANTS

4.1 The Warrants are registered in the name of the Warrant holder. During his lifetime the Warrant holder cannot transfer the Warrants and only the individual to whom Warrants are granted may exercise those Warrants.

4.2 Any Warrant shall immediately become null and void if:

(a) it is purported to be transferred or assigned (other than to his Personal Representatives upon the death of the Warrant holder), mortgaged, pledged, charged or otherwise disposed of by the Warrant holder; or

(b) the Warrant holder is adjudicated bankrupt or a bankruptcy order is made against the Warrant holder pursuant to Chapter I of Part IX of the U.K. Insolvency Act 1986; or

(c) the Warrant holder is deprived (otherwise than on death) of the legal or beneficial ownership of the Warrants by operation of law or by the Warrant holder doing or omitting to do anything which causes him to be so deprived.

5 EXERCISE PRICE

5.1 The Exercise Price shall be determined by the Directors at the moment the Warrants are granted to the Beneficiary. If the Shares are listed for trading on a regulated market, the Exercise Price shall in no circumstances be lower than the Market Value of the Shares and in addition shall be no lower than the lesser of (a) the closing price of the Shares on the last rading ay preceding the Date of Grant, or (b) the average of the closing price of the Shares of the last five (5) rading ays preceding the Date of Grant.

5.2 In derogation of article 501 of the Belgian Code of Companies[1], the Company expressly preserves the right to take any decision and to carry out any

[1] Article 501 of the Belgian Code of Companies:

"Counting from the issue of the warrants and until the end of exercise period of the warrant, the company cannot by any act decrease the benefits allocated to the warrant holders by the conditions of the issue or by law, except in the case of the second paragraph and in cases for which the conditions of issue specifically provide for.

In case of increase of the share capital by contribution of money the warrant holders can exercise their warrant notwithstanding any provision to the contrary in the statutes or in the conditions of issue and as the case may be participate in the new issue as a shareholders, to the extent the existing shareholders have such right."

transaction which might have an impact on its capital, or that may otherwise affect the rights of the Warrant holders, unless the only purpose of these decisions and transactions would be to reduce such advantages. Should the rights of a Warrant holder be affected or influenced by such a decision or transaction, the Warrant holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Board of Directors may, however, in its sole discretion subject to the prior approval of HM Revenue & Customs, modify (i) the number of shares in respect of which any Warrant may be exercised or (ii) the Exercise Price. As soon as reasonably practicable, notice in writing of such amendments shall be given by the Board of Directors to any Warrant holder affected thereby.

5.3 In case of stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted, subject to the prior approval of HM Revenue & Customs, in accordance with the applicable conversion ration at the occasion of the stock-split to the other shareholders.

6 ACCEPTANCE OR REFUSAL OF THE GRANT

6.1 The Beneficiaries may accept or refuse any individual Grant in whole or in part. Acceptance of the Grant has to be formally established by completing and returning the Notice of Acceptance.

6.2 Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions its decision regarding the Offer: Acceptance or Refusal. The Acceptance Notice needs to be returned to the address mentioned therein, duly completed and signed, prior to the date mentioned therein. In case the Beneficiary has not returned the Acceptance Notice prior to the date mentioned therein, he/she shall be deemed to have refused the Grant.

6.3 The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded in the Register of Warrant holders. This register is kept at the registered office of the Company, mentioning the name of the Warrant holder and the number of Warrants held by him/her. For each Grant of Warrants, the Company will provide the Warrant holder with a Warrant Certificate.

6.4 The Nomination– and Remuneration Committee of the Company can decide to replace or complement the Notice of Acceptance by a written Warrant agreement to be signed by the Warrantholder granted under this Scheme and by the Company, which agreement will contain the conditions determined by the Nomination– and Remuneration Committee, in accordance with this Scheme.

6.5 The ownership of the Warrants accepted by the relevant Beneficiary will pass to the Beneficiary on the sixtieth (60^{th}) day following the Date of Grant.

7 EXERCISE AND PAYMENT CONDITIONS

7.1 *Exercise Term*

A Warrant may not in any circumstances be exercised more than eight (8) years after the Date of Grant, provided however that the Warrants can be exercised no later than the tenth anniversary of the date on which the Scheme is approved by the Directors.

7.2 *Exercise Period*

A Warrant may not be exercised earlier than the end of the third calendar year following the one in which the Grant has been made. Between the commencement of the fourth calendar year following the one in which the Grant has been made and the fourth anniversary of the Grant maximum sixty percent (60%) of the granted Warrants may be exercised during an Exercise Period. As of the fourth (4th) anniversary of the Grant all granted Warrants may be exercised without any restriction as to the number of vested warrants during an Exercise Period.

The Directors will determine per quarter at least one Exercise Period of two weeks.

7.3 *Conditions of Exercise.*

Separate Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant holder shall submit an Exercise Notice to the person designated, together with the Exercise Price, to be deposited into a bank account opened in the name of the Company. The Warrant holder needs to mention the number of Warrants he/she desires to exercise on the Exercise Notice.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage.

7.4 *Exercise of Warrants in accordance with Belgian law*

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the exercise conditions (as specified in the Scheme), becomes prematurely exercisable pursuant to article 501 of the Belgian Code of Companies[2] and is also exercised pursuant to this article, the Shares issued upon exercise of the Warrants will be not transferable, except with the explicit prior consent of the Company, until such time the Warrant would have become exercisable pursuant to this Scheme.

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2 See footnote 1.

7.5 *Model Code Restriction* No Warrant shall be capable of being exercised where such exercise would be contrary to any applicable laws or regulations relating to securities including (if applicable) the Model Code.

7.6 *Material interest*

A Warrant may not in any event be exercised at any time if the Warrant holder then has, or has within the preceding 12 months had, a Material Interest in the Company or a company which has control of the Company or is a member of a consortium which owns such company.

8. ISSUE OF NEW SHARES

8.1 The Company shall not be obliged to issue New Shares pursuant to the exercise of the Warrants unless all exercise conditions set forth in section 7 have been complied with.

As soon as these conditions are complied with and in any event within 30 days of the date of exercise, New Shares will be issued, with due consideration of the required administrative formalities. The Directors shall to this effect timely at a date to be determined by the Directors and at least once every quarter establish, before a notary public, that the capital of the Company is increased.

8.2 The New Shares shall participate in the profit of the Company as of the first day of January of the year in which they have been issued.

8.3 In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company can propose to the Warrant holders who complied with the exercise conditions to receive existing Shares awaiting the issue of New Shares by notarial deed. In such case the Warrant holders will receive an advance of existing Shares subject to the conditions that they sign an authority by which the New Shares upon issue will immediately and directly be delivered to the Company or to any other Party who provided the advance.

8.4 The Shares to be issued on the exercise of Warrants shall rank pari passu in all respects with the fully paid Shares in the Company then in issue .

8.5 The allotment or transfer of any Shares under this Scheme shall be subject to the articles of association of the Company and to any necessary consents of any governmental or other authorities under any enactments or regulations from time to time in force.

8.6 If, at the time that any Shares are allotted on the exercise of a Warrant, any shares in the Company are dealt in on a market (including AIM) or have been admitted to the official list of the London Stock Exchange and/or Euronext as the case may be, the Company shall use all reasonable endeavours to procure that such Shares may also be dealt in on the same market or (as the case may be) are admitted to the official list of the London Stock Exchange and/or Euronext as the case may be.

8.7 If any Warrant holder shall lose any Warrant Certificate the Company shall, as soon as reasonably practicable after its receipt of notice of such loss (together, if the Company requires, with an indemnification from the Warrant holder in respect of any liability which the Company may incur as a consequence of such loss in such form as the Company may require) issue to such Warrant holder a duplicate of such Warrant Certificate and any reference in these Rules to an Warrant Certificate shall include a reference to any such duplicate.

8.8 If a number of Warrants is exercised (or lapses) that does not represent the total number of Warrants held by that Warrant holder, the Company shall as soon as reasonably practicable after such an event issue (or procure the issue) to the Warrant holder concerned a balancing Warrant Certificate evidencing the extent to which the Warrants remains unexercised. Any Warrant Certificate or (as the case may be) balancing Warrant Certificate previously issued in respect of such Warrant shall be marked "Cancelled – Exercised in Part" and affixed to the relevant balancing Warrant Certificates.

8.9 The Directors have given proxy to two (2) directors of the Company or to the managing Director, with possibility of subdelegation, to establish by notarial deed the exercise of Warrants, the issue of the corresponding number of Shares, the contribution in cash, the corresponding realization of the capital increase, the allocation of the difference between the Exercise Price and the par value of the Shares to an unavailable account "issue premiums", and the coordination of the articles of association of the Company with the new situation of the social capital.

8.10 The Company will take the necessary actions to have the New Shares listed for trading on a regulated market.

9. CESSATION OF EMPLOYMENT OR OFFICE

9.1 *Cessation of Employment or Directorship*

In case of Cessation of Employment or Directorship after the end of the third calendar year following the date of the Grant, the Beneficiary must exercise its not yet exercised Warrants within a three-month period as from the date of the cessation.

In case of Cessation of Employment or Directorship prior to the end of the third calendar year following the year of the Grant, a part of the granted Warrants shall become null and void as follows:

- 90% if Cessation occurs prior to the first anniversary of the Grant;
- 80% if Cessation occurs prior to the second anniversary of the Grant;
- 60% if Cessation occurs prior to the third anniversary of the Grant;

- 40% if Cessation occurs following the third anniversary of the Grant but prior to the end of the third calendar year.

The Warrants that do not become null and void are exercisable during a period of three months, starting as of the first day of the fourth calendar year following the Grant, during an Exercise Period of two weeks to be determined by the Directors. Warrants that are not exercised within such period, will become null and void.

9.2 *Death*

In case of a Warrant holder dies, all Warrants acquired by such Warrant holder pass to his/her Personal Representatives and must be exercised within three months, during an Exercise Period of two weeks to be determined by the Directors. Warrants that are not exercised within such period, will become null and void.

9.3 *Retirement*

Upon retirement of a Warrant holder, the Warrants must be exercised within three months, during an Exercise Period of two weeks to be determined by the Directors. Warrants that are not exercised within such period, will become null and void.

9.4 *Illness or disability*

In case of termination of the employment agreement because of long term injury or disability, the Warrants acquired by the Warrant holder must be exercised within three months, during an Exercise Period of two weeks to be determined by the Directors. Warrants that are not exercised within such period, will become null and void.

10. PROTECTIVE MEASURES

The Directors shall protect and safeguard the interests of the Warrant holders in case of:

- a fundamental change of control of the Company;
- a fundamental change in the regulations;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries.

Subject to Rule 16, this Scheme may, if required by the circumstances, be modified by the board of Directors. The Beneficiary shall be informed of any such amendments and will be bound by them. The modifications may in no event affect the essential provisions and/or Key Features of this Scheme. The amendments may not harm the rights of the existing Warrant holders. In the event the rights of the existing Warrant holders would be harmed, the amendments may not be made without their agreement.

11. **WARRANT TAX LIABILITY**

11.1 The Warrant holder shall indemnify the Company and the Warrant holder's Employer against any liability of any such person to account for any Warrant Tax Liability in respect of the exercise of Warrants and acquisition of Shares under this Scheme.

11.2 If in any jurisdiction a Warrant Tax Liability arises then, unless either:

(a) within the period of 30 days beginning with the date on which the Warrant is exercised, the Warrant holder's Employer is able to withhold the amount of such liability from payment of the Warrant holder's remuneration; or

(b) the Warrant holder has indicated (either in the Exercise Notice or in such other manner as the Company may specify) that he will make a payment to the Company of an amount equal to the Warrant Tax Liability and the Warrant holder does, within 14 days of being notified by the Company of the amount of the Warrant Tax Liability, make such payment to the Company; or

(c) the Warrant holder has authorised (in the Exercise Notice or in such other manner as the Company may specify) the Company, to the extent necessary, to reimburse the Warrant holder's Employer, to sell (or have sold) as agent for the Warrant holder (at the best price which can reasonably be expected to be obtained at the time of sale) a sufficient number of the New Shares, and to procure payment to the Warrant holder's Employer out of the net proceeds of sale of such New Shares (after deduction of all fees, duties, commissions and expenses incurred in relation to such sale) of monies sufficient to satisfy the indemnity mentioned in Rule 11.1,

then the Company shall, to the extent necessary to reimburse the Warrant holder's Employer, have the right to sell (or have sold) as agent for the Warrant holder (at the best price which can reasonably be expected to be obtained at the time of sale) a sufficient number of the New Shares then acquired in pursuance of such Warrant, and to procure payment to the Warrant holder's Employer, out of the net proceeds of sale of such Shares (after deduction of all fees, duties, commissions and expenses incurred in relation to such sale), of moneys sufficient to satisfy the indemnity mentioned in Rule 11.1.

11.3 In accepting the grant of a Warrant the Warrant holder shall, if required to do so by the Company, agree with and undertake to the Company and any other company which is the Warrant holder's Employer that the Warrant holder shall join with the Warrant holder's Employer in making an election (in such terms and form, and subject to such approval by HM Revenue and Customs as provided in paragraph 3B of Schedule 1 to the Social Security Contributions

and Benefits Act 1992) for the transfer to the Warrant holder of the whole, or such part as the Company may determine, of any liability of the Warrant holder's Employer to secondary Class 1 NICs on any NIC Warrant Gain.

12 INDIVIDUAL LIMITS ON THE GRANTING OF WARRANTS

12.1 The number of New Shares in respect of which Warrants are granted to a Beneficiary shall be limited, and the Grant of Warrants shall take effect, so that the aggregate market value of New Shares which may be acquired upon the exercise of those Warrants, when added to:

(a) the aggregate market value of New Shares in respect of which Warrants have previously been granted (and have not then been exercised nor ceased to be exercisable) to the Warrant holder concerned; and

(b) the aggregate market value of New Shares in respect of which rights to acquire such New Shares have been obtained by that Warrant holder under any other Warrant plan approved in accordance with either the CSOP Code or Schedule 9 of the Taxes Act which has been established by the Company or by any Associated Company (and have not then been exercised nor ceased to be exercisable),

shall not exceed or further exceed thirty thousand pounds (£30,000) or such other limit as may be prescribed under paragraph 6(1) of Schedule 4 to the Act.

12.2 For the purposes of this Rule 12:

(a) the market value of a New Share in respect of which a Warrant has been or is to be granted shall be taken as the Exercise Price payable upon the exercise of such Warrant or, if less, the minimum price per New Share which could have been determined pursuant to Rule 5 to be the Exercise Price in relation to that Warrant; and

(b) the market value of New Shares in respect of which other rights to acquire shares have been granted shall have the same meaning as in Part 8 of the Taxation of Chargeable Gains Act 1992 and shall be calculated as at the time such other rights were granted or such earlier time as may have been agreed in writing with HM Revenue and Customs.

12.3 For the avoidance of doubt, any Grant of Warrants that results in exceeding the limit of thirty thousand pounds (£30,000) set forth in Rule 12.1 hereof, shall be a valid Grant, provided, however, that to the extent such Grant exceeds such limit, the Grant (i) shall not benefit from the specific beneficial tax treatment that applies to schemes that are approved by the U.K.'s HM Revenue and Customs, and (ii) shall consequently be treated as a "non-approved" Grant for taxation purposes.

13 DEMERGER, RECONSTRUCTION OR WINDING-UP

Demerger

13.1 Subject to Rule 7.1, in the event that notice is given to shareholders of the Company of a proposed demerger of the Company or of any Subsidiary the Directors may give notice to Warrant holders that Warrants may then be exercised in respect of all the Shares over which they subsist within such period (not exceeding 30 days) as the Directors may specify in such notice to Warrant holders SAVE THAT:

(a) no such notice to Warrant holders shall be given unless the Auditors have confirmed in writing to the Directors that the interests of Warrant holders would or might be substantially prejudiced if before the proposed demerger has effect Warrant holders could not exercise their Warrants and be registered as the holders of the Shares thereupon acquired; and

(b) in the case of Warrants not granted by the Company, the Company consents to such exercise being permitted.

Statutory reconstruction

13.2 Subject to Rule 7.1, if the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme of reconstruction of the Company or its amalgamation pursuant to section 425 of the Companies Act 1985 each Warrant holder shall be entitled to exercise his Warrant during the period of six months commencing on the date on which the Court sanctions the compromise or arrangement and if not so exercised the Warrant shall lapse and cease to be exercisable on the expiry of such period of six months.

Winding-up

13.3 In the event of notice being given to holders of Shares of a resolution for the voluntary winding-up of the Company, a Warrant may, subject to rule 7.1, be exercised at any time before the commencement of the winding-up and if not so exercised the Warrant shall lapse and cease to be exercisable on the commencement of the winding up.

13.4 All Warrants shall immediately lapse and cease to be exercisable upon the commencement of a winding-up of the Company.

14 TAKE-OVER

14.1 Subject to Rule 7.1, if, as a result of either:

(a) a general offer to acquire the whole of the Ordinary Share Capital which is made on a conditional basis such that if the conditions are satisfied the person making the offer will have control of the Company; or

(b) a general offer to acquire all the shares in the Company of the same class as the New Shares

the Company shall come under the control of another person or persons, each Warrant holder shall be entitled to exercise his Warrant within the period of six months of the date when the person making the offer has obtained control of the Company and any condition subject to which the offer is made has been satisfied or waived and to the extent that the Warrant is not then exercised it shall upon the expiration of that period lapse and cease to be exercisable.

14.2 Subject to Rule 7.1, if at any time before a Warrant has lapsed any person becomes entitled or bound to acquire New Shares in the Company under sections 428 to 430F (inclusive) of the Companies Act 1985 each Warrant holder shall be entitled to exercise his Warrant at any time when that person remains so entitled or bound and to the extent that the Warrant is not then exercised it shall upon the expiration of that period lapse and cease to be exercisable.

14.3 For the purposes of this Rule 14 a person shall be deemed to have control of a company if he and others acting in concert with him have together obtained control of it.

14.4 For the avoidance of doubt, where the circumstances envisaged in any of Rules 14.1 and 14.2 arise at any one time and those respective Rules each indicate a different time by which Warrants may be exercised, the earlier of those times shall apply (subject to Rule 14.5).

14.5 If any company (in this Rule referred to as ‘the acquiring company’):

(a) obtains control of the Company as mentioned in Rule 14.1; or

(b) obtains control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 425 of the Companies Act 1985; or

(c) becomes bound or entitled to acquire Shares under sections 428 to 430F (inclusive) of the Companies Act 1985,

a Warrant holder may, at any time within the appropriate period (as defined in Rule 14.6), by agreement with the acquiring company release his rights under his Warrant in consideration of the grant to him of rights to acquire shares in the acquiring company or some other company falling within sub-paragraphs (b) or (c) of paragraph 16 of Schedule 4 to the Act (“a New Warrant”) PROVIDED THAT:

(i) such New Warrant will be exercisable only in accordance with the provisions of this Scheme as it had effect immediately before the release of his rights under his Warrant (read and construed as mentioned in Rule 14.7); and

(ii) the shares to which the new rights relate satisfy the provisions of paragraphs 16 to 20 of Schedule 4 to the Act; and

(iii) the total market value, immediately before such release, of the Shares in respect of which the Warrant then subsists is equal to the total market value, immediately after such grant, of the shares in respect of which the New Warrant is granted to the Warrant holder; and

(iv) the total amount payable by the Warrant holder for the acquisition of shares upon exercise of the New Warrant is equal to the total amount that would have been payable for the acquisition of Shares upon exercise of the Warrant.

14.6 In Rule 14.5 “the appropriate period” means:

(a) in a case falling within Rule 14.5(a), the period of six months beginning with the time when the person making the offer has obtained control of the Company and any condition or conditions subject to which the offer is made has or have been satisfied or waived;

(b) in a case falling within Rule 14.5(b), the period of six months beginning with the time when the court sanctions the compromise or arrangement; and

(c) in a case falling within Rule 14.5(c), the period during which the acquiring company remains bound or entitled as mentioned in that paragraph.

14.7 For the purposes mentioned in Rule 14.5(i) the provisions of this Scheme shall be read and construed as if:

(a) references to “the Company” in Rules 3, 7, 13, 14, 15 and 17 were references to the company in respect of whose shares the New Warrant is granted;

(d) references to “Shares” in Rules 1, 7, 11, 13, 14 and 15 were references to such shares;

(e) references to “Warrant” in Rules 3, 4, 7, 13, 14, 15, and 17 were references to such New Warrant;

(f) references to “Warrantholder” in Rules 3, 4, 7, 13, 14, 15 and 17 were references to the persons to whom such New Warrant is granted;

(g) references to “Ordinary Share Capital” in Rules 14 and 15 were references to the ordinary share capital (other than fixed rate preference shares) of such company;

(h) references to “the Exercise Price” in Rules 7 and 15 were references to the price per share payable upon the exercise of such new rights;

(i) references to "the Directors" in Rules 13, 14, and 15 were references to the board of directors of the acquiring company.

14.8 New Warrants granted pursuant to Rule 14.5 shall be regarded for the purposes of the CSOP Code and for the purposes of the subsequent application of the provisions of this Scheme as having been granted on the Date of Grant of the corresponding rights as mentioned in Rule 14.5.

15 VARIATION OF SHARE CAPITAL

15.1 In the event of any alteration of the Ordinary Share Capital by way of capitalisation or rights issue, or sub-division, consolidation or reduction or any other variation in the Share capital of the Company, the Directors may make such adjustment as they consider appropriate:

(j) to the aggregate number or amount of New Shares subject to any Warrant, and/or

(k) to the Exercise Price payable for each New Share under any such Warrant, and/or

(l) where a Warrant to subscribe for New Shares has been exercised but no New Shares have been allotted in accordance with Rule 8.4, to the number of Shares which may be so allotted and the Exercise Price payable for each such Share

PROVIDED ALWAYS THAT:

(i) no such adjustment is made unless and until HM Revenue and Customs have approved the adjustment and confirmed that the approved status of this Scheme will not be affected; and

(ii) except in the case of a capitalisation issue, any such adjustment is confirmed in writing by the Auditors to be in their opinion fair and reasonable; and

(iii) except in so far as the Directors (on behalf of the Company) agree to capitalise the Company's reserves and apply the same at the time of exercise of the Warrant in paying up the difference between the Exercise Price and the nominal value of the Shares, the Exercise Price in relation to any Warrant to subscribe for Shares is not reduced below the nominal value of a Share; and

(iv) any such adjustment which is to be made to the terms of a Warrant granted by a person other than the Company shall not have effect unless it is approved by such person.

15.2 As soon as reasonably practicable after any such adjustment has effect in relation to any Warrant the Directors (acting as agent for the Company) shall give notice in writing to the Warrant holder.

16 ALTERATION OF SCHEME

16.1 The Directors may at any time make any alteration to this Scheme in any respect PROVIDED THAT:

(m) no such alteration in any Key Feature of this Scheme shall take effect unless and until HM Revenue and Customs have confirmed in writing that such alteration or addition shall not affect the approved status of this Scheme;

(n) if any shares of the same class in the Company are listed on the London Stock Exchange or Euronext or dealt in or traded on AIM, then except with the prior sanction of the Company in general meeting, no alteration shall be made to Rules 1.1 (in respect of the definitions of Beneficiaries or Exercise Price), 2.1 to 2.3 (inclusive), 7.1, 7.2, 8.4, 8.5, 12, 13, 14 and 15; and

(o) no such alteration shall take effect so as to affect the liabilities of any person other than the Company in relation to any Warrant granted by such person without the prior consent in writing of such person.

16.2 The restrictions contained in Rule 16.1 shall not apply in respect of minor amendments to benefit the administration of the Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Scheme.

16.3 As soon as reasonably practicable after making any alteration under this Rule 16, the Directors shall give notice in writing thereof to any Warrant holder affected.

17 SERVICE OF DOCUMENTS

17.1 Any notice from any person to any Beneficiary or Warrant holder or any other person under the Scheme shall be addressed to him at his address last known to the Company or a Subsidiary, or handed to him personally and where sent by post shall be deemed to have been given on the day following that on which it was posted.

17.2 Any notice or document so sent to an Beneficiary and/or Warrant holder shall be deemed to have been duly given notwithstanding that such person is then deceased (and whether or not the Company or a Subsidiary has notice of his death) except where his Personal Representatives have established their title to the satisfaction of the Company and supplied to the Company an alternative address to which documents are to be sent.

17.3 Any notice given by an Beneficiary or an Warrant holder to the Company under the Scheme shall be in writing addressed to the Secretary of the

Company at its registered office or to such other person or body and/or at such other address in the United Kingdom as the Directors may from time to time notify for the purpose, and shall be effective only upon actual receipt by the Company or such other person or body notified as aforesaid.

18 MISCELLANEOUS

18.1 The Directors may from time to time make and vary such rules and regulations not inconsistent herewith and establish such procedures for the administration and implementation of this Scheme as they think fit and in the event of any dispute or disagreement as to the interpretation of this Scheme or of any such rules, regulations or procedures or as to any question or right arising from or related to this Scheme, the decision of the Directors shall (except as regards any matter required to be determined by the Auditors hereunder) be final and binding upon all persons.

18.2 In any matter in which they are required to act hereunder, the Auditors shall be deemed to be acting as experts and not as arbitrators and the Arbitration Act 1996 shall not apply hereto.

18.3 Save as otherwise expressly provided for in these Rules, the costs of the administration and implementation of this Scheme shall be borne by the Company. The Company is responsible for the management and the administration of the Scheme and for correctly and rapidly answering all questions of the Beneficiaries or Warrant holders.

18.4 Warrant holders shall be entitled to receive copies of any documents sent to holders of Shares and shall have the right to attend general meetings of the Company but only in an advisory role and not with voting power.

18.5 The Directors may at any time resolve to terminate the Scheme in which event no further Warrants shall be granted, save for any New Warrant granted in accordance with Rule 14.5 but the provisions of the Scheme shall continue in full force and effect in relation to Warrants then subsisting (or subsequently granted as aforesaid).

19 PROTECTION OF PERSONAL DATA

By accepting the grant of an Warrant, the Warrant holder shall agree and consent to:

(p) the collection, use and processing by the Company and any member of the Group of Personal Data relating to the Warrant holder, for all purposes reasonably connected with the administration of this Scheme and the subsequent registration of the Warrant holder or any other person as a holder of Shares acquired pursuant to the exercise of an Warrant;

(q) the Company and any member of the Group transferring Personal Data to or between any of such persons for all purposes reasonably connected with the administration of the Scheme;

(r) the use of such Personal Data by any such person for such purposes; and

(s) the transfer to and retention of such Personal Data by any third party for such purposes.

APPENDIX A

WARRANT CERTIFICATE

THE GALAPAGOS NV WARRANT PLAN 2006 UK

This document is important and should be retained in a safe place pending exercise of the Warrants herein referred to.

Full name(s) of Warrant holder: _____

Address of Warrant holder: _____

_____

_____

Date of Grant: _____

Number of New Shares: _____

Exercise Price: _____

First date for exercise of Warrants: _____

[*NB: 3 years from date of grant*]

Last date for exercise of Warrants: _____

[*NB: no later than 8 years from date of grant or, if earlier, the tenth anniversary of the date of approval of the Scheme by the Directors*]

GALAPAGOS NV ("the Company") **HEREBY GRANTS** to you, the Warrant holder named above, [ ] Warrants to acquire the above number of New Shares in the Company at the above Exercise Price.

The Warrants are exercisable subject to and in accordance with the rules of The GALAPAGOS NV Warrant Plan 2006 UK as amended from time to time and the Memorandum and Articles of Association of the Company.

In accordance with Rule 7.1, this Warrant may not in any event be exercised later than the eight anniversary of the Date of Grant shown above.

These Warrants are not transferable but may be capable of exercise by the Warrant holder's Personal Representatives in the event of the Warrant holder's death.

It is a condition of exercise of these Warrants that the Warrant holder agrees to indemnify the Company and the Warrant holder's Employer against any liability of any such person to account for any Warrant Tax Liability. If an Warrant Tax Liability arises following the exercise of Warrants or the acquisition of Shares and, within 30 days, the appropriate

amount cannot be withheld from payment of the Warrant holder's remuneration or the Company has not received payment of such amount in accordance with the Rules, the Company shall, to the extent necessary to reimburse the Employer of the Warrant holder, be entitled to sell sufficient of the Shares acquired in pursuance of these Warrants and to procure payment to the Employer of the Warrant holder, out of the net proceeds of sale of such Shares, of moneys sufficient to satisfy such indemnity.

In the case of Employer of the Warrantholder's NICs arising on gains made on the acquisition of Shares pursuant to the Warrant, the Warrant holder shall, if at any time before the first date of exercise of this Warrant the Company so directs, make a joint election (in a form approved by HM Revenue and Customs) with the Employer of the Warrant holder for liability to Employer of the Warrantholder's NICs arising upon the exercise of, or the acquisition of Shares in pursuance of, these Warrants to be transferred to him or her.

The Warrants are personal to the Warrant holder and may not be transferred, assigned or charged to any other person and any purported transfer, assignment or charging will cause the Warrants to lapse.

Words and phrases used in this Warrant Certificate shall have the meanings they bear for the purposes of the Scheme.

EXECUTED as a deed by GALAPAGOS NV acting by:

_____ Director

_____ Director/Secretary

Date:

APPENDIX B

NOTICE OF ACCEPTANCE

THE GALAPAGOS NV WARRANT PLAN 2006 UK

To: GALAPAGOS NV (the "Company")

1 **I HEREBY AGREE** to accept the grant of Warrants over _____ Shares on _____ (*date*) ("my Warrant") and agree and undertake to be bound by the terms and conditions set out in the rules of The GALAPAGOS NV Warrant Plan 2006 UK ("the Scheme").

2 I hereby agree to indemnify the Company and my Employer in respect of any liability of any such person to account for any Warrant Tax Liability in respect of the exercise of Warrants and allotment of Shares under the Scheme.

3 I understand and agree that, if an Warrant Tax Liability arises following the exercise of Warrants or the acquisition of New Shares, then unless either:

(a) my Employer is able to withhold the amount of such Warrant Tax Liability from payment of my remuneration, within the period of 30 days from the date of the Warrant exercise; or

(b) I have indicated in writing to my Employer either in the Exercise Notice or in a manner agreed with the "Company", that I will make a payment of an amount equal to the Warrant Tax Liability and do in fact make such a payment, within 14 days of being notified by the Company of the amount of such Warrant Tax Liability; or

(c) I have authorised the Company (either in the Exercise Notice or in a manner agreed with the Company) to sell sufficient of the shares acquired in pursuance of these Warrants and to procure payment to my Employer out of the net proceeds of sale of such shares of monies sufficient to satisfy such indemnity,

the Company shall, to the extent necessary to reimburse my Employer, be entitled to sell sufficient of the Shares acquired in pursuance of these Warrants to procure payment to my Employer, out of the net proceeds of sale of such Shares, of moneys sufficient to satisfy such indemnity.

4 I hereby agree with and undertake to the Company and any other company which is my Employer that my Employer may recover from me, as mentioned in Rule 11.3, the whole or any part of any Employer's NICs payable in respect of any NIC Warrant Gain.

5 I hereby agree and undertake that I shall, if and when so requested by the Company before this Warrant is first exercised, make a joint election with my Employer (in a form satisfactory to the Company and HM Revenue and Customs) for any liability of my Employer to employers' NICs payable in respect of any NIC Warrant Gain, to be transferred to me ("an NIC Election").

6 I hereby appoint the Company Secretary or any director of the Company to be my lawful attorney during the period ending with the first date on which this Warrants are exercised, for the purpose of executing, in my name and on my behalf, an NIC Election. This power of attorney is given by way of security for the performance of my obligation to make an NIC Election and is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.

7 I hereby authorise and agree that:

(a) my Employer and any other member of the Group may disclose to any other member of the Group, the Company, and to any administrator of this Scheme all such Personal Data relating to me and to my participation in the Scheme as shall, in the opinion of the Directors, be necessary to facilitate the operation and administration of the Scheme and to enable any such administrator to discharge all its duties and functions in relation to the operation of the Scheme;

(b) any such persons may transfer such Personal Data amongst themselves for the purposes of administering the Scheme;

(c) any such person may process and use such Personal Data for any such purposes; and

(d) such Personal Data may be transferred to and by any third party for such purposes.

8 Words and phrases used in this Notice of Acceptance shall have the meanings they bear for the purposes of the Scheme.

EXECUTED as a deed by)
[ ])
in the presence of:)

Witness signature: _____

Witness name (print): _____

Address: _____

Occupation: _____

Date: _____

THIS FORM MUST BE RECEIVED BY [ ] BY _____ OTHERWISE THE GRANT OF WARRANTS WILL BE DEEMED TO HAVE LAPSED.

APPENDIX C

EXERCISE NOTICE

THE GALAPAGOS NV WARRANT PLAN 2006 UK

To: The [Company Secretary], GALAPAGOS NV [or Company]

NOTE: The tax consequences of exercising your Warrants may vary according to the time of exercise and your residency for tax purposes at the time of exercise. You are therefore advised to consult your professional advisers BEFORE exercising your Warrants.

I hereby exercise the Warrants referred to in the enclosed Warrant Certificate in respect of [all/__,____*] of the Shares over which the Warrants subsist, and request the allotment or transfer to me of those New Shares in accordance with the rules of the Scheme and the Memorandum and Articles of Association of the Company.

I enclose a cheque made payable to GALAPAGOS NV/ _____ [name of Company or other appropriate person] in the sum of £ being the aggregate Exercise Price of such Shares [or wire payment].

PAYMENT OF WARRANT TAX LIABILITY

I understand that, as a result of the exercise of the Warrant, an Warrant Tax Liability may arise which I am required to satisfy. I wish to meet this Warrant Tax Liability by:

☐ authorising the Company or my Employer to deduct the necessary amount from my next salary payment under the PAYE procedure

☐ paying the Company such amount as is necessary to cover the Warrant Tax Liability within 14 days of my receiving details of that Warrant Tax Liability from the Company

☐ agreeing to the Company selling sufficient of my Warrant Shares so that the net proceeds of sale will cover the Warrant Tax Liability

Please tick the box for your preferred payment method. If you do not tick any boxes the Company will first seek to withhold an amount sufficient to cover the Warrant Tax Liability from your next salary payment, and if the Warrant Tax Liability cannot then be satisfied in full, the Company will sell sufficient of your Shares to meet that liability.

Full Name(s) of Warrant holder (block signature letters) _____

Address: _____

_____

Date: _____

[OR

[TO BE COMPLETED ONLY IF NOTICE IS GIVEN BY PERSONAL REPRESENTATIVE OF DECEASED WARRANT HOLDER]

[I/WE am/are the personal representative(s) of the above-named deceased Warrant holder [Note (2)]

Full Name(s) of Personal Representative(s) _____

_____

Address(es) _____

_____

_____

Signature(s) of Personal Representative(s) _____

_____

_____]

NOTES:

1 This form must be accompanied by payment of the Exercise Price for the Shares in respect of which the Warrant is exercised.

2 Where the Warrant is exercised by personal representatives, an office copy of the Probate or Letters of Administration should accompany the form.

3 The Scheme has been approved by the HM Revenue and Customs in accordance with section 521 and Schedule 4 of the Act. There is no charge to income tax on the receipt of a right to acquire Shares under such a scheme. Under current tax rules no charge to tax will arise on the exercise of the Warrant if it is exercised:

(a) in accordance with the rules of the Scheme (as amended from time to time with the consent of HM Revenue and Customs) at a time when the Scheme is approved by the HM Revenue and Customs; and

(b) more than three years after the date of grant or, if earlier, upon the death of the Warrant holder or within 12 weeks of leaving employment within the Group by reason of injury, disability, redundancy or retirement on or after age 55.

4 Provided a Warrant is exercised within these statutory time-limits no charge to income tax will arise on any subsequent growth in value of the Shares acquired.

5 Under current tax rules, a charge to income tax and NICs will arise if these Warrants are exercised less than 3 years after the date of grant otherwise than on the death of the Warrant holder or within 6 months of the Warrant holder ceasing employment by reason of injury, disability, redundancy or retirement on or after age 55. It is a term of the exercise of the Warrants that the Warrant holder will be required to enter into arrangements satisfactory to the Company to ensure that any such Warrant Tax Liability (including any liability to employer's secondary class I NICs) will be borne by, and recovered from, him or her.

6 **IMPORTANT. Neither the Company nor the Employer of the Warrantholder undertake to advise the Warrant holder on the tax consequences of exercising Warrants. If the Warrant holder is unsure of the tax liabilities that may arise, the Warrant holder should take appropriate professional advice before exercising his Warrants.**

7 A Warrant holder, whether or not a director of any company, shall not be entitled to exercise an Warrant at any time when to do so would contravene the provisions of the Company's Code governing share dealings by directors and employees.

WARRANTPLAN 2007

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2007 by resolution of 28 June 2007.

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub section 2 Definitions: "Beneficiary" and sub 4 Beneficiaries of the Plan) of the conditions under which it is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: in principle all Employees and Consultants of the Company and its Subsidiaries. The possibility to acquire Warrants may be granted by the Board of Directors in secondary order and on an individual basis to other persons who contributed to the Company or its Subsidiaries in the performance of their professional activities;

Director: a natural person or legal entity who at any moment during the existence of the Company exercises a director's mandate to which they were appointed by either the Shareholders' Meeting or the Board of Directors by way of cooptation;

Consultant: a natural or legal person who on a contractual base provides services to the Company or a Subsidiary, but who is not a Employee (irrespective whether the contract was entered into directly with the relevant natural or legal person - or in case of a natural person – with a legal person who has entrusted the performance of the services to such natural person);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Employment agreement: the effective date of the cessation for whatever reason of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the director's mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2007 approved by the Board of Directors of 28 June 2007, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise his Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in section 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is maximum 404,560. These Warrants will be designated as "Warrants 2007". The detail of the number of Warrants per Beneficiary, offered under this Plan, is explained in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

The Board of Directors may delegate the authorisation to make an Offer to the Nomination and Remuneration Committee of the Company.

Offers under this Plan do not need to be the same for every Beneficiary.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries will be determined by the Board of Directors and, as regards the Directors, by the general shareholders' meeting of the Company.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer and as the Board of Directors wishes to have the same Exercise Price for all Beneficiaries, the Exercise Price of the Warrants will, for all Beneficiaries, at least be equal to the average of the closing price during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than EUR 5.43, *i.e.* the fractional value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In deviation of article 501 of the Code of Companies and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the advantages offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be to reduce such advantages.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 (“Definitions – Beneficiaries”).

Employees, whose employment contract with the Company or a Subsidiary mentioned in the list is temporarily suspended because of a foreign assignment (“expatriates”), may also be designated as Beneficiary.

The Board of Directors is free to designate or exclude other persons as Beneficiary.

The Warrants under this Plan are in majority reserved for and granted to Employees. The Board of Directors will ensure that the number of Beneficiaries consists in minority of Directors and Consultants and in majority of Employees. The Board of Directors will also ensure that a majority of the issued Warrants will be reserved for and granted to Employees.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Acceptance Letter needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination- and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination- and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Warrants will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6. EXERCISE- AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the year in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants.

The Board of Directors will establish at least one Exercise Period of two weeks per semester.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage.

Exercise of the Warrants in accordance with the Code of Companies

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise if all exercise conditions set forth in section 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the Exercise conditions to receive existing shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who advanced them the existing shares.

The Board of Directors has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant CIK deposit certificate, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE EMPLOYMENT- OR SERVICE RELATIONSHIP

Cessation of the employment- or service relationship

In case of Cessation of the Employment agreement, Cessation of the Consultancy agreement or Cessation of the Director’s Mandate after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise not longer involved in the activities of the Company.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the date of the Offer, a part of the granted Warrants shall automatically become null and void as follows:

- 90 % in case the Cessation is situated prior to the first anniversary of the Offer;
- 80 % in case the Cessation is situated prior to the second anniversary of the Offer;
- 60 % in case the Cessation is situated prior to the third anniversary of the Offer;
- 40 % in case the Cessation is situated after the third anniversary of the Offer, but prior to the end of the third calendar year.

If Cessation of the Director's Mandate occurs prior to the third anniversary of the Offer, but without prejudice to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Offer.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of the Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of cessation of the employment agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this section 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change of control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan will, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the existing Warrant Holders. In the event the rights of the existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereof.

Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the employment agreement, consultancy agreement or director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his/her employment agreement or consultancy agreement or director's mandate concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

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WARRANTPLAN 2007 RMV

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2007 RMV by resolution of 25 October 2007.

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub section 2 Definitions: "Beneficiary" and sub 4 Beneficiaries of the Plan) of the conditions under which it is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: in principle all Employees and Consultants of the Company and its Subsidiaries. The possibility to acquire Warrants may be granted by the Board of Directors in secondary order and on an individual basis to other persons who contributed to the Company or its Subsidiaries in the performance of their professional activities;

Director: a natural person or legal entity who at any moment during the existence of the Company exercises a director's mandate to which they were appointed by either the Shareholders' Meeting or the Board of Directors by way of cooptation;

Consultant: a natural or legal person who on a contractual base provides services to the Company or a Subsidiary, but who is not a Employee (irrespective whether the contract was entered into directly with the relevant natural or legal person - or in case of a natural person – with a legal person who has entrusted the performance of the services to such natural person);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Employment agreement: the effective date of the cessation for whatever reason of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the director's mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2007 RMV approved by the Board of Directors of 25 October 2007, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise his Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in section 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is maximum 114,100. These Warrants will be designated as "Warrants 2007 RMV". The detail of the number of Warrants per Beneficiary, offered under this Plan, is explained in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

The Board of Directors may delegate the authorisation to make an Offer to the Nomination and Remuneration Committee of the Company.

Offers under this Plan do not need to be the same for every Beneficiary.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries will be determined by the Board of Directors and, as regards the Directors, by the general shareholders' meeting of the Company.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than 5.43 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In deviation of article 501 of the Code of Companies and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the advantages offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be to reduce such advantages.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 (“Definitions – Beneficiaries”).

Employees, whose employment contract with the Company or a Subsidiary is temporarily suspended because of a foreign assignment (“expatriates”), may also be designated as Beneficiary.

The Board of Directors is free to designate or exclude other persons as Beneficiary.

The Warrants under this Plan are in majority reserved for and granted to Employees. The Board of Directors will ensure that the number of Beneficiaries consists in minority of Directors and Consultants and in majority of Employees. The Board of Directors will also ensure that a majority of the issued Warrants will be reserved for and granted to Employees.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Acceptance Letter needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination- and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination- and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Warrants will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6. EXERCISE- AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the year in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants.

The Board of Directors will establish at least one Exercise Period of two weeks per semester.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage.

Exercise of the Warrants in accordance with the Code of Companies

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise if all exercise conditions set forth in section 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the Exercise conditions to receive existing shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who advanced them the existing shares.

The Board of Directors has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant CIK deposit certificate, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE EMPLOYMENT- OR SERVICE RELATIONSHIP

Cessation of the employment- or service relationship

In case of Cessation of the Employment agreement, Cessation of the Consultancy agreement or Cessation of the Director’s Mandate after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise not longer involved in the activities of the Company.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the date of the Offer, a part of the granted Warrants shall automatically become null and void as follows:

- 90 % in case the Cessation is situated prior to the first anniversary of the Offer;
- 80 % in case the Cessation is situated prior to the second anniversary of the Offer;
- 60 % in case the Cessation is situated prior to the third anniversary of the Offer;
- 40 % in case the Cessation is situated after the third anniversary of the Offer, but prior to the end of the third calendar year.

If Cessation of the Director's Mandate occurs prior to the third anniversary of the Offer, but without prejudice to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Offer.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of the Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of cessation of the employment agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this section 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change of control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan will, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the existing Warrant Holders. In the event the rights of the existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereof.

Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the employment agreement, consultancy agreement or director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his/her employment agreement or consultancy agreement or director's mandate concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

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WARRANTPLAN 2008

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2008 by resolution of 26 June 2008.

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub section 2 Definitions: "Beneficiary" and sub 4 Beneficiaries of the Plan) of the conditions under which it is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: in principle all Employees and Consultants of the Company and its Subsidiaries. The possibility to acquire Warrants may be granted by the Board of Directors in secondary order and on an individual basis to other persons who contributed to the Company or its Subsidiaries in the performance of their professional activities;

Director: a natural person or legal entity who at any moment during the existence of the Company exercises a director's mandate in the Company to which they were appointed by either the Shareholders' Meeting or the Board of Directors by way of cooptation;

Consultant: a natural or legal person who on a contractual base provides services to the Company or a Subsidiary, but who is not a Employee (irrespective whether the contract was entered into directly with the relevant natural or legal person - or in case of a natural person – with a legal person who has entrusted the performance of the services to such natural person);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Employment agreement: the effective date of the cessation for whatever reason of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the director's mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2008 approved by the Board of Directors of 26 June 2008, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days as from the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise his Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in section 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is maximum 300,065. These Warrants will be designated as "Warrants 2008". The detail of the number of Warrants per Beneficiary, offered under this Plan, is explained in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

The Board of Directors may delegate the authorisation to make an Offer to the Nomination and Remuneration Committee of the Company.

Offers under this Plan do not need to be the same for every Beneficiary.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries will be determined by the Board of Directors and, as regards the Directors, by the general shareholders' meeting of the Company.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. For an Offer to a Director or a Consultant, the Exercise Price will, in accordance with article 598 of the Code of Companies, be established at the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than 5.43 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In deviation of article 501 of the Code of Companies and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the

existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the advantages offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be to reduce such advantages.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 (“Definitions – Beneficiaries”).

Employees, whose employment contract with the Company or a Subsidiary is temporarily suspended because of a foreign assignment (“expatriates”), may also be designated as Beneficiary.

The Board of Directors is free to designate or exclude other persons as Beneficiary.

The Warrants under this Plan are in majority reserved for and granted to Employees. The Board of Directors will ensure that the number of Beneficiaries consists in minority of Directors and Consultants and in majority of Employees. The Board of Directors will also ensure that a majority of the issued Warrants will be reserved for and granted to Employees.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Acceptance Letter needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination- and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination- and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Warrants will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6. EXERCISE- AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the year in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants.

The Board of Directors will establish at least one Exercise Period of two weeks per semester.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage.

Exercise of the Warrants in accordance with the Code of Companies

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise if all exercise conditions set forth in section 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the Exercise conditions to receive existing shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who advanced them the existing shares.

The Board of Directors has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE EMPLOYMENT- OR SERVICE RELATIONSHIP

Cessation of the employment- or service relationship

In case of Cessation of the Employment agreement, Cessation of the Consultancy agreement or Cessation of the Director’s Mandate after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise not longer involved in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the date of the Offer, a part of the granted Warrants shall automatically become null and void as follows:

- 90 % in case the Cessation is situated prior to the first anniversary of the Offer;
- 80 % in case the Cessation is situated prior to the second anniversary of the Offer;
- 60 % in case the Cessation is situated prior to the third anniversary of the Offer;

- 40 % in case the Cessation is situated after the third anniversary of the Offer, but prior to the end of the third calendar year.

If Cessation of the Director's Mandate occurs prior to the third anniversary of the Offer, but without prejudice to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Offer.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of the Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of cessation of the employment agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this section 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change of control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan will, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be

submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereof.

Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the employment agreement, consultancy agreement or director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his/her employment agreement or consultancy agreement or director's mandate concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

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WARRANT PLAN 2008 (B)

ON SHARES OF

GALAPAGOS NV

GENERAL RULES

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1. BASE AND PURPOSE

The Extraordinary General Shareholders' Meeting of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2008 (B) during its meeting of 26 June 2008.

With the Plan set forth hereafter (see infra sub section 2 "Definitions - Beneficiary") the Company wants to inform all Beneficiaries of the conditions under which the Company is willing to grant Warrants. The Company thus wants to acknowledge the best endeavours used by the Beneficiaries to help the company be a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Notice of Offer: the letter specifying the Offer;

Notice of Acceptance: the form that is received by the Beneficiary at the moment of the Offer and that needs to be returned to the Company, f.a.o. the Board of Directors, prior to the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: each of the following Directors: Mr Onno van de Stolpe and Dr. William Garth Rapeport;

Director: the individuals or corporations who at any moment during the existence of the Company exercise a director's mandate within the Company to which they were appointed by either the Company's shareholders' meeting or the Board of Directors by way of cooptation;

Control: the competence de iure or de facto to have a decisive influence on the designation of the majority of its Directors or on the orientation of its management, as determined in article 5 *et seq*. of the Companies Code;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants are granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as further set forth in article 6 of the Companies Code;

Cessation of Director's Mandate: the effective date of cessation for whatever reason of the Director's Mandate exercised by the Participant-Director for either the Company or a Subsidiary, except for a cessation accompanied by the simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, consultant or employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2008 (B) as approved by the Extraordinary General Shareholders' Meeting of 26 June 2008 and as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days as from the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a new Share can be acquired when Exercising a Warrant, during one of the specific Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise his/her Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise terms and conditions as set forth in section 6 of this Plan;

Exercise Period: a period to be determined by the Board of Directors of two weeks within the Exercise Term during which the Warrants can be Exercised;

Company: the public limited liability company Galapagos NV, having its seat at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to acquire, within the framework of this Plan, one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

Outline

The number of Warrants created in the framework of this Plan is of maximum 57,500. These Warrants shall be called "Warrants 2008 (B)".

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary thereof to subscribe to one New Share in accordance with the terms and conditions of this Plan.

Number to be Offered per Beneficiary

The number of Warrants to be offered to the Beneficiaries under Warrant Plan 2008 (B) shall be determined by the Shareholders' Meeting, as follows:

- Mr Onno van de Stolpe: 50,000 Warrants;
- Dr. William Garth Rapeport: 7,500 Warrants.

Transfer Restrictions

The acquired Warrants are registered in the name of the Warrant Holder and cannot inter vivos be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge, security or right in rem or be charged in any other manner.

Warrants that in conflict with the foregoing are transferred, pledged or charged shall become legally null and void.

Exercise Price

The Exercise Price per Warrant shall be determined by the General Shareholders' Meeting.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants offered to a Director will, in accordance with article 598 of the Companies Code, not be lower than the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the exercise price be lower than 5.43 euro, i.e. the fractional value (rounded up to the higher eurocent) of the shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In deviation from article 501 of the Companies Code and without prejudice the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Companies Code)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, split-up or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ration applicable at the occasion of the merger, split-up or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company ensures that the Plan is managed and administered and makes sure that all questions of Beneficiaries or Warrant Holders are answered in an accurate and fast manner.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the persons as described in section 2 (“Definitions – Beneficiaries”), i.e. Mr Onno van de Stolpe and Dr William Garth Rapeport.

The Warrants under this Plan are exclusively for the benefit of Directors.

5. ACCEPTANCE OR REFUSAL OF THE GRANT

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

Alternatively, the Offer and the Acceptance can be recorded in the notarial deed enacting the issuance of Warrants, in which case no Notice of Offer and Notice of Acceptance are required, and in which case the Beneficiary can notify his acceptance in person or by means of a (private) proxy.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Beneficiary who has accepted the offered Warrants will receive the Warrants as soon as the Board of Directors has established the acceptance.

6. EXERCISE AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised earlier than the end of the third (3rd) calendar year following the calendar year in which the Grant has been made.

Between the commencement of the fourth calendar year following the one in which the Grant has been made and the fourth anniversary of the Grant maximum sixty percent (60%) of the granted Warrants may be exercised during an Exercise Period.

As of the fourth (4th) anniversary of the Grant all granted Warrants may be exercised without any restriction as to the number of vested warrants during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised insofar the exercise Term has not expired.

Conditions of Exercise

Separate Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder shall submit an appropriate Exercise Notice (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, together with the Exercise Price, to be deposited into a bank account opened in the name of the Company.

The Warrant Holder needs to mention the number of Warrants he/she desires to exercise on the Exercise Notice.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage.

Exercise of Warrants in accordance with the Companies Code

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Companies Code and is thus also prematurely exercised pursuant to article 501 of the Companies Code, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfill the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company, represented by the Board of Directors, can propose to the Participants who have complied with the Exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who provided them with the advance.

The General Shareholders' Meeting has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account "issuance premiums" of the difference in the exercise price between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear and bank documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF SERVICE RELATIONSHIP

Cessation of Director's Mandate

In case of Cessation of the Director's Mandate after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which his mandate comes to an end or from the date he is otherwise not involved anymore in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Director's Mandate occurs prior to the third anniversary of the Offer, subject to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Offer.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Death

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised by such Personal Representative(s) within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Illness or Disability

In case of Cessation of the Director's Mandate as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors shall have an absolute discretion to deviate at any time it thinks fit from the rules set forth in this section 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of any such modifications and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and amendments thereof as the case may be.

Taxes and Social Security Tax Treatment

The Company shall be entitled, in accordance with the applicable regulations, to apply a withholding on the compensation for the month in which the taxable moment occurs or on the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company (if so required by the Company) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants or due or payable in respect of the delivery of the New Shares.

The Company shall be entitled, in accordance with the applicable regulations, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the Director’s Mandate

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous mandate or contract by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his Director’s mandate shall not be affected by his participation in the Plan or by any right that he may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation by reason of the cessation of his Director's mandate, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he might have or the claims he could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such mandate or by reason of the loss or decrease in value of the rights or benefits.

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WARRANTPLAN 2009

ON SHARES

GALAPAGOS NV

GENERAL RULES

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Free translation for information purposes

1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2009 by resolution of 1 April 2009.

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub section 2 Definitions: "Beneficiary" and sub 4 Beneficiaries of the Plan) of the conditions under which it is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: in principle all Employees and Consultants of the Company and its Subsidiaries. The possibility to acquire Warrants may be granted by the Board of Directors in secondary order and on an individual basis to other persons who contributed to the Company or its Subsidiaries in the performance of their professional activities;

Consultant: a natural or legal person who on a contractual base provides services to the Company or a Subsidiary, but who is not a Employee (irrespective whether the contract was entered into directly with the relevant natural or legal person - or in case of a natural person – with a legal person who has entrusted the performance of the services to such natural person);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Employment agreement: the effective date of the cessation for whatever reason of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy- or management agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2009 approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days as from the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise his Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in section 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is maximum 560.000. These Warrants will be designated as “Warrants 2009”. The detail of the number of Warrants per Beneficiary, offered under this Plan, is explained in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

The Board of Directors may delegate the authorisation to make an Offer to the Nomination and Remuneration Committee of the Company.

Offers under this Plan do not need to be the same for every Beneficiary.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries will be determined by the Board of Directors.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. For an Offer to a Consultant, the Exercise Price will, in accordance with article 598 of the Code of Companies, be established at the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than 5.43 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In deviation of article 501 of the Code of Companies and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the advantages offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be to reduce such advantages.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 ("Definitions – Beneficiaries").

Employees, whose employment contract with the Company or a Subsidiary is temporarily suspended because of a foreign assignment ("expatriates"), may also be designated as Beneficiary.

The Board of Directors is free to designate or exclude other persons as Beneficiary.

The Warrants under this Plan are in majority reserved for and granted to Employees. The Board of Directors will ensure that the number of Beneficiaries consists in minority of Consultants and in majority of Employees. The Board of Directors will also ensure that a majority of the issued Warrants will be reserved for and granted to Employees.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Acceptance Letter needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination- and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination- and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Warrants will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6. EXERCISE- AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the year in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage, insofar that the Exercise Term has not expired.

Exercise of the Warrants in accordance with the Law

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise if all exercise conditions set forth in section 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the Exercise conditions to receive existing shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who advanced them the existing shares.

The Board of Directors has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the acceptance of the offered Warrants, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE EMPLOYMENT- OR SERVICE RELATIONSHIP

Cessation of the employment- or service relationship

In case of Cessation of the Employment agreement or Cessation of the Consultancy agreement after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise not longer involved in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the date of the Offer, a part of the granted Warrants shall automatically become null and void as follows:

- 90 % in case the Cessation is situated prior to the first anniversary of the Offer;
- 80 % in case the Cessation is situated prior to the second anniversary of the Offer;
- 60 % in case the Cessation is situated prior to the third anniversary of the Offer;
- 40 % in case the Cessation is situated after the third anniversary of the Offer, but prior to the end of the third calendar year.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of the Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of cessation of the employment agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this section 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change of control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan will, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereof.

Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the

Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the employement agreement or consultancy or management agreement

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his/her employment agreement or consultancy- or management agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy- or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

General Shareholders' Meetings

Holders of Warrants have the right to participate in the General Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting. By accepting Warrants, the Participant approves that convocations for General Shareholders' Meeting are validly made if made by means of e-mail.

Address Change

Holders of Warrants are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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WARRANTPLAN 2009 (B)

ON SHARES OF

GALAPAGOS NV

GENERAL RULES

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1. BASE AND PURPOSE

The Extraordinary General Shareholders' Meeting of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2009 (B) in its meeting of 2 June 2009.

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub section 2 "Definitions - Beneficiary") of the conditions under which it is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: each of the following Directors (subject to their being (re-)appointed as Director as the case may be): Mr Onno van de Stolpe, Dr Raj Parekh, Mr Ferdinand Verdonck, Dr Harrold van Barlingen, Dr Garth Rapeport, Dr Werner Cautreels and Dr Rudi Pauwels, and the following independent consultant: Mr Guillaume Jetten.

Directors: the individuals or corporations who at any moment during the existence of the Company exercise a director's mandate in the Company to which they were appointed by either the General Shareholders' Meeting or the Board of Directors by way of cooptation;

Consultant: a natural or legal person who on a contractual base provides services to the Company or a Subsidiary, but who is not an employee (irrespective whether the contract was entered into directly with the relevant natural or legal person - or in case of a natural person – with a legal person who has entrusted the performance of the services to such natural person);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of its Directors or on the orientation of its management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the Director's Mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, consultant or employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy- or management agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2009 (B) issued by the Extraordinary Shareholders' Meeting of 2 June 2009, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days as from the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise his Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in section 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is of maximum 135,100. These Warrants will be designated as "Warrants 2009 (B)".

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries under the Warrant Plan 2009 (B) will be determined by the General Shareholders' Meeting of the Company, as follows:

- to Mr Onno van de Stolpe: 40,000 Warrants;
- to Dr Werner Cautreels: 7,500 warrants;
- to Dr Raj Parekh, Mr Ferdinand Verdonck, Dr Harrold van Barlingen, Dr Garth Rapeport and Dr Rudi Pauwels: each 2,520 Warrants;
- to Mr Guillaume Jetten: 75,000 Warrants.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall become legally null and void.

Exercise Price

The Exercise Price per Warrant shall be determined at the moment of the Offer in accordance with the provisions set forth below.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants offered to a Director or an independent Consultant will, in accordance with article 598 of the Code of Companies, not be lower than the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the exercise price be lower than 5.43 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In derogation of article 501 of the Code of Companies and without prejudice the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the advantages offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be to reduce such advantages.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, split-up or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ration applicable at the occasion of the merger, split-up or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and makes sure that all questions of Beneficiaries or Warrant Holders are answered in an accurate and fast manner.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 ("Definitions – Beneficiaries").

The Warrants under this Plan are exclusively for the benefit of Directors and an independent Consultant.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Beneficiary who has accepted the offered Warrants will receive the Warrants as soon as the Board of Directors has established the acceptance.

6. EXERCISE AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is five (5) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the one in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage, insofar that the Exercise Term has not expired.

Exercise of the Warrants in accordance with the Law

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Company, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in section 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company, represented by the Board of Directors, can propose to the Participants who have complied with the Exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who provided them with the advance.

The General Shareholders' Meeting has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary

deed of the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference in the exercise price between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear and bank documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE SERVICE RELATIONSHIP

Cessation of the Director’s Mandate or service relationship

In case of Cessation of the Director’s Mandate or Cessation of the Consultancy agreement after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which his mandate comes to an end or from the date he is otherwise not involved anymore in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Director’s Mandate occurs prior to the third anniversary of the Offer, subject to a dissident decision of the Board of Directors taken after the Cessation of the Director’s Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director’s Mandate and the third anniversary of the Offer.

If Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the date of the Offer, a part of the granted Warrants shall automatically become null and void as follows:

- 90 % in case the Cessation is situated prior to the first anniversary of the Offer;
- 80 % in case the Cessation is situated prior to the second anniversary of the Offer;
- 60 % in case the Cessation is situated prior to the third anniversary of the Offer;
- 40 % in case the Cessation is situated after the third anniversary of the Offer, but prior to the end of the third calendar year.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of Cessation of the Director’s Mandate or the Consultancy agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this section 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change of control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of any such modifications and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereof.

Taxes and Social Security Treatment

The Company shall be entitled, in accordance with the applicable regulations, to apply a withholding on the compensation for the month in which the taxable moment occurs or on the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company (if so required by the Company) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants or due or payable in respect of the delivery of the New Shares.

The Company shall be entitled, in accordance with the applicable regulations, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the Director's mandate or consultancy or management agreement

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous mandate or contract by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his Director's mandate or consultancy- or management agreement concluded with the Company or a Subsidiary shall not be affected by his participation in the Plan or by any right that he may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation by reason of the cessation of his Director's mandate or consultancy- or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he might have or the claims he could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such mandate or agreement or by reason of the loss or decrease in value of the rights or benefits.

General Shareholders' Meetings

Warrant Holders have the right to participate in the General Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting. By accepting Warrants, the Participant approves that convocations for General Shareholders' Meeting are validly made if made by means of e-mail.

Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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WARRANTPLAN 2010

ON SHARES

GALAPAGOS NV

GENERAL RULES

NOTE

This document is a translation in English of the original Dutch text of this Warrant Plan 2010 as approved by the Board of Directors. In case of discrepancy between the original Dutch text and this translation, the original Dutch text shall prevail.

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1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2010 by resolution of 26 March 2010 (and notary deed of 27 April 2010).

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub 2 Definitions: "Beneficiary" and sub 4 Beneficiaries of the Plan) of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: the Employees and Consultants of the Company and its Subsidiaries whose name is mentioned in Annex A to this Warrant Plan 2010. The possibility to acquire Warrants may be granted by the Board of Directors in secondary order and on an individual basis to other persons who contributed to the Company or its Subsidiaries in the performance of their professional activities;

Consultant: a natural or legal person who on a contractual basis provides services to the Company or a Subsidiary, but who is not a Employee (irrespective whether the contract was entered into directly with the relevant natural or legal person - or in case of a natural person – with a legal person who has entrusted the performance of the services to such natural person);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy- or management agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2010 approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. The Grant is for fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is maximum 616,000. These Warrants will be designated as “Warrants 2010”. The detail of the number of Warrants per Beneficiary, offered under this Plan, is set forth in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Offers under this Plan do not need to be the same for every Beneficiary.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries is determined by the Board of Directors and is set forth in Annex A.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. For an Offer to a Consultant the Exercise Price will, in accordance with article 598 of the Code of Companies, be fixed as the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than 5.41 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be booked as an issuance premium.

In deviation of article 501 of the Code of Companies and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 (“Definitions – Beneficiary”).

Employees, whose employment contract with the Company or a Subsidiary is temporarily suspended because of a foreign assignment (“expatriates”), may also be designated as Beneficiary.

The Board of Directors is free to designate or exclude other persons as Beneficiary.

The Warrants under this Plan are in majority reserved for and granted to Employees. The Board of Directors will ensure that the number of Beneficiaries consists in minority of Consultants and in majority of Employees. The Board of Directors will also ensure that a majority of the issued Warrants will be reserved for and granted to Employees.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination- and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination- and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6. EXERCISE- AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the year in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

The provision of the previous paragraph is however expressly not applicable to Warrant Holders who are subject to income taxes in France and/or to social security contributions in France; these Warrant Holders can only exercise Warrants as from the fourth anniversary of their Offer.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

Exercise of the Warrants in accordance with the Law

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise unless all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the Exercise conditions to receive existing shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who advanced them the existing shares.

The Board of Directors has granted power of attorney to two (2) members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE EMPLOYMENT- OR SERVICE RELATIONSHIP

Cessation of the employment- or service relationship

In case of Cessation of the Employment agreement or Cessation of the Consultancy agreement after the end of the third calendar year following the date of the Offer, the Beneficiary will have time to exercise his not yet exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise no longer involved in the activities of the Company during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the date of the Offer, a part of the granted Warrants shall automatically become null and void as follows:

- 90 % in case the Cessation is situated prior to the first anniversary of the Offer;
- 80 % in case the Cessation is situated prior to the second anniversary of the Offer;
- 60 % in case the Cessation is situated prior to the third anniversary of the Offer;
- 40 % in case the Cessation is situated after the third anniversary of the Offer, but prior to the end of the third calendar year.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as from the first day of the fourth calendar year following the year of the Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of cessation of the employment agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan will, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the employement agreement, or consultancy- or management agreement

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiaries a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her employment agreement or consultancy- or management agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy- or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

General Shareholders' Meetings

Warrant Holders have the right to participate in the General Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting. By accepting Warrants, the Participant consents that convocations for General Shareholders' Meeting are validly made if made by means of e-mail.

Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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WARRANTPLAN 2010 (B)

ON SHARES OF

GALAPAGOS NV

GENERAL RULES

NOTE

This document is a translation in English of the original Dutch text of this Warrant Plan 2010 (B) as approved by the Extraordinary General Shareholders' Meeting. In case of discrepancy between the original Dutch text and this translation, the original Dutch text shall prevail.

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1. BASE AND PURPOSE

The Extraordinary General Shareholders' Meeting of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2010 (B) in its meeting of 27 April 2010.

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub section 2 "Definitions - Beneficiary") of the conditions under which it is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: each of the following Directors (subject to their being (re-)appointed as Director as the case may be): Mr Onno van de Stolpe, Dr Raj Parekh, Dr Harrold van Barlingen, Mr Ferdinand Verdonck, Dr Garth Rapeport, Dr Werner Cautreels and Dr Ronald Brus.

Directors: the individuals or corporations who at any moment during the existence of the Company exercise a director's mandate in the Company to which they were appointed by either the General Shareholders' Meeting or the Board of Directors by way of cooptation;

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of its Directors or on the orientation of its management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the Director's Mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, consultant or employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2010 (B) issued by the Extraordinary Shareholders' Meeting of 27 April 2010, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days as from the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is of maximum 197,560. These Warrants will be designated as "Warrants 2010 (B)".

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries under the Warrant Plan 2010 (B) will be determined by the General Shareholders' Meeting of the Company, as follows:

- to Mr Onno van de Stolpe: 100,000 Warrants;
- to Dr Raj Parekh: 75,000 Warrants;
- to Dr Harrold van Barlingen: 7,500 Warrants;
- to Mr Ferdinand Verdonck, Dr Garth Rapeport and Dr Werner Cautreels: each 2,520 Warrants;
- to Dr Ronald Brus: 7,500 Warrants.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall become legally null and void.

Exercise Price

The Exercise Price per Warrant shall be determined at the moment of the Offer in accordance with the provisions set forth below.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants offered to a Director will, in accordance with article 598 of the Code of Companies, not be lower than the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the exercise price be lower than 5.41 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In derogation of article 501 of the Code of Companies and without prejudice the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, split-up or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ration applicable at the occasion of the merger, split-up or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and makes sure that all questions of Beneficiaries or Warrant Holders are answered in an accurate and fast manner.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 ("Definitions – Beneficiaries").

The Warrants under this Plan are exclusively for the benefit of Directors.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Beneficiary who has accepted the offered Warrants will receive the Warrants as soon as the Board of Directors has established the acceptance.

6. EXERCISE AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is five (5) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the one in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised insofar the exercise Term has not expired.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage, insofar that the Exercise Term has not expired.

Exercise of the Warrants in accordance with the Code of Companies

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Company, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company, represented by the Board of Directors, can propose to the Participants who have complied with the Exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who provided them with the advance.

The General Shareholders' Meeting has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account "issuance premiums" of the difference in the exercise price between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear and bank documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE DIRECTOR'S MANDATE

Cessation of the Director's Mandate

In case of Cessation of the Director's Mandate after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which his mandate comes to an end or from the date he is otherwise not involved anymore in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Director's Mandate occurs prior to the third anniversary of the Offer, subject to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Offer.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of Cessation of the Director's Mandate as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of any such modifications and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and amendments thereof as the case may be.

Taxes and Social Security Treatment

The Company shall be entitled, in accordance with the applicable regulations, to apply a withholding on the compensation for the month in which the taxable moment occurs or on the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company (if so required by the Company) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants or due or payable in respect of the delivery of the New Shares.

The Company shall be entitled, in accordance with the applicable regulations, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the Director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous mandate or contract by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his Director's mandate shall not be affected by his participation in the Plan or by any right that he may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation by reason of the cessation of his Director's mandate, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he might have or the claims he could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such mandate or by reason of the loss or decrease in value of the rights or benefits.

General Shareholders' Meetings

Warrant Holders have the right to participate in the General Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting. By accepting Warrants, the Participant consents that convocations for General Shareholders' Meeting are validly made if made by means of e-mail.

Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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WARRANTPLAN 2010 (C)

ON SHARES

GALAPAGOS NV

GENERAL RULES

NOTE

This document is a translation in English of the original Dutch text of this Warrant Plan 2010 (C) as approved by the Galapagos NV Board of Directors on 23 December 2010. In case of discrepancy between the original Dutch text and this translation, the original Dutch text shall prevail.

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1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2010 (C) by resolution of 23 December 2010.

With the Plan set forth hereafter the Company wants to inform the relevant Beneficiary (see infra sub 2 Definitions: "Beneficiary" and sub 4 Beneficiary of the Plan) of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiary to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: Dr Radan Spaventi (Senior Vice President, Internal Outsourcing);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2010 (C) approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons (if applicable) deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is maximum 75,000. These Warrants will be designated as "Warrants 2010 (C)".

The Warrants are granted by the Company to the Beneficiary for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiary is determined by the Board of Directors and is of 75,000.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to the Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than 5.41 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be booked as an issuance premium.

In deviation of article 501 of the Code of Companies and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holder, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiary or Warrant Holder are answered accurately and rapidly.

4. BENEFICIARY OF THE PLAN

Beneficiary is the individual as indicated in section 2 (“Definitions – Beneficiary”). The Beneficiary is an Employee of a Subsidiary of the Company. No Warrants are offered under this Plan to beneficiaries that are not an Employee of the Company or of a Subsidiary of the Company.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiary has the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

The Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his decision regarding the Offer: Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination- and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination- and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6. EXERCISE- AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Offer has been made.

Between the commencement of the fourth calendar year following the year in which the Offer has been made and the fourth anniversary of the Offer maximum 60% of the granted Warrants may be exercised during an Exercise Period.

As of the fourth anniversary of the Offer all granted Warrants may be exercised without any restriction as to the number of vested warrants.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

Exercise of the Warrants in accordance with the Law

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise unless all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the shares resulting from the exercise of Warrants, the Company may propose to the Participant who has complied with the Exercise conditions to receive existing shares awaiting the issuance of New Shares by notary deed. In such case the Participant will receive an advance of existing shares subject to the condition that he signs an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who advanced him the existing shares.

The Board of Directors has granted power of attorney to two (2) members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the Beneficiary.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE EMPLOYMENT- OR SERVICE RELATIONSHIP

Cessation of the employment- or service relationship

In case of Cessation of the Employment agreement after the end of the third calendar year following the date of the Offer, the Beneficiary will have time to exercise his not yet exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise no longer involved in the activities of the Company during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement occurs prior to the end of the third calendar year following the date of the Offer, a part of the granted Warrants shall automatically become null and void as follows:

- 90 % in case the Cessation is situated prior to the first anniversary of the Offer;
- 80 % in case the Cessation is situated prior to the second anniversary of the Offer;
- 60 % in case the Cessation is situated prior to the third anniversary of the Offer;
- 40 % in case the Cessation is situated after the third anniversary of the Offer, but prior to the end of the third calendar year.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as from the first day of the fourth calendar year following the year of the Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of the Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of the Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Sickness or Disability

In case of cessation of the employment agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holder in case:

- a fundamental change in the control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan will, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holder. In the event the rights of the under this Plan existing Warrant Holder would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the employement agreement

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiary a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his employment agreement concluded with the Company or a Subsidiary shall not be affected by his participation in the Plan or by any right that he may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy- or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

General Shareholders' Meetings

Warrant Holders have the right to participate in the General Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting. By accepting Warrants, the Participant consents that convocations for General Shareholders' Meeting are validly made if made by means of e-mail.

Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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WARRANTPLAN 2011

ON SHARES

GALAPAGOS NV

GENERAL RULES

NOTE

This document is a translation in English of the original Dutch text of this Warrant Plan 2011 as approved by the Board of Directors. In case of discrepancy between the original Dutch text and this translation, the original Dutch text shall prevail.

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1. BASE AND PURPOSE

The Board of Directors of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2011 by resolution of 1 April 2011 (and notary deed of 23 May 2011).

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub 2 Definitions: "Beneficiary" and sub 4 Beneficiaries of the Plan) of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: the Employees and Consultants of the Company and its Subsidiaries whose name is mentioned in Annex A to this Warrant Plan 2011. The possibility to acquire Warrants may be granted by the Board of Directors in secondary order and on an individual basis to other persons who contributed to the Company or its Subsidiaries in the performance of their professional activities;

Consultant: a natural or legal person who on a contractual basis provides services to the Company or a Subsidiary, but who is not a Employee (irrespective whether the contract was entered into directly with the relevant natural or legal person - or in case of a natural person – with a legal person who has entrusted the performance of the services to such natural person);

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy- or management agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2011 approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is maximum 802,500. These Warrants will be designated as “Warrants 2011”. The detail of the number of Warrants per Beneficiary, offered under this Plan, is set forth in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Offers under this Plan do not need to be the same for every Beneficiary.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries is determined by the Board of Directors and is set forth in Annex A.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. For an Offer to a Consultant the Exercise Price will, in accordance with article 598 of the Code of Companies, be fixed as the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than 5.41 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be booked as an issuance premium.

In deviation of article 501 of the Code of Companies and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 (“Definitions – Beneficiary”).

Employees, whose employment contract with the Company or a Subsidiary is temporarily suspended because of a foreign assignment (“expatriates”), may also be designated as Beneficiary.

The Board of Directors is free to designate or exclude other persons as Beneficiary.

The Warrants under this Plan are in majority reserved for and granted to Employees. The Board of Directors will ensure that the number of Beneficiaries consists in minority of Consultants and in majority of Employees. The Board of Directors will also ensure that a majority of the issued Warrants will be reserved for and granted to Employees.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination- and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination- and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6. EXERCISE- AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Offer has been made.

As of the commencement of the fourth calendar year following the year in which the Offer has been made all vested Warrants may be exercised, during an Exercise Period.

The provision of the previous paragraph is however expressly not applicable to Warrant Holders who are subject to income taxes in France and/or to social security contributions in France; these Warrant Holders can only exercise Warrants as from the fourth anniversary of their Offer.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

Exercise of the Warrants in accordance with the Law

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in control (as defined in accordance with the Belgian Code of Companies) of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in control and whose Warrants have not all vested yet, shall, in principle, immediately vest and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable to some or all of the Warrant Holders involved.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise unless all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the Exercise conditions to receive existing shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who advanced them the existing shares.

The Board of Directors has granted power of attorney to two (2) members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE EMPLOYMENT- OR SERVICE RELATIONSHIP

Cessation of the employment- or service relationship

In case of Cessation of the Employment agreement or Cessation of the Consultancy agreement after the end of the third calendar year following the date of the Offer, the Beneficiary will have time to exercise his not yet exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise no longer involved in the activities of the Company during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the year of the Offer, all granted Warrants shall automatically become null and void. This principle does however not apply in the cases of cessation resulting from decease, retirement or sickness or disability.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void. In case of decease prior to the end of the third calendar year following the year of the Offer, the number of Warrants acquired and so exercisable shall be determined by multiplying the number of Warrants offered with the result of the following division: number of days between the date of the Offer and the date of decease / number of days between the date of the Offer and the end of the third calendar year following the year of the Offer.

Retirement

In case of Retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void. In case of Retirement prior to the end of the third calendar year following the year of the Offer, the number of Warrants acquired and so exercisable shall be determined by multiplying the number of Warrants offered with the result of the following division: number of days between the date of the Offer and the date of Retirement / number of days between the date of the Offer and the end of the third calendar year following the year of the Offer. As used herein, “Retirement” shall mean any Cessation of the Employment agreement or Cessation of the Consultancy agreement, other than for cause, effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement.

Sickness or Disability

In case of cessation of the employment agreement as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void. In case of such cessation prior to the end of the third calendar year following the year of the Offer, the number of Warrants acquired and so exercisable shall be determined by multiplying the number of Warrants offered with the result of the following division: number of days between the date of the Offer and the date of such cessation / number of days between the date of the Offer and the end of the third calendar year following the year of the Offer.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9. PROTECTIVE MEASURES

The Board of Directors is authorized to take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan will, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the employement agreement, or consultancy- or management agreement

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiaries a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her employment agreement or consultancy- or management agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy- or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

General Shareholders' Meetings

Warrant Holders have the right to participate in the General Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting. By accepting Warrants, the Participant consents that convocations for General Shareholders' Meeting are validly made if made by means of e-mail.

Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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WARRANT PLAN 2011 (B)

ON SHARES OF

GALAPAGOS NV

GENERAL RULES

NOTE

This document is a translation in English of the original Dutch text of this Warrant Plan 2010 (B) as approved by the Extraordinary General Shareholders' Meeting. In case of discrepancy between the original Dutch text and this translation, the original Dutch text shall prevail.

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1. BASE AND PURPOSE

The Extraordinary General Shareholders' Meeting of GALAPAGOS NV (hereinafter referred to as "the Company") has approved the present Warrant Plan 2011 (B) in its meeting of 23 May 2011.

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub section 2 "Definitions - Beneficiary") of the conditions under which it is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2. DEFINITIONS

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, f.a.o. the managing director, for the acceptance of the Offer;

Shares: all shares of the Company;

Beneficiary: each of the following Directors (subject to their being appointed as Director as the case may be): Mr Onno van de Stolpe, Dr Raj Parekh, Dr Harrold van Barlingen, Mr Ferdinand Verdonck, Dr Werner Cautreels, Dr Ronald Brus, Mr Howard Rowe and Dr Vicki Sato.

Directors: the individuals or corporations who at any moment during the existence of the Company exercise a director's mandate in the Company to which they were appointed by either the General Shareholders' Meeting or the Board of Directors by way of cooptation;

Control: the competence *de jure* or *de facto* to have a decisive influence on the appointment of the majority of its Directors or on the orientation of its management, as determined in article 5 et seq. of the Code of Companies;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as set forth in article 6 of the Code of Companies;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the Director's Mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company controlled by the Participant) as a Director, consultant or employee, with the Company or a Subsidiary;

New Shares: the shares of the Company to be issued pursuant to the exercise of the Warrants under this Plan;

Plan: the present Warrant Plan 2011 (B) issued by the Extraordinary Shareholders' Meeting of 23 May 2011, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the date on which the Beneficiary accepts the Warrants offered. The Grant is for Belgian fiscal reasons deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days as from the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term in which the Beneficiary can exercise Warrants to acquire Shares in the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Words and terms denoting the plural shall include the singular and vice versa.

3. WARRANTS

General

The number of Warrants issued in the framework of this Plan is of maximum 131,740. These Warrants will be designated as "Warrants 2011 (B)".

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries under the Warrant Plan 2011 (B) will be determined by the General Shareholders' Meeting of the Company, as follows:

- to Mr Onno van de Stolpe: 100,000 Warrants;
- to Dr Raj Parekh: 5,400 Warrants;
- to Mr Ferdinand Verdock: 3,780 Warrants;
- to Dr Harrold van Barlingen, Dr Werner Cautreels and Dr Ronald Brus: each 2,520 Warrants;
- to Mr Howard Rowe and Dr Vicki Sato: each 7,500 Warrants.

Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot *inter vivos* be transferred once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall become legally null and void.

Exercise Price

The Exercise Price per Warrant shall be determined at the moment of the Offer in accordance with the provisions set forth below.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants offered to a Director will, in accordance with article 598 of the Code of Companies, not be lower than the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the exercise price be lower than 5.41 euro, *i.e.* the fractional value (rounded up to the higher eurocent) of the shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the fractional value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the fractional value must be recorded as an issuance premium.

In derogation of article 501 of the Code of Companies and without prejudice the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the fractional value of the existing shares (in order not to conflict with article 582 of the Code of Companies)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant or (ii) the Exercise Price. As soon as reasonably practicable the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, split-up or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ration applicable at the occasion of the merger, split-up or the stock-split to the other shareholders.

Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and makes sure that all questions of Beneficiaries or Warrant Holders are answered in an accurate and fast manner.

4. BENEFICIARIES OF THE PLAN

Beneficiaries are the individuals as indicated in section 2 ("Definitions – Beneficiaries").

The Warrants under this Plan are exclusively for the benefit of Directors.

5. ACCEPTANCE OR REFUSAL OF THE OFFER

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Beneficiary who has accepted the offered Warrants will receive the Warrants as soon as the Board of Directors has established the acceptance.

6. EXERCISE AND PAYMENT CONDITIONS

Exercise Term

The Exercise Term is five (5) years, starting from the date of the Offer.

Exercise Period

Warrants may not be exercised prior the end of the third calendar year following the calendar year in which the Offer has been made.

As of the commencement of the fourth calendar year following the year in which the Offer has been made all vested Warrants may be exercised, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised insofar the exercise Term has not expired.

Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and needs at the same time to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage, insofar that the Exercise Term has not expired.

Exercise of the Warrants in accordance with the Code of Companies

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Code of Companies and is thus also prematurely exercised pursuant to

article 501 of the Code of Companies, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Company, until such time the Warrant would have become exercisable in accordance with the Plan.

Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in control (as defined in accordance with the Belgian Code of Companies) of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in control and whose Warrants have not all vested yet, shall, in principle, immediately vest and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable to some or all of the Warrant Holders involved.

7. ISSUE OF THE NEW SHARES

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfil the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company, represented by the Board of Directors, can propose to the Participants who have complied with the Exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares upon issuance will immediately and directly be delivered to the Company or to any other party who provided them with the advance.

The General Shareholders' Meeting has granted power of attorney to two members of the Board of Directors or to the managing Director, with possibility of sub-delegation, to take care of the establishment by notary deed of the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account "issuance premiums" of the difference in the exercise price between the subscription price for the shares and the fractional value, to bring the Articles of Association in accordance with the new situation of the social capital, to sign and deliver the relevant Euroclear and bank documents, and to sign and deliver all necessary documents in connection with the delivery of the shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8. CESSATION OF THE DIRECTOR'S MANDATE

Cessation of the Director's Mandate

In case of Cessation of the Director's Mandate after the end of the third calendar year following the date of the Offer, the Beneficiary must exercise his not yet exercised Warrants within a six (6) month period as from the date on which his mandate comes to an end or from the date he is otherwise not involved anymore in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Director's Mandate occurs prior to the third anniversary of the Offer, subject to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Offer.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the year of Offer, during an Exercise Period of two weeks to be determined by the Board of Directors.

Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Retirement

In case of retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void. As used herein, "Retirement" shall mean any Cessation of the Director's Mandate effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement.

Sickness or Disability

In case of Cessation of the Director's Mandate as a result of long term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9. PROTECTIVE MEASURES

The Board of Directors may take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of any such modifications and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10. DISPUTE RESOLUTION

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11. CLOSING PROVISIONS

Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and amendments thereof as the case may be.

Taxes and Social Security Treatment

The Company shall be entitled, in accordance with the applicable regulations, to apply a withholding on the compensation for the month in which the taxable moment occurs or on the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company (if so required by the Company) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants or due or payable in respect of the delivery of the New Shares.

The Company shall be entitled, in accordance with the applicable regulations, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

Relationship with the Director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give a Beneficiary a right to have additional Warrants granted to him later. The grant of Warrants under this Plan does not contain a promise of a continuous mandate or contract by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity resulting from his Director's mandate shall not be affected by his participation in the Plan or by any right that he may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation by reason of the cessation of his Director's mandate, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he might have or the claims he could make concerning the exercise of the Warrants pursuant to the Plan because of the cessation of such mandate or by reason of the loss or decrease in value of the rights or benefits.

General Shareholders' Meetings

Warrant Holders have the right to participate in the General Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting. By accepting Warrants, the Participant consents that convocations for General Shareholders' Meeting are validly made if made by means of e-mail.

Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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Free translation for information purposes

WARRANT PLAN 2012

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1 Base and Purpose

The Board of Directors of GALAPAGOS NV (hereinafter referred to as the "Company") has approved the present Warrant Plan 2012 by resolution of 12 July 2012 (and by notary deed of 3 September 2012).

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub 2 ("Definitions: Beneficiary") and sub 4 ("Beneficiaries of the Plan") of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2 Definitions

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, for the attention of the managing director, for the acceptance of the Offer;

Shares: the shares of the Company;

Beneficiary: the Employees, Consultants and Directors of the Company and its Subsidiaries whose name is mentioned in Annex A to this Warrant Plan 2012;

Director: a natural person or legal entity who at any moment during the existence of the Company exercises a director's mandate in the Company to which they were appointed by either the Shareholders' Meeting or the Board of Directors by way of cooptation;

Consultant: a natural person or legal entity who provides services to the Company or a Subsidiary on a contractual basis, but who is not an Employee (irrespective of whether the contract was entered into directly with the relevant natural person or legal entity - or in case of a natural person - with a legal person who has entrusted the performance of the services to such natural person);

Control: the power, *de jure* or *de facto*, to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as set forth in Article 5 *et seq*. of the Belgian Companies Code. The terms "**to Control**" and "**Controlled by**" shall be construed accordingly;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as further set forth in Article 6 of the Belgian Companies Code;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy or management agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the director's mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

New Shares: the Shares to be issued pursuant to the exercise of the Warrants under this Plan;

Retirement: any Cessation of the Employment agreement or Cessation of the Consultancy agreement, other than for cause, effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement;

Plan: the present Warrant Plan 2012 approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. For the purposes of this Plan (including for Belgian fiscal reasons), the Grant shall be deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract.

Words and terms denoting the plural shall include the singular and vice versa.

3 Warrants

3.1 General

The number of Warrants issued in the framework of this Plan is maximum 530.140. These Warrants will be designated as “Warrants 2012”. The detail of the number of Warrants per Beneficiary, offered under this Plan, is set forth in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Offers under this Plan do not need to be the same for every Beneficiary.

3.2 Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries is determined by the Board of Directors and, as regards the Directors of the Company, by the Shareholders’ Meeting of the Company. This number is set forth in Annex A.

3.3 Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot be transferred *inter vivos* once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

3.4 Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

Pursuant to Article 598 of the Belgian Companies Code and as the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price will at least amount to the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than the accounting par value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the accounting par value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the accounting par value must be booked as an issuance premium.

In deviation of Article 501 of the Belgian Companies Code and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the accounting par value of the existing Shares (in order not to conflict with Article 582 of the Belgian Companies Code)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant and/or (ii) the Exercise Price. As soon as reasonably practicable, the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

3.5 Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4 Beneficiaries of the Plan

Beneficiaries are the individuals as indicated in section 2 (“Definitions - Beneficiary”).

The Warrants under this Plan are in majority reserved for and granted to Employees. The number of Beneficiaries consists in minority of Directors and Consultants and in majority of Employees. A majority of the issued Warrants is reserved for and granted to Employees.

5 Acceptance or Refusal of the Offer

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: (full or partial) Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6 Exercise and Payment Conditions

6.1 Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

6.2 Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Grant was made.

As of the commencement of the fourth calendar year following the calendar year in which the Grant was made, all vested Warrants may be exercised, during an Exercise Period.

The previous paragraph is however expressly not applicable to Warrant Holders who are subject to income taxes in France and/or to social security contributions in France; these Warrant Holders can only exercise Warrants as from the fourth anniversary of their Offer.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

6.3 Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

6.4 Exercise of the Warrants in accordance with the Belgian Companies Code

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to Article 501 of the Belgian Companies Code and is thus also prematurely exercised pursuant to Article 501 of the Belgian Companies Code, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

6.5 Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in Control of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in Control and whose Warrants have not all vested yet, shall, in principle, immediately vest and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable to some or all of the Warrant Holders involved.

7 Issuance of New Shares

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfill the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares will, upon issuance, immediately and directly be delivered to the Company or to any other party who advanced them the existing Shares.

The Board of Directors has granted power of attorney to any two (2) members of the Board of Directors acting jointly, as well as to the managing Director acting individually, with possibility of sub-delegation and the power of subrogation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the

exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account "issuance premiums" of the difference between the subscription price for the Shares and the accounting par value, to bring the Articles of Association in accordance with the new situation of the registered capital, to sign and deliver the relevant Euroclear and bank documentation, and to sign and deliver all necessary documents in connection with the delivery of the Shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8 Cessation of the Employment or Service Relationship

8.1 Cessation of the employment or service relationship

In case of Cessation of the Employment agreement or Cessation of the Consultancy agreement after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary will have time to exercise his non-exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise no longer involved in the activities of the Company during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, all granted Warrants shall automatically become null and void. This principle does however not apply in the event of cessation resulting from decease, Retirement, or sickness or disability.

In case of Cessation of the Director's Mandate after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary must exercise his non-exercised Warrants within a six (6) month period as from the date on which his mandate comes to an end or from the date he is otherwise no longer involved in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Director's Mandate occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, but without prejudice to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Grant.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.2 Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and they must mandatory be exercised within six (6) months as from the decease, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of decease prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired and so exercisable shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of decease}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

8.3 Retirement

In case of Retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatorily be exercised within six (6) months as from such Retirement, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of Retirement prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired and so exercisable shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of Retirement}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

8.4 Sickness or Disability

In case of cessation of the employment agreement or of the consultancy or management agreement as a result of long-term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months as from such cessation, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of such cessation prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired and so exercisable shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of such cessation}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

8.5 Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9 Protective Measures

The Board of Directors is authorized to take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the Control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10 Dispute Resolution

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11 Final Provisions

11.1 Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

11.2 Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

11.3 Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

11.4 Relation to employment, consultancy or management agreement or director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiaries a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her director's mandate, employment agreement or consultancy or management agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

11.5 Shareholders' Meetings

Warrant Holders have the right to participate in the Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting.

11.6 Communication with Warrant Holders

By accepting Warrants, the Participant agrees that documentation can be validly communicated by the Company by e-mail, including convocations for Shareholders' Meetings and documentation pertaining to the exercise of Warrants.

11.7 Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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Free translation for information purposes

WARRANT PLAN 2013

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1 Base and Purpose

The Board of Directors of GALAPAGOS NV (hereinafter referred to as the "Company") has approved the present Warrant Plan 2013 by resolution of 14 May 2013 (and by notarial deed of 16 May 2013).

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub 2 ("Definitions: Beneficiary") and sub 4 ("Beneficiaries of the Plan") of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2 Definitions

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, for the attention of the managing director, for the acceptance of the Offer;

Shares: the shares of the Company;

Beneficiary: the Employees, Consultants and Directors of the Company and its Subsidiaries whose name is mentioned in Annex A to this Warrant Plan 2013;

Director: a natural person or legal entity who at any moment during the existence of the Company exercises a director's mandate in the Company to which they were appointed by either the Shareholders' Meeting or the Board of Directors by way of cooptation;

Consultant: a natural person or legal entity who provides services to the Company or a Subsidiary on a contractual basis, but who is not an Employee (irrespective of whether the contract was entered into directly with the relevant natural person or legal entity - or in case of a natural person - with a legal person who has entrusted the performance of the services to such natural person);

Control: the power, *de jure* or *de facto*, to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as set forth in article 5 *et seq*. of the Belgian Companies Code. The terms "**to Control**" and "**Controlled by**" shall be construed accordingly;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as further set forth in article 6 of the Belgian Companies Code;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy or management agreement between the relevant Participant-Consultant and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the director's mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary, except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

New Shares: the Shares to be issued pursuant to the exercise of the Warrants under this Plan;

Retirement: any Cessation of the Employment agreement or Cessation of the Consultancy agreement, other than for cause, effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement;

Plan: the present Warrant Plan 2013 approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. For the purposes of this Plan (including for Belgian fiscal reasons), the Grant shall be deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract.

Words and terms denoting the plural shall include the singular and vice versa.

3 Warrants

3.1 General

The number of Warrants issued in the framework of this Plan is maximum 648,490. These Warrants will be designated as “Warrants 2013”. The detail of the number of Warrants per Beneficiary, offered under this Plan, is set forth in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Offers under this Plan do not need to be the same for every Beneficiary.

3.2 Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries is determined by the Board of Directors and, as regards the Directors of the Company, by the Shareholders’ Meeting of the Company. This number is set forth in Annex A.

3.3 Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot be transferred *inter vivos* once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

3.4 Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

Pursuant to article 598 of the Belgian Companies Code and as the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price will at least amount to the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than the accounting par value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the accounting par value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the accounting par value must be booked as an issuance premium.

In deviation of article 501 of the Belgian Companies Code and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the accounting par value of the existing Shares (in order not to conflict with article 582 of the Belgian Companies Code)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant and/or (ii) the Exercise Price. As soon as reasonably practicable, the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

3.5 Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4 Beneficiaries of the Plan

Beneficiaries are the individuals as indicated in section 2 (“Definitions - Beneficiary”).

The Warrants under this Plan are in majority reserved for and granted to Employees. The number of Beneficiaries consists in minority of Directors and Consultants and in majority of Employees. A majority of the issued Warrants is reserved for and granted to Employees.

5 Acceptance or Refusal of the Offer

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: (full or partial) Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6 Exercise and Payment Conditions

6.1 Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

6.2 Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Grant was made.

As of the commencement of the fourth calendar year following the calendar year in which the Grant was made, all vested Warrants may be exercised, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

6.3 Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

6.4 Exercise of the Warrants in accordance with the Belgian Companies Code

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Belgian Companies Code and is thus also prematurely exercised pursuant to article 501 of the Belgian Companies Code, the New Shares that the Warrant Holders receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

6.5 Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in Control of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in Control and whose Warrants have not all vested yet, shall, in principle, immediately vest and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable to some or all of the Warrant Holders involved.

7 Issuance of New Shares

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfill the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares will, upon issuance, immediately and directly be delivered to the Company or to any other party who advanced them the existing Shares.

The Board of Directors has granted power of attorney to any two (2) members of the Board of Directors acting jointly, as well as to the managing Director acting individually, with possibility of sub-delegation and the power of subrogation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account "issuance premiums" of the difference between the subscription price for the Shares and the accounting par value, to bring the Articles of Association in accordance with the new situation of the registered capital, to sign and deliver the relevant Euroclear and bank documentation, and to sign and deliver all necessary documents in connection with the delivery of the Shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8 Cessation of the Employment or Service Relationship or of the Director's Mandate

8.1 Cessation of the employment or service relationship or of the Director's Mandate

In case of Cessation of the Employment agreement or Cessation of the Consultancy agreement after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary will have time to exercise his non-exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise no longer involved in the activities of the Company during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, all granted Warrants shall automatically become null and void. This principle does however not apply in the event of cessation resulting from decease, Retirement, or sickness or disability.

In case of Cessation of the Director's Mandate after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary must exercise his non-exercised Warrants within a six (6) month period as from the date on which his mandate comes to an end or from the date he is otherwise no longer involved in the activities of the Company, during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Director's Mandate occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, but without prejudice to a dissident decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director's Mandate and the third anniversary of the Grant.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.2 Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and they must mandatory be exercised within six (6) months as from the decease, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of decease prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of decease}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.3 Retirement

In case of Retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatorily be exercised within six (6) months as from such Retirement, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of Retirement prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of Retirement}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.4 Sickness or Disability

In case of cessation of the employment agreement or of the consultancy or management agreement as a result of long-term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months as from such cessation, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of such cessation prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of such cessation}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.5 Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9 Protective Measures

The Board of Directors is authorized to take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the Control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10 Dispute Resolution

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11 Final Provisions

11.1 Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

11.2 Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

11.3 Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

11.4 Relation to employment, consultancy or management agreement or director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiaries a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her director's mandate, employment agreement or consultancy or management agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

11.5 Shareholders' Meetings

Warrant Holders have the right to participate in the Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting.

11.6 Communication with Warrant Holders

By accepting Warrants, the Participant agrees that documentation can be validly communicated by the Company by e-mail, including convocations for Shareholders' Meetings and documentation pertaining to the exercise of Warrants.

11.7 Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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Free translation for information purposes only

WARRANT PLAN 2013 (B)

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1 Base and Purpose

The Board of Directors of GALAPAGOS NV (hereinafter referred to as the "**Company**") has approved the present Warrant Plan 2013 (B) by resolution of 18 September 2013 (and by notarial deed of the same day).

With the Plan set forth hereafter the Company wants to inform the relevant Beneficiary (see infra sub 2 ("Definitions: Beneficiary") and sub 4 ("Beneficiary of the Plan") of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiary to help to develop the Company to a successful enterprise.

2 Definitions

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiary of the Plan as to the opportunity to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, for the attention of the managing director, for the acceptance of the Offer;

Shares: the shares of the Company;

Beneficiary: Mr David Smith (CEO, Galapagos Services);

Control: the power, *de jure* or *de facto*, to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as set forth in article 5 *et seq*. of the Belgian Companies Code. The terms "**to Control**" and "**Controlled by**" shall be construed accordingly;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as further set forth in article 6 of the Belgian Companies Code;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the Employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary, with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a consultant or Employee, with the Company or a Subsidiary;

New Shares: the Shares to be issued pursuant to the exercise of the Warrants under this Plan;

Retirement: any Cessation of the Employment agreement, other than for cause, effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement;

Plan: the present Warrant Plan 2013 (B) approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. For the purposes of this Plan (including for Belgian fiscal reasons), the Grant shall be deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract.

Words and terms denoting the plural shall include the singular and vice versa.

3 Warrants

3.1 General

The number of Warrants issued in the framework of this Plan is maximum 75,000. These Warrants will be designated as “Warrants 2013 (B)”.

The Warrants are granted by the Company to the Beneficiary for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

3.2 Number per Beneficiary

The number of Warrants to be offered to the Beneficiary is determined by the Board of Directors and amounts to 75,000.

3.3 Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot be transferred *inter vivos* once granted to the Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

3.4 Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

Pursuant to article 598 of the Belgian Companies Code and as the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price will, at the election of the Board of Directors, at least amount to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than the accounting par value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the accounting par value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the accounting par value must be booked as an issuance premium.

In deviation of article 501 of the Belgian Companies Code and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holder (with the exception of those causing an increase of the accounting par value of the existing Shares (in order not to conflict with article 582 of the Belgian Companies Code)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holder, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant and/or (ii) the Exercise Price. As soon as reasonably practicable, the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

3.5 Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of the Beneficiary or Warrant Holder are answered accurately and rapidly.

4 Beneficiary of the Plan

The Beneficiary is the individual as indicated in section 2 (“Definitions - Beneficiary”).

The Beneficiary is an Employee of a Subsidiary of the Company. Under this Plan, no Warrants shall be offered to beneficiaries that are no Employee of the Company or of a Subsidiary of the Company.

5 Acceptance or Refusal of the Offer

The Beneficiary has the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

The Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: (full or partial) Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is

kept at the registered office of the Company, mentioning the identity of the Warrant Holder and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6 Exercise and Payment Conditions

6.1 Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

6.2 Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Grant was made.

As of the commencement of the fourth calendar year following the calendar year in which the Grant was made, all vested Warrants may be exercised, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

6.3 Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

6.4 Exercise of the Warrants in accordance with the Belgian Companies Code

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Belgian Companies Code and is thus also prematurely exercised pursuant to article 501 of the Belgian Companies Code, the New Shares that the Warrant Holder receives as a result of such Exercise will be not transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

6.5 Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in Control of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in Control and whose Warrants have not all vested yet, shall, in principle, immediately vest and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable the Warrant Holder.

7 Issuance of New Shares

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfill the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company may propose to the Participant who has complied with the exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participant will receive an advance of existing Shares subject to the condition that the Participant signs an authorization by which the New Shares will, upon issuance, immediately and directly be delivered to the Company or to any other party who advanced the existing Shares.

The Board of Directors has granted power of attorney to any two (2) members of the Board of Directors acting jointly, as well as to the managing Director acting individually, with possibility of sub-delegation and the power of subrogation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the Shares and the accounting par value, to bring the Articles of Association in accordance with the new situation of the registered capital, to sign and deliver the relevant Euroclear and bank documentation, and to sign and deliver all necessary documents in connection with the delivery of the Shares (acquired as a result of the exercise of the Warrants) to the Beneficiary.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8 Cessation of the Employment or Service Relationship

8.1 Cessation of the employment or service relationship

In case of Cessation of the Employment agreement after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary will have time to exercise his non-exercised Warrants within a six (6) month period as from the date on which he leaves employment or is otherwise no longer involved in the activities of the Company during an Exercise Period of two weeks to be determined by the Board of Directors.

If Cessation of the Employment agreement occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, all granted Warrants shall automatically become null and void. This principle does however not apply in the event of cessation resulting from decease, Retirement, or sickness or disability.

The Warrants that do not automatically become null and void are exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.2 Decease

In case of decease of the Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and they must mandatory be exercised within six (6) months as from the decease, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of decease prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of decease}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.3 Retirement

In case of Retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatorily be exercised within six (6) months as from such Retirement, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of Retirement prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of Retirement}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.4 Sickness or Disability

In case of cessation of the employment agreement as a result of long-term sickness or disability, the Warrants acquired by the Warrant Holder must mandatory be exercised within six (6) months as from such cessation, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of such cessation prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants offered with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of such cessation}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.5 Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9 Protective Measures

The Board of Directors is authorized to take appropriate measures to safeguard the interests of the Warrant Holder in case:

- a fundamental change in the Control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiary occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the Warrant Holder existing under this Plan. In the event the rights of the Warrant Holder existing under this Plan would be harmed, the amendments may not be made without its agreement.

10 Dispute Resolution

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11 Final Provisions

11.1 Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

11.2 Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

11.3 Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

11.4 Relation to employment agreement

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiary a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her employment agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

11.5 Shareholders' Meetings

The Warrant Holder has the right to participate in the Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting.

11.6 Communication with the Warrant Holder

By accepting Warrants, the Participant agrees that documentation can be validly communicated by the Company by e-mail, including convocations for Shareholders' Meetings and documentation pertaining to the exercise of Warrants.

11.7 Address Change

The Warrant Holder is obliged to keep the Company informed of changes to its address and changes to its e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

WARRANT PLAN 2014

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1 Base and Purpose

The Board of Directors of Galapagos NV (hereinafter referred to as the "Company") has approved the present Warrant Plan 2014 by resolution of 25 July 2014 (and by notarial deed of the same date).

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub 2 ("Definitions: Beneficiary") and sub 4 ("Beneficiaries of the Plan") of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2 Definitions

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, for the attention of the managing director, for the acceptance of the Offer;

Shares: the shares of the Company;

Beneficiary: the Employees, Consultants and Directors of the Company and its Subsidiaries whose name is mentioned in Annex A to this Warrant Plan 2014;

Director: a natural person or legal entity who at any moment during the existence of the Company exercises a director's mandate in the Company to which they were appointed by either the Shareholders' Meeting or the Board of Directors by way of cooptation;

Consultant: a natural person or legal entity who provides services to the Company or a Subsidiary on a contractual basis, but who is not an Employee (irrespective of whether the contract was entered into directly with the relevant natural person or legal entity - or in case of a natural person - with a legal entity who has entrusted the performance of the services to such natural person);

Control: the power, *de jure* or *de facto*, to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as set forth in article 5 *et seq*. of the Belgian Companies Code. The terms "**to Control**" and "**Controlled by**" shall be construed accordingly;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as further set forth in article 6 of the Belgian Companies Code;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary (including, for the avoidance of doubt, the relevant employing entity ceasing to be a Subsidiary of the Company), with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy or management agreement between the relevant Participant-Consultant and either the Company or a Subsidiary (including, for the avoidance of doubt, the relevant entity ceasing to be a Subsidiary of the Company), with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the director's mandate exercised by the relevant Participant-Director with either the Company or a Subsidiary (including, for the avoidance of doubt, the relevant entity ceasing to be a Subsidiary of the Company), except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a Director, Consultant or Employee, with the Company or a Subsidiary;

New Shares: the Shares to be issued pursuant to the exercise of the Warrants under this Plan;

Retirement: any Cessation of the Employment agreement or Cessation of the Consultancy agreement, other than for cause, effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement;

Plan: the present Warrant Plan 2014 approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. For the purposes of this Plan (including for Belgian fiscal reasons), the Grant shall be deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise Term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract.

Words and terms denoting the plural shall include the singular and vice versa.

3 Warrants

3.1 General

The number of Warrants issued in the framework of this Plan is maximum 666,760. These Warrants will be designated as “Warrants 2014”. The detail of the number of Warrants per Beneficiary, offered under this Plan, is set forth in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Offers under this Plan do not need to be the same for every Beneficiary.

3.2 Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries is determined by the Board of Directors and, as regards the Directors of the Company, by the Shareholders’ Meeting of the Company. This number is set forth in Annex A.

3.3 Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot be transferred *inter vivos* once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

3.4 Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants for an Offer to an Employee will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. For an Offer to a Consultant or a Director, the Exercise Price will, in accordance with article 598 of the Belgian Companies Code, at least amount to the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than the accounting par value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the accounting par value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the accounting par value must be booked as an issuance premium.

In deviation of article 501 of the Belgian Companies Code and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the accounting par value of the existing Shares (in order not to conflict with article 582 of the Belgian Companies Code)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant and/or (ii) the Exercise Price. As soon as reasonably practicable, the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

3.5 Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4 Beneficiaries of the Plan

Beneficiaries are the individuals as indicated in section 2 (“Definitions - Beneficiary”).

The Warrants under this Plan are in majority reserved for and granted to Employees. The number of Beneficiaries consists in minority of Directors and Consultants and in majority of Employees. A majority of the issued Warrants is reserved for and granted to Employees.

5 Acceptance or Refusal of the Offer

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: (full or partial) Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6 Exercise and Payment Conditions

6.1 Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

6.2 Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Grant was made.

As of the commencement of the fourth calendar year following the calendar year in which the Grant was made, all vested Warrants may be exercised, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

6.3 Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

6.4 Exercise of the Warrants in accordance with the Belgian Companies Code

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Belgian Companies Code and is thus also prematurely exercised pursuant to article 501 of the Belgian Companies Code, the New Shares that the Warrant Holders receives as a result of such Exercise will not be transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

6.5 Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in Control of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in Control and whose Warrants have not all vested yet, shall, in principle, immediately vest and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable to some or all of the Warrant Holders involved.

7 Issuance of New Shares

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfill the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company may propose to the Participants who have complied with the exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participants will receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares will, upon issuance, immediately and directly be delivered to the Company or to any other party who advanced them the existing Shares.

The Board of Directors has granted power of attorney to any two (2) members of the Board of Directors acting jointly, as well as to the managing Director acting individually, with possibility of sub-delegation and the power of subrogation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the Shares and the accounting par value, to bring the Articles of Association in accordance with the new situation of the registered capital, to sign and deliver the relevant Euroclear and bank documentation, and to sign and deliver all necessary documents in connection with the delivery of the Shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8 Cessation of the Employment or Service Relationship or of the Director’s Mandate

8.1 Cessation of the employment or service relationship or of the Director’s Mandate

In case of Cessation of the Employment agreement or Cessation of the Consultancy agreement after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary will have time to exercise, during an Exercise Period, his non-exercised Warrants until the closing date of the second Exercise Period occurring after the date of the Cessation of the Employment Agreement or the Cessation of the Consultancy Agreement, as applicable, after which date all his remaining non-exercised Warrants shall become null and void.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, all granted Warrants shall automatically become null and void. This principle does however not apply in the event of cessation resulting from decease, Retirement, or sickness or disability.

In case of Cessation of the Director’s Mandate after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary shall have time to exercise, during an Exercise Period, his non-exercised Warrants until the closing date of the second Exercise Period occurring after the date of the Cessation of the Director’s Mandate, after which date all his remaining non-exercised Warrants shall become null and void.

If Cessation of the Director’s Mandate occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, but without prejudice to a different decision of the Board of Directors taken after the Cessation of the Director’s Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the Offer for each full month between the Cessation of the Director’s Mandate and the third anniversary of the Grant.

The Beneficiary shall have time to exercise, during an Exercise Period, the Warrants that do not automatically become null and void pursuant to the abovementioned clause from the first day of the fourth calendar year following the calendar year in which the Grant was made until the closing date of the second Exercise Period occurring during the fourth calendar year following the calendar year in which the Grant was made, after which date all his remaining non-exercised Warrants shall become null and void.

8.2 Decease

In case of decease of a Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and they must mandatorily be exercised within six (6) months as from the decease, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of decease prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of decease}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.3 Retirement

In case of Retirement of a Warrant Holder, the Warrants acquired by the Warrant Holder must mandatorily be exercised within six (6) months as from such Retirement, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of Retirement prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of Retirement}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.4 Sickness or Disability

In case of cessation of the employment agreement or of the consultancy or management agreement as a result of long-term sickness or disability, the Warrants acquired by the Warrant Holder must mandatorily be exercised within six (6) months as from such cessation, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of such cessation prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of such cessation}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.5 Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9 Protective Measures

The Board of Directors is authorized to take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the Control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10 Dispute Resolution

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Antwerp, department of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11 Final Provisions

11.1 Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

11.2 Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

11.3 Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

11.4 Relation to employment, consultancy or management agreement or director’s mandate

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiaries a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her director’s mandate, employment agreement or consultancy or management agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

11.5 Shareholders' Meetings

Warrant Holders have the right to participate in the Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting.

11.6 Communication with Warrant Holders

By accepting Warrants, the Participant agrees that documentation can be validly communicated by the Company by e-mail, including convocations for Shareholders' Meetings and documentation pertaining to the exercise of Warrants.

11.7 Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

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WARRANT PLAN 2014 (B)

ON SHARES

GALAPAGOS NV

GENERAL RULES

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1 Base and Purpose

The Board of Directors of Galapagos NV (hereinafter referred to as the "**Company**") has approved the present Warrant Plan 2014 (B) by resolution of 14 October 2014 (and by notarial deed of the same day).

With the Plan set forth hereafter the Company wants to inform the relevant Beneficiary (see infra sub 2 ("Definitions: Beneficiary") and sub 4 ("Beneficiary of the Plan") of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiary to help to develop the Company to a successful enterprise.

2 Definitions

In this Plan the words and terms mentioned hereunder have the meanings given below:

Offer: the written and dated notification to the Beneficiary of the Plan as to the opportunity to acquire Warrants in accordance with the provisions of this Plan;

Offer Letter: the letter specifying the Offer;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company, for the attention of the managing director, for the acceptance of the Offer;

Shares: the shares of the Company;

Beneficiary: Mr Bart Filius (CFO, Galapagos Group);

Control: the power, *de jure* or *de facto*, to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as set forth in article 5 *et seq*. of the Belgian Companies Code. The terms "**to Control**" and "**Controlled by**" shall be construed accordingly;

Participant: a Beneficiary who has accepted the Offer and to whom one or more Warrants have been granted in accordance with this Plan;

Subsidiary: a company under the Control of the Company, as further set forth in article 6 of the Belgian Companies Code;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the employment agreement between the relevant Participant-Employee and either the Company or a Subsidiary (including, for the avoidance of doubt, the relevant employing entity ceasing to be a Subsidiary of the Company), with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Participant (or a company Controlled by the Participant) as a consultant or Employee, with the Company or a Subsidiary;

New Shares: the Shares to be issued pursuant to the exercise of the Warrants under this Plan;

Retirement: any Cessation of the Employment agreement, other than for cause, effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement;

Plan: the present Warrant Plan 2014 (B) approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Board of Directors: the board of directors of the Company;

Personal Representative(s): the heir(s) of a deceased Participant;

Grant: the moment on which the Beneficiary accepts the Warrants offered. For the purposes of this Plan (including for Belgian fiscal reasons), the Grant shall be deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise Term;

Exercise Term: the term during which the Beneficiary can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who owns Warrants;

Warrant Agreement: the agreement that may be entered into between the Participant and the Company;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract.

Words and terms denoting the plural shall include the singular and vice versa.

3 Warrants

3.1 General

The number of Warrants issued in the framework of this Plan is maximum 150,000. These Warrants will be designated as “Warrants 2014 (B)”.

The Warrants are granted by the Company to the Beneficiary for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

3.2 Number per Beneficiary

The number of Warrants to be offered to the Beneficiary is determined by the Board of Directors and amounts to 150,000.

3.3 Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot be transferred *inter vivos* once granted to the Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

3.4 Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

The Exercise Price will, at the election of the Board of Directors, at least amount to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than the accounting par value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the accounting par value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the accounting par value must be booked as an issuance premium.

In deviation of article 501 of the Belgian Companies Code and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holder (with the exception of those causing an increase of the accounting par value of the existing Shares (in order not to conflict with article 582 of the Belgian Companies Code)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holder, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant and/or (ii) the Exercise Price. As soon as reasonably practicable, the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

3.5 Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of the Beneficiary or Warrant Holder are answered accurately and rapidly.

4 Beneficiary of the Plan

The Beneficiary is the individual as indicated in section 2 (“Definitions - Beneficiary”).

The Beneficiary is an Employee of a Subsidiary of the Company. Under this Plan, no Warrants shall be offered to beneficiaries that are no Employee of the Company or of a Subsidiary of the Company.

5 Acceptance or Refusal of the Offer

The Beneficiary has the possibility to accept the individual Offer in whole, in part or not at all. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

The Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: (full or partial) Acceptance or Refusal.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holder and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Participant and the Company and which shall contain the conditions determined by the Nomination and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6 Exercise and Payment Conditions

6.1 Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

6.2 Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Grant was made.

As of the commencement of the fourth calendar year following the calendar year in which the Grant was made, all vested Warrants may be exercised, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

6.3 Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar the Exercise Term has not expired.

6.4 Exercise of the Warrants in accordance with the Belgian Companies Code

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Belgian Companies Code and is thus also prematurely exercised pursuant to article 501 of the Belgian Companies Code, the New Shares that the Warrant Holder receives as a result of such Exercise will not be transferable, except with the explicit prior consent of the Board of Directors, until such time the Warrant would have become exercisable in accordance with the Plan.

6.5 Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in Control of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in Control and whose Warrants have not all vested yet,

shall, in principle, immediately vest and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable the Warrant Holder.

7 Issuance of New Shares

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfill the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company may propose to the Participant who has complied with the exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Participant will receive an advance of existing Shares subject to the condition that the Participant signs an authorization by which the New Shares will, upon issuance, immediately and directly be delivered to the Company or to any other party who advanced the existing Shares.

The Board of Directors has granted power of attorney to any two (2) members of the Board of Directors acting jointly, as well as to the managing Director acting individually, with possibility of sub-delegation and the power of subrogation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account “issuance premiums” of the difference between the subscription price for the Shares and the accounting par value, to bring the Articles of Association in accordance with the new situation of the registered capital, to sign and deliver the relevant Euroclear and bank documentation, and to sign and deliver all necessary documents in connection with the delivery of the Shares (acquired as a result of the exercise of the Warrants) to the Beneficiary.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8 Cessation of the Employment or Service Relationship

8.1 Cessation of the employment or service relationship

In case of Cessation of the Employment agreement after the end of the third calendar year following the calendar year in which the Grant was made, the Beneficiary will have time to exercise, during an Exercise Period, his non-exercised Warrants until the closing date of the second Exercise Period occurring after the date of Cessation of the Employment agreement, after which date all his remaining non-exercised Warrants shall become null and void. If Cessation of the Employment agreement occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, all granted Warrants shall automatically become null and void. This principle does however not apply in the event of cessation resulting from decease, Retirement, or sickness or disability.

8.2 Decease

In case of decease of the Warrant Holder, all Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and they must mandatorily be exercised within six (6) months as from the decease, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of decease prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of decease}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.3 Retirement

In case of Retirement of the Warrant Holder, the Warrants acquired by the Warrant Holder must mandatorily be exercised within six (6) months as from such Retirement, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of Retirement prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of Retirement}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.4 Sickness or Disability

In case of cessation of the employment agreement as a result of long-term sickness or disability, the Warrants acquired by the Warrant Holder must mandatorily be exercised within six (6) months as from such cessation, during an Exercise Period of two weeks to be determined by the Board of Directors. Warrants that are not exercised within such period will automatically become null and void.

In case of such cessation prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of Warrants acquired shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of such cessation}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrants so acquired shall be exercisable during a period of six (6) months, starting as of the first day of the fourth calendar year following the calendar year in which the Grant was made, during an Exercise Period of two weeks to be determined by the Board of Directors.

8.5 Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9 Protective Measures

The Board of Directors is authorized to take appropriate measures to safeguard the interests of the Warrant Holder in case:

- a fundamental change in the Control of the Company occurs;
- a fundamental change in the regulations occurs;
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiary occurs.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the Warrant Holder existing under this Plan. In the event the rights of the Warrant Holder existing under this Plan would be harmed, the amendments may not be made without its agreement.

10 Dispute Resolution

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Antwerp, department of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11 Final Provisions

11.1 Additional Information

The Company will provide the Beneficiary at his request a copy of the articles of association of the Company and possible amendments thereto.

11.2 Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

11.3 Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

11.4 Relation to employment agreement

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiary a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her employment agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

11.5 Shareholders' Meetings

The Warrant Holder has the right to participate in the Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting.

11.6 Communication with the Warrant Holder

By accepting Warrants, the Participant agrees that documentation can be validly communicated by the Company by e-mail, including convocations for Shareholders' Meetings and documentation pertaining to the exercise of Warrants.

11.7 Address Change

The Warrant Holder is obliged to keep the Company informed of changes to its address and changes to its e-mail address. Communications sent by the Company to the last known address or e-mail address of the Participant are validly made.

Free translation for information purposes only

WARRANT PLAN 2015

ON SHARES

GALAPAGOS NV

GENERAL RULES

[DRAFT – subject to FSMA comments and approval by Galapagos' Annual Shareholders' Meeting to be held on 28 April 2015]

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1 Basis and Purpose

The Board of Directors of Galapagos NV (hereinafter referred to as the "**Company**") has approved the present Warrant Plan 2015 by resolution of [—] 2015 (and by notarial deed of the same date).

With the Plan set forth hereafter the Company wants to inform all Beneficiaries (see infra sub 2 ("Definitions: Beneficiary") and sub 4 ("Beneficiaries of the Plan")) of the conditions under which the Company is willing to offer Warrants. The Company thus wants to acknowledge the efforts made by the Beneficiaries to help to develop the Company to a successful enterprise.

2 Definitions

In this Plan the words and terms mentioned hereunder have the meanings given below:

Beneficiary: the Employees, Consultants and Directors of the Company and its Subsidiaries whose name is mentioned in Annex A to this Warrant Plan 2015;

Board of Directors: the board of directors of the Company;

Cessation of the Consultancy agreement: the effective date of the cessation for whatever reason of the Consultancy or management agreement between the relevant Warrant Holder-Consultant and either the Company or a Subsidiary (including, for the avoidance of doubt, the relevant entity ceasing to be a Subsidiary of the Company), with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Warrant Holder (or a company Controlled by the Warrant Holder) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Director's Mandate: the effective date of the cessation for whatever reason of the director's mandate exercised by the relevant Warrant Holder-Director with either the Company or a Subsidiary (including, for the avoidance of doubt, the relevant entity ceasing to be a Subsidiary of the Company), except for a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Warrant Holder (or a company Controlled by the Warrant Holder) as a Director, Consultant or Employee, with the Company or a Subsidiary;

Cessation of the Employment agreement: the effective date of the cessation, for whatever reason, of the employment agreement between the relevant Warrant Holder-Employee and either the Company or a Subsidiary (including, for the avoidance of doubt, the relevant employing entity ceasing to be a Subsidiary of the Company), with the exception of a cessation accompanied by a simultaneous (other) employment or appointment of the relevant Warrant Holder (or a company Controlled by the Warrant Holder) as a Consultant or Employee, with the Company or a Subsidiary;

Company: the limited liability company Galapagos, having its registered office at Generaal De Wittelaan, L11 A3, 2800 Mechelen, Belgium;

Consultant: a natural person or legal entity who provides services to the Company or a Subsidiary on a contractual basis, but who is not an Employee (irrespective of whether the contract was entered into directly with the relevant natural person or legal entity – or in case of a natural person – with a legal entity who has entrusted the performance of the services to such natural person);

Control: the power, *de jure* or *de facto*, to have a decisive influence on the appointment of the majority of the Directors or on the orientation of the management, as set forth in article 5 *et seq*. of the Belgian Companies Code. The terms "**to Control**" and "**Controlled by**" shall be construed accordingly;

Director: a natural person or legal entity who at any moment during the existence of the Company exercises a director's mandate in the Company to which they were appointed by either the Shareholders' Meeting or the Board of Directors by way of cooptation;

Employee: each employee of the Company or a Subsidiary with a permanent employment contract;

Exercise Period: a period of two weeks within the Exercise Term, to be determined by the Board of Directors, during which Warrants can be Exercised;

Exercise Price: the pre-determined price at which a New Share can be acquired when Exercising a Warrant, during one of the Exercise Periods within the Exercise Term;

Exercise Term: the term during which the Warrant Holder can exercise his Warrants to acquire Shares of the Company, taking into account the specific Exercise Periods and the specific exercise conditions as set forth in chapter 6 of this Plan;

Exercise: to make use of the right attached to the Warrants that were acquired by accepting the Offer, to acquire New Shares at the Exercise Price;

Grant: the moment on which the Beneficiary accepts the Warrants offered. For the purposes of this Plan (including for Belgian fiscal reasons), the Grant shall be deemed to take place on the sixtieth day following the date of the Offer if the Offer is accepted within sixty days after the date of the Offer;

New Shares: the Shares to be issued pursuant to the exercise of the Warrants under this Plan;

Notice of Acceptance: the form that the Beneficiary receives at the moment of the Offer and that the Beneficiary needs to return, duly executed, to the Company for the acceptance of the Offer;

Offer: the written and dated notification to the Beneficiaries of the Plan as to the opportunity for them to acquire Warrants in accordance with the provisions of this Plan;

Personal Representative(s): the heir(s) of a deceased Warrant Holder;

Plan: the present Warrant Plan 2015 approved by the Board of Directors, as amended from time to time by the Board of Directors in accordance with the provisions of this Plan;

Retirement: any Cessation of the Employment agreement or Cessation of the Consultancy agreement, other than for cause, effected on or after the earliest date at which the Warrant Holder can receive state pension entitlement;

Shares: the shares of the Company;

Subsidiary: a company under the Control of the Company, as further set forth in article 6 of the Belgian Companies Code;

Warrant Agreement: the agreement that may be entered into between the Warrant Holder and the Company;

Warrant: the right to subscribe, within the framework of this Plan, to one New Share within the Exercise Term and the Exercise Period and at the Exercise Price;

Warrant Holder: each Beneficiary who has accepted the Offer and who owns one or more Warrants in accordance with this Plan.

Words and terms denoting the plural shall include the singular and vice versa.

3 Warrants

3.1 General

The number of Warrants issued in the framework of this Plan is maximum 625,740. These Warrants will be designated as “Warrants 2015”. The detail of the number of Warrants per Beneficiary, offered under this Plan, is set forth in Annex A to this Plan.

The Warrants are granted by the Company to the Beneficiaries for free.

Each Warrant entitles the Beneficiary to subscribe to one New Share in accordance with the terms and conditions of the Plan.

Offers under this Plan do not need to be the same for every Beneficiary.

3.2 Number per Beneficiary

The number of Warrants to be offered to the Beneficiaries is determined by the Board of Directors and, as regards the Directors of the Company, by the Shareholders' Meeting of the Company. This number is set forth in Annex A.

3.3 Transfer restrictions

The Warrants received are registered in the name of the Warrant Holder and cannot be transferred *inter vivos* once granted to a Beneficiary.

The Warrant cannot be encumbered by any pledge or in any other manner.

Warrants that, in contravention with the foregoing, are transferred or encumbered shall automatically become null and void.

3.4 Exercise Price

The Board of Directors shall determine the Exercise Price per Warrant at the moment of the Offer.

As the Shares of the Company are listed or traded on a regulated market at the date of the Offer, the Exercise Price of the Warrants for an Offer to an Employee will, at the election of the Board of Directors, at least be equal to (a) the closing price of the Share of the Company on the last trading day preceding the date of the Offer, or (b) the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. For an Offer to a Consultant or a Director, the Exercise Price will, in accordance with article 598 of the Belgian Companies Code, at least amount to the average of the closing price of the Share of the Company during the last thirty (30) days preceding the date of the Offer. In no event will the Exercise Price be lower than the accounting par value (rounded up to the higher eurocent) of the Shares at the date of the issuance of the Warrants.

Upon Exercise and subsequent capital increase the Exercise Price must be booked as capital for an amount equal to the accounting par value of the Shares at the moment of the establishment of the capital increase resulting from the Exercise. The part of the Exercise Price that exceeds the accounting par value must be booked as an issuance premium.

In deviation of article 501 of the Belgian Companies Code and without prejudice to the exceptions provided by law, the Company, represented by the Board of Directors, expressly reserves the right to take any possible decisions and to carry out any possible transactions which may have an impact on its capital, on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the Warrant Holders (with the exception of those causing an increase of the accounting par value of the existing Shares (in order not to conflict with article 582 of the Belgian Companies Code)), even in the event that these decisions might cause a reduction of the benefits offered to the Warrant Holders, unless the only purpose of these decisions and transactions would be such reduction of benefits.

Should the rights of the Warrant Holder be affected by such a decision or transaction, the Warrant Holder shall not be entitled to a modification of the Exercise Price, a modification of the exercise conditions or any other form of (financial or other) compensation. The Company, represented by the Board of Directors, may, in its sole discretion, make modifications to (i) the number of Shares that relates to one Warrant and/or (ii) the Exercise Price. As soon as reasonably practicable, the Board of Directors shall give notice in writing of such modification to the relevant Warrant Holder.

In case of a merger, demerger or stock-split of the Company, the rights of the outstanding Warrants and/or the Exercise Price of the Warrants shall be adjusted in accordance with the conversion ratio applicable at the occasion of the merger, demerger or the stock-split to the other shareholders.

3.5 Administration of the Warrant Plan

The Company is responsible for the management and the administration of the Plan and ensures that all questions of Beneficiaries or Warrant Holders are answered accurately and rapidly.

4 Beneficiaries of the Plan

Beneficiaries are the individuals as indicated in section 2 (“Definitions - Beneficiary”).

The Warrants under this Plan are in majority reserved for and granted to Employees. The number of Beneficiaries consists in minority of Directors and Consultants and in majority of Employees. A majority of the issued Warrants is reserved for and granted to Employees.

5 Acceptance or Refusal of the Offer

The Beneficiaries have the possibility to accept the individual Offer in whole, in part or not at all. Each Beneficiary shall receive a Notice of Acceptance wherein the Beneficiary mentions his/her decision regarding the Offer: (full or partial) Acceptance or Refusal. Acceptance of the Offer has to be formally established by ticking the relevant paragraph in the Notice of Acceptance.

The Notice of Acceptance needs to be returned prior to the ultimate date of response as set forth in the Notice of Acceptance, duly completed and signed, to the address mentioned in the Notice of Acceptance. Such ultimate date of response cannot be later than 75 calendar days after the date of the Offer.

In case the Beneficiary has not accepted the Offer in writing prior to the date mentioned in the Notice of Acceptance, he shall be deemed to have refused the Offer.

The Warrants are registered in the name of the Beneficiary. In case of acceptance, the Beneficiary will be recorded as a Warrant Holder in the register of warrant holders of the Company. This register is kept at the registered office of the Company, mentioning the identity of the Warrant Holders and previous warrant holders and the number of Warrants held by them. The Warrant Holder will receive a confirmation of the number of Warrants he has accepted.

The Nomination and Remuneration Committee may decide to replace or complete the Notice of Acceptance by or with a written Warrant Agreement to be signed by the Warrant Holder and the Company and which shall contain the conditions determined by the Nomination and Remuneration Committee, in accordance with this Plan.

The Beneficiary who has accepted the Offer will receive the Warrants as soon as these have been issued by notary deed establishing the acceptance.

6 Exercise and Payment Conditions

6.1 Exercise Term

The Exercise Term is eight (8) years, starting from the date of the Offer.

6.2 Vesting of Warrants

Except to the extent expressly stated otherwise in this Plan or decided otherwise by the Board of Directors in accordance with section 8.5, the Warrants will vest as follows:

- for Warrantholders who are Employees or Consultants: all granted Warrants will fully vest on the first day of the fourth calendar year following the calendar year in which the Grant was made; and
- for Warrantholders who are Directors: 1/36th of the granted Warrants will vest per started month following the Grant.

6.3 Exercise Period

Warrants may not be exercised prior to the end of the third calendar year following the calendar year in which the Grant was made.

As of the commencement of the fourth calendar year following the calendar year in which the Grant was made, all vested Warrants may be exercised, during an Exercise Period.

The Board of Directors will establish at least one Exercise Period of two weeks per semester. It is the responsibility of the Beneficiary to timely seek information from the Company relating to the establishment of Exercise Periods.

The Board of Directors may decide, in accordance with the applicable rules relating to abuse of insider information, to establish closed periods during which the Warrants cannot be exercised.

6.4 Conditions of Exercise

Individual Warrants can only be exercised as a whole.

In order to exercise a Warrant, the Warrant Holder needs to submit an appropriate declaration to that effect (the exercise form) to the Board of Directors or to an authorized person designated by the Board of Directors, and to pay the Exercise Price into a bank account designated by the Company and opened in the name of the Company.

On the exercise form, the Warrant Holder needs to mention the number of Warrants he desires to exercise.

In case the bank account is not or not sufficiently credited prior to the end of the Exercise Period, the Warrants will be deemed not to be exercised. The Company will inform the Warrant Holder thereof and will reimburse the amount that was deposited too late or was insufficient as soon as possible within the limits set by law. The Warrants will consequently not be lost and remain exercisable at a later stage insofar as the Exercise Term has not expired.

6.5 Exercise of the Warrants in accordance with the Belgian Companies Code

In case a Warrant, that is not exercisable or cannot be exercised in accordance with the issuance conditions (as specified in the Plan), becomes prematurely exercisable pursuant to article 501 of the Belgian Companies Code and is thus also prematurely exercised pursuant to article 501 of the Belgian Companies Code, the New Shares that the Warrant Holders receives as a result of such Exercise will not be transferable, except with the explicit prior consent of the Board of Directors, until such time as the Warrant would have become exercisable in accordance with the Plan.

6.6 Change in Control of the Company

Notwithstanding anything to the contrary in this Plan, in the event of a change in Control of the Company, all Warrants granted to a Warrant Holder whose relationship with the Company or with a Subsidiary has not ended prior to such change in Control, shall, in principle, immediately vest (to the extent they had not all vested yet) and become immediately exercisable during an Exercise Period determined by the Board of Directors, provided, however, that in compliance with applicable (tax) laws the Board of Directors is authorized to establish certain conditions for such vesting and/or exercising that will be applicable to some or all of the Warrant Holders involved.

7 Issuance of New Shares

The Company shall only be obliged to issue New Shares pursuant to the Exercise of Warrants if all exercise conditions set forth in chapter 6 have been complied with.

As soon as these exercise conditions are complied with, the New Shares will be issued, taking into account the time needed to fulfill the required administrative formalities. The Board of Directors shall to this effect timely at a date to be determined by the Board of Directors and at least once per semester have established the capital increase.

New Shares participate in the profit of the financial year of the Company that started on the first of January of the year in which the relevant New Shares have been issued.

In view of a rapid delivery of the Shares resulting from the exercise of Warrants, the Company may propose to the Warrant Holders who have complied with the exercise conditions to receive existing Shares awaiting the issuance of New Shares by notary deed. In such case the Warrant Holders will

receive an advance of existing Shares subject to the condition that they sign an authorization by which the New Shares will, upon issuance, immediately and directly be delivered to the Company or to any other party who advanced them the existing Shares.

The Board of Directors has granted power of attorney to any two (2) members of the Board of Directors acting jointly, as well as to the managing Director acting individually, with possibility of sub-delegation and the power of subrogation, to take care of the establishment by notary deed of the acceptance of the Warrants offered, the exercise of the Warrants, the issuance of the corresponding number of New Shares, the payment of the exercise price in cash, the corresponding realization of the capital increase, the allocation to the unavailable account "issuance premiums" of the difference between the subscription price for the Shares and the accounting par value, to bring the Articles of Association in accordance with the new situation of the registered capital, to sign and deliver the relevant Euroclear and bank documentation, and to sign and deliver all necessary documents in connection with the delivery of the Shares (acquired as a result of the exercise of the Warrants) to the Beneficiaries.

The Company will take the necessary actions to have the New Shares listed for trading on a regulated market as soon as they have been issued. The Company has not issued VVPR strips and has no intention to do so in the future.

8 Cessation of the Employment or Service Relationship or of the Director's Mandate

8.1 Cessation of the employment or service relationship or of the Director's Mandate

In case of Cessation of the Employment agreement or Cessation of the Consultancy agreement after the end of the third calendar year following the calendar year in which the Grant was made, the Warrant Holder will have time to exercise, during an Exercise Period, his non-exercised Warrants until the closing date of the second Exercise Period occurring after the date of the Cessation of the Employment Agreement or the Cessation of the Consultancy Agreement, as applicable, after which date all his remaining non-exercised Warrants shall become null and void.

If Cessation of the Employment agreement or Cessation of the Consultancy agreement occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, all granted Warrants shall automatically become null and void. This principle does however not apply in the event of cessation resulting from decease, Retirement, or sickness or disability.

In case of Cessation of the Director's Mandate after the end of the third calendar year following the calendar year in which the Grant was made, the Warrant Holder shall have time to exercise, during an Exercise Period, his non-exercised Warrants until the closing date of the second Exercise Period occurring after the date of the Cessation of the Director's Mandate, after which date all his remaining non-exercised Warrants shall become null and void.

If Cessation of the Director's Mandate occurs prior to the end of the third calendar year following the calendar year in which the Grant was made, but without prejudice to a different decision of the Board of Directors taken after the Cessation of the Director's Mandate, a part of the granted Warrants shall automatically become null and void as follows:

- 1/36th of the number of granted Warrants for each full month between the Cessation of the Director's Mandate and the third anniversary of the Grant.

The Warrant Holder shall have time to exercise, during an Exercise Period, the Warrants that do not automatically become null and void pursuant to the abovementioned clause from the first day of the fourth calendar year following the calendar year in which the Grant was made until the closing date of the second Exercise Period occurring during the fourth calendar year following the calendar year in which the Grant was made, after which date all his remaining non-exercised Warrants shall become null and void.

8.2 Decease

In case of decease of a Warrant Holder, all fully vested Warrants acquired by such Warrant Holder pass to his Personal Representative(s) and such Personal Representative(s) will have time to exercise, during an Exercise Period, such Warrants until the closing date of the second Exercise Period occurring after the date of the death of the Warrant Holder, after which date all remaining non-exercised Warrants will automatically become null and void.

In case of decease prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of vested Warrants shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of decease}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Personal Representative(s) will have time to exercise, during an Exercise Period, the vested Warrants that do not automatically become null and void pursuant to the abovementioned clause from the first day of the fourth calendar year following the calendar year in which the Grant was made until the closing date of the second Exercise Period occurring during the fourth calendar year following the calendar year in which the Grant was made, after which date all remaining non-exercised Warrants shall become null and void.

8.3 Retirement

In case of Retirement of a Warrant Holder, the Warrant Holder will have time to exercise his fully vested Warrants, during an Exercise Period, until the closing date of the second Exercise Period occurring after the date of Retirement of the Warrant Holder, after which date all his remaining non-exercised Warrants will automatically become null and void.

In case of Retirement prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of vested Warrants shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of Retirement}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrant Holder will have time to exercise, during an Exercise Period, the vested Warrants that do not automatically become null and void pursuant to the abovementioned clause from the first day of the fourth calendar year following the calendar year in which the Grant was made until the closing date of the second Exercise Period occurring during the fourth calendar year following the calendar year in which the Grant was made, after which date all remaining non-exercised Warrants shall become null and void.

8.4 Sickness or Disability

In case of cessation of the employment agreement or of the consultancy or management agreement as a result of long-term sickness or disability, the Warrant Holder will have time to exercise his fully vested Warrants, during an Exercise Period, until the closing date of the second Exercise Period occurring after such cessation, after which date all his remaining non-exercised Warrants will automatically become null and void.

In case of such cessation prior to the end of the third calendar year following the calendar year in which the Grant was made, the number of vested Warrants shall be determined by multiplying the number of Warrants granted with the result of the following division:

$$\frac{\textit{number of days between the date of the Grant and the date of such cessation}}{\textit{number of days between the date of the Grant and the end of the third calendar year following the calendar year in which the Grant was made}}$$

The Warrant Holder will have time to exercise, during an Exercise Period, the vested Warrants that do not automatically become null and void pursuant to the abovementioned clause from the first day of the fourth calendar year following the calendar year in which the Grant was made until the closing date of the second Exercise Period occurring during the fourth calendar year following the calendar year in which the Grant was made, after which date all remaining non-exercised Warrants shall become null and void.

8.5 Deviations

The Board of Directors may at its discretion decide to deviate at any time from the provisions set forth in this chapter 8.

9 Amendments and Modifications

The Board of Directors is authorized to take appropriate measures to safeguard the interests of the Warrant Holders in case:

- a fundamental change in the Control of the Company occurs;
- a fundamental change in the applicable laws or regulations occurs; or
- a serious and exceptional circumstance jeopardizing the rights of the Beneficiaries occurs.

In addition, the Board of Directors may amend the provisions of this Plan to the benefit of the Warrant Holders, to the extent that the contemplated amendments comply with all applicable laws.

This Plan may, if required by the circumstances, be amended by the Company. The Beneficiary shall be informed of such amendments and will be bound by them. The amendments may in no event affect the essential provisions of the Plan. The amendments may not harm the rights of the under this Plan existing Warrant Holders. In the event the rights of the under this Plan existing Warrant Holders would be harmed, the amendments may not be made without their agreement.

10 Dispute Resolution

All disputes relating to this Plan will be brought to the attention of the Board of Directors, who may propose an amicable settlement for a dispute, as the case may be. If required the dispute will be submitted to Courts and Tribunals competent for the judicial area of Antwerp, department of Mechelen (Belgium) whereby all parties involved shall make election of domicile at the seat of the Company. This Plan is governed by Belgian law.

11 Final Provisions

11.1 Additional Information

The Company will provide the Beneficiary at his request with a copy of the articles of association of the Company and any amendments thereto.

11.2 Taxes and Social Security Treatment

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to apply a withholding on the cash salary or the compensation for the month in which the taxable moment occurs or on the cash salary or the compensation of any other following month, and/or the Beneficiary

shall be obliged to pay to the Company or a Subsidiary (if so required by the Company or by a Subsidiary) the amount of any tax and/or social security contributions due or payable because of the fact of the grant, the acceptance, the fact that Warrants become susceptible of being exercised or of the exercise of the Warrants, or due or payable in respect of the delivery of the New Shares.

The Company or a Subsidiary shall be entitled, in accordance with the applicable law or customs, to prepare the required reports, necessary as a result of grant of the Warrants, the fact that Warrants become susceptible of being exercised, or the delivery of the Shares.

11.3 Costs

Stamp duties, stock exchange taxes and similar charges and taxes levied at the occasion of the exercise of the Warrants and/or the delivery of the New Shares or existing Shares shall be borne by the Warrant Holder.

Costs relating to the issue of the Warrants or to the issue of New Shares shall be borne by the Company.

11.4 Relation to employment, consultancy or management agreement or director's mandate

No person has a right to participate in this Plan and a participation in this Plan does not give the Beneficiaries a right to future grants of additional Warrants. The grant of Warrants under this Plan does not contain a promise of a continuous employment by the Company or its Subsidiaries.

Notwithstanding any provision of the Plan, the rights and obligations of any individual or entity as determined in the provisions of his/her director's mandate, employment agreement or consultancy or management agreement concluded with the Company or a Subsidiary shall not be affected by his/her participation in the Plan or by any right that he/she may have to participate therein.

An individual to whom Warrants are granted in accordance with the Plan shall not be entitled to any damages or compensation as a result of the cessation of his mandate, employment agreement or consultancy or management agreement with the Company or a Subsidiary, based on any reason whatsoever, to the extent that these rights would arise or might arise based on the cessation of the rights he/she might have or the claims he/she could make concerning the exercise of Warrants pursuant to the Plan because of the cessation of such agreement or by reason of the loss or decrease in value of the rights or benefits.

11.5 Shareholders' Meetings

Warrant Holders have the right to participate in the Shareholders' Meetings of the Company, but without voting right and only with an advisory voice, subject to complying with the formalities set forth in the convocation for the Shareholders' Meeting.

11.6 Communication with Warrant Holders

By accepting Warrants, the Warrant Holder agrees that documentation can be validly communicated by the Company by e-mail, including convocations for Shareholders' Meetings and documentation pertaining to the exercise of Warrants.

11.7 Address Change

Warrant Holders are obliged to keep the Company informed of changes to their address and changes to their e-mail address. Communications sent by the Company to the last known address or e-mail address of the Warrant Holder are validly made.

***

Exhibit 10.4

EXECUTION VERSION

*****Text Omitted and Filed Separately with the Securities and Exchange Commission**

Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 230.406

COLLABORATION AGREEMENT

between

GALAPAGOS NV

and

ABBOTT HOSPITALS LIMITED

Dated as of February 28, 2012

*** Confidential Treatment Requested ***

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COLLABORATION AGREEMENT

This Collaboration Agreement (the "**Agreement**") is made and entered into effect as of February 28, 2012 (the "**Effective Date**") by and between Galapagos NV, a corporation organized under the laws of Belgium and having a principal place of business at Generaal de Wittelaan L11A3, B2800 Mechelen, Belgium ("**Galapagos**"), and Abbott Hospitals Limited, […***…] ("**Abbott**"). Galapagos and Abbott are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Galapagos Controls (as defined herein) certain intellectual property rights with respect to the Licensed Compound (as defined herein) and Licensed Products (as defined herein) in the Territory (as defined herein); and

WHEREAS, Galapagos wishes to grant a license to Abbott, and Abbott wishes to take, a license under such intellectual property rights to develop and commercialize Licensed Products in the Territory, in each case in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 "**Abbott**" has the meaning set forth in the preamble hereto.

1.2 "**Abbott Grantback Know-How**" means, as used in connection with any grant back license provided in Article 12, that certain Abbott Know-How that is (i) Controlled by Abbott as of the effective date of the applicable termination of this Agreement (in its entirety or with respect to one or more countries) (ii) not generally known and (iii) directed to the composition or formulation of, or the method of making or using, a Licensed Compound, but (iv) in each case solely with respect to any such Licensed Product that (a) is the subject of Development or Commercialization in the Territory as of the date of such termination and (b) contains the Licensed Compound as the sole active ingredient, as such Licensed Product exists as of the effective date of such termination.

1.3 "**Abbott Grantback Patents**" means, as used in connection with any grant back license provided in Article 12, those certain Abbott Patents that (i) are Controlled by Abbott as of the effective date of the applicable termination of this Agreement (in its entirety or with respect to one or more countries), (ii) include one or more claim(s) that cover the composition or formulation of, or the method of making or using, a Licensed Compound. In addition, Abbott Grantback Patents include only Abbott Patents with claims that cover any Licensed Product

containing the Licensed Compound that is the subject of Development or Commercialization in the Territory as of the date of the applicable termination of this Agreement and contains the Licensed Compound as the sole active ingredient, as such Licensed Product exists as of the effective date of such termination.

1.4 "**Abbott Indemnitees**" has the meaning set forth in Section 11.2.

1.5 "**Abbott Know-How**" means all Information that is (i) Controlled by Abbott or any of its Affiliates during the Term, (ii) developed or acquired by Abbott or any of its Affiliates after the Effective Date and during the Term as a result of performance under this Agreement, (iii) not generally known, and (iv) reasonably necessary or useful for the Development, Manufacture, or Commercialization of the Licensed Compound or a Licensed Product, but (v) excluding any Information comprising Joint Know-How or inventions covered by the claims of published Abbott Patents or Joint Patents.

1.6 "**Abbott No-Exercise Right**" has the meaning set forth in Section 12.3.1.

1.7 "**Abbott Patents**" means all of the Patents that (i) are Controlled by Abbott or any of its Affiliates during the Term, (ii) include claims that cover inventions made or conceived by Persons having an obligation to assign such to Abbott (or any of its Affiliates) after the Effective Date and during the Term as a result of performance under this Agreement, (iii) are reasonably necessary or useful (or, with respect to patent applications, would be reasonably necessary or useful if such patent applications were to issue as patents) for the Development, Manufacture, or Commercialization of the Licensed Compound or a Licensed Product, but (iv) excluding any Joint Patents.

1.8 "**Abbott Prosecuted Infringements**" has the meaning set forth in Section 7.3.1.

1.9 "**Accounting Standards**" with respect to a Party means that such Party shall maintain records and books of accounts in accordance with (a) United States Generally Accepted Accounting Principles or (b) to the extent applicable, International Financial Reporting Standards as issued by the International Accounting Standards Board.

1.10 "**Additional Indication**" means, with respect to the Licensed Compounds and Licensed Products, each indication other than the Initial Indication.

1.11 "**Additional Major Indication**" means psoriasis, psoriatic arthritis, ulcerative colitis, ankylosing spondylitis, or Crohn's disease.

1.12 "**ADR**" has the meaning set forth in Section 13.8.1.

1.13 "**Adverse Ruling**" has the meaning set forth in Section 12.2.1.

1.14 "**Affiliate**" means, with respect to a Party, any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means (i) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise; or (ii) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a Person (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). The Parties

acknowledge that in the case of certain entities organized under the laws of certain countries outside of the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage shall be substituted in the preceding sentence, provided that such foreign investor has the power to direct the management or policies of such entity.

1.15 "**Agreement**" has the meaning set forth in the preamble hereto.

1.16 "**Alliance Manager**" has the meaning set forth in Section 2.4.5.

1.17 "**Allowable Expenses**" means […***…].

1.18 "**ANDA Act**" has the meaning set forth in Section 7.3.3.

1.19 "**Annual Net Sales Milestone Threshold**" has the meaning set forth in Section 6.4.1.

1.20 "**Annual Net Sales-Based Milestone Payment**" has the meaning set forth in Section 6.4.1.

1.21 "**Annual Net Sales-Based Milestone Payment Date**" has the meaning set forth in Section 6.4.1.

1.22 "**Annual Net Sales-Based Milestone Table**" has the meaning set forth in Section 6.4.1.

1.23 "**API**" means the bulk form of Licensed Compound active pharmaceutical ingredient.

1.24 "**Applicable Law**" means federal, state, local, national and supra-national laws, statutes, rules, and regulations, including any rules, regulations, guidelines, or other requirements of the Regulatory Authorities, major national securities exchanges or major securities listing organizations, that may be in effect from time to time during the Term and applicable to a particular activity and/or country or other jurisdiction hereunder.

1.25 "**Audit Arbitrator**" has **the** meaning set forth in Section 6.18.

1.26 "**Bayh-Dole Act**" means the Patent and Trademark Law Amendments Act of 1980, as amended, codified at 35 U.S.C. §§ 200-212, as amended, as well as any regulations promulgated pursuant thereto, including in 37 C.F.R. Part 401.

1.27 "**Board of Directors**" has the meaning set forth in the definition of "Change in Control."

1.28 "**Breaching Party**" has the meaning set forth in Section 12.2.1.

1.29 "**Business Day**" means a day other than a Saturday or Sunday on which banking institutions in New York, New York are open for business.

1.30 "**Calendar Quarter**" means each successive period of three (3) calendar months commencing on January 1, April 1, July 1 and October 1, except that the first Calendar Quarter of the Term shall commence on the Effective Date and end on the day immediately prior to the first to occur of January 1, April 1, July 1 or October 1 after the Effective Date, and the last Calendar Quarter shall end on the last day of the Term.

1.31 "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31, except that the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the year in which the Effective Date occurs and the last Calendar Year of the Term shall commence on January 1 of the year in which the Term ends and end on the last day of the Term.

1.32 "**Centralized Approval Procedure**" means the procedure through which an MAA filed with the EMA results in a single marketing authorization valid throughout the European Union.

1.33 "**Change in Control**," with respect to a Party, shall be deemed to have occurred if any of the following occurs after the Effective Date:

1.33.1 any "person" or "group" (as such terms are defined below) (i) is or becomes the "beneficial owner" (as defined below), directly or indirectly, of shares of capital stock or other interests (including partnership interests) of such Party then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of the directors, managers or similar supervisory positions ("**Voting Stock**") of such Party representing fifty percent (50%) or more of the total voting power of all outstanding classes of Voting Stock of such Party or (ii) has the power, directly or indirectly, to elect a majority of the members of the Party's board of directors, or similar governing body ("**Board of Directors**"); or

1.33.2 such Party enters into a merger, consolidation or similar transaction with another Person (whether or not such Party is the surviving entity) and as a result of such merger, consolidation or similar transaction (i) the members of the Board of Directors of such Party immediately prior to such transaction constitute less than a majority of the members of the Board of Directors of such Party or such surviving Person immediately following such transaction or (ii) the Persons that beneficially owned, directly or indirectly, the shares of Voting Stock of such Party immediately prior to such transaction cease to beneficially own, directly or indirectly, shares of Voting Stock of such Party representing at least a majority of the total voting power of all outstanding classes of Voting Stock of the surviving Person in substantially the same proportions as their ownership of Voting Stock of such Party immediately prior to such transaction; or

1.33.3 such Party sells or transfers to any Third Party, in one or more related transactions, properties or assets representing all or substantially all of such Party's total assets to which this Agreement relates; or

1.33.4 the holders of capital stock of such Party approve a plan or proposal for the liquidation or dissolution of such Party.

1.33.5 For the purpose of this definition of Change in Control, (i) "person" and "group" have the meanings given such terms under Section 13(d) and 14(d) of the United States Securities Exchange Act of 1934 and the term "group" includes any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the said Act; (ii) a "beneficial owner" shall be determined in accordance with Rule 13d-3 under the aforesaid Act; and (iii) the terms "beneficially owned" and "beneficially own" shall have meanings correlative to that of "beneficial owner."

1.34 "**Clinical Data**" means all Information with respect to any Licensed Compound or Licensed Product and made, collected, or otherwise generated under or in connection with Clinical Studies or Phase 4 Studies, including any data (including, but not limited to, raw data), reports, and results with respect thereto.

1.35 "**Clinical Studies**" means Phase 0, Phase 1, Phase 2, Phase 3, and such other tests and studies in human subjects that are required by Applicable Law, or otherwise recommended by the Regulatory Authorities, to obtain or maintain Regulatory Approvals for a Licensed Product for one (1) or more indications, including tests or studies that are intended to expand the Product Labeling for such Licensed Product with respect to such indication.

1.36 "**Combination Product**" means a Licensed Product that is comprised of or contains a Licensed Compound as an active ingredient together with one or more other active ingredients and is sold either as a fixed dose or as separate doses as one (1) product.

1.37 "**Commercialization**" means any and all activities directed to the preparation for sale, offering for sale, or sale of a Licensed Compound or a Licensed Product, including activities related to marketing, promoting, distributing, importing and exporting such Licensed Compound or Licensed Product, and, for purposes of setting forth the rights and obligations of the Parties under this Agreement, shall be deemed to include conducting Medical Affairs Activities and conducting Phase 4 Studies, and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, "**to Commercialize**" and "**Commercializing**" means to engage in Commercialization, and "**Commercialized**" has a corresponding meaning.

1.38 "**Commercially Reasonable Efforts**" means, with respect to the performance of Development, Commercialization, or Manufacturing activities with respect to the Licensed Compound or a Licensed Product by a Party, the level of effort required to carry out an obligation in a sustained, active and diligent manner consistent with such level of effort […***…]. "Commercially Reasonable Efforts" shall be determined on a country-by-country (or region-by-region, where applicable) and indication-by-indication basis, except that the Party may consider the impact of its efforts and resources expended with respect to any country (or region) on any other country (or region).

1.39 "**Complete Data Package**" has the meaning set forth in Section 3.1.4.

1.40 "**Compound Failure**" means, with respect to a Licensed Compound, that, due to Clinical Study results or actions taken by any Regulatory Authority after the Effective Date, it is unlikely that Abbott will be able to, on a commercially reasonable basis, obtain Regulatory Approval of a Licensed Product or, once granted, it is unlikely that Abbott will be able to maintain each Regulatory Approval.

1.41 "**Conduct**" means, with respect to any Clinical Study, to (i) sponsor, support or perform, directly or indirectly through a Third Party, such Clinical Study; or (ii) provide to a Third Party funding for, or clinical supplies (including placebos) for use in, such Clinical Study.

1.42 "Confidential Information" means any Information provided orally, visually, in writing or other form by or on behalf of one Party (or an Affiliate of such Party) to the other Party (or to an Affiliate of such Party) in connection with this Agreement, whether prior to, on, or after the Effective Date, including information relating to the terms of this Agreement, the Licensed Compound or any Licensed Product (including the Regulatory Documentation and Regulatory Data), any Exploitation of the Licensed Compound or any Licensed Product, any

know-how with respect thereto developed by or on behalf of the disclosing Party or its Affiliates (including Abbott Know-How and Galapagos Know-How, as applicable), or the scientific, regulatory or business affairs or other activities of either Party. Notwithstanding the foregoing, (i) Joint Know-How shall be deemed to be the Confidential Information of both Parties, and both Parties shall be deemed to be the receiving Party and the disclosing Party with respect thereto; and (ii) after Abbott proceeds with the In-Licensing, all Regulatory Documentation owned by Abbott pursuant to Section 3.7.1 shall be deemed to be the Confidential Information of Abbott, and Abbott shall be deemed to be the disclosing Party and Galapagos shall be deemed to be the receiving Party with respect thereto.

1.43 "**Control**" means, with respect to any item of Information, Regulatory Documentation, material, Patent, or other property right existing on or after the Effective Date and during the Term, the possession of the right, whether directly or indirectly, and whether by ownership, license, covenant not to sue, or otherwise (other than by operation of the license and other grants in Section 5.2), to grant a license, sublicense or other right (including the right to reference Regulatory Documentation) to or under such Information, Regulatory Documentation, material, Patent, or other property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party; provided, however, that except in the case of Third Party In-License Agreements, neither Party shall be deemed to Control any item of Information, Regulatory Documentation, material, Patent, or other property right of a Third Party if access requires or triggers a payment obligation.

1.44 "**Co-Promotion Agreement**" has the meaning set forth in Section 4.9.3.

1.45 "**Co-Promotion Commercialization Plan**" has the meaning set forth in Section 4.2.1.

1.46 "**Co-Promotion Option**" has the meaning set forth in Section 4.9.1.

1.47 "**Co-Promotion Period**" means that period commencing on the effective date of the Co-Promotion Agreement and ending on the first date on which Galapagos' co-promotion rights with respect to the Co-Promotion Products terminate pursuant to this Agreement or the Co-Promotion Agreement.

1.48 "**Co-Promotion Product**" has the meaning set forth in Section 4.9.1.

1.49 "**Co-Promotion Territory**" means the Benelux countries (i.e., the Netherlands, Belgium and Luxembourg).

1.50 "**CREATE Act**" has the meaning set forth in Section 7.2.5.

1.51 "**Default Notice**" has the meaning set forth in Section 12.2.1.

1.52 "**Delivery System**" has the meaning set forth in the definition of "Net Sales".

1.53 "**Detail**" means, with respect to a Co-Promotion Product in the Co-Promotion Territory, a face-to-face contact between a sales representative and a physician or other medical professional licensed to prescribe drugs, during which a primary position detail (as defined in the Co-Promotion Agreement) or a secondary position detail (as defined in the Co-Promotion Agreement) is made to such person, in each case as measured by each Party's internal recording of such activity in accordance with the Co-Promotion Agreement; *provided* that such meeting is consistent with and in accordance with the requirements of Applicable Law and this Agreement. When used as a verb, "**Detail**" means to engage in a Detail.

1.54 "**Development**" means all activities related to research, pre-clinical and other non-clinical testing, test method development and stability testing, toxicology, formulation, process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, Clinical Studies, including Manufacturing in support thereof, statistical analysis and report writing, the preparation and submission of Drug Approval Applications, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval. When used as a verb, "**Develop**" means to engage in Development. Development shall exclude Phase 4 Studies. For the avoidance of doubt, Development shall include any submissions, and activities required in support thereof, required by Applicable Laws or a Regulatory Authority as a condition or in support of obtaining a pricing or reimbursement approval for an approved Licensed Product.

1.55 "**Development Activities Agreement**" has the meaning set forth in Section 3.5.3.

1.56 "**Development Plan and Budget**" means a development plan (other than the Initial Development Plan and Budget) setting forth in reasonable detail specific Clinical Studies and other Development activities (other than the Initial Development Activities) to be performed with respect to the Licensed Compound or a Licensed Product and the budget for such Development activities, which plan shall set forth Clinical Studies and Development activities subsequent to those of the Initial Development Plan.

1.57 "**Dispute**" has the meaning set forth in Section 13.8.

1.58 "**Distribution Costs**" means […***…].

1.59 "**Distributor**" has the meaning set forth in Section 5.5.

1.60 "**Dollars**" or "**$**" means United States Dollars.

1.61 "**Drug Approval Application**" means a New Drug Application (an "**NDA**"**)** as defined in the FFDCA, or any corresponding foreign application in the Territory, including, with respect to the European Union, a Marketing Authorization Application (a "**MAA**") filed with the EMA pursuant to the Centralized Approval Procedure or with the applicable Regulatory Authority of a country in Europe with respect to the mutual recognition or any other national approval procedure.

1.62 "**Drug Approval Filing**" means the submission to a Regulatory Authority of a Drug Approval Application.

1.63 "**Effective Date**" means the effective date of this Agreement as set forth in the preamble hereto.

1.64 "**EMA**" means the European Medicines Agency and any successor agency or authority having substantially the same function.

1.65 "**EURIBOR**" means Euro Interbank Offered Rate, unweighted average rate, calculation according to the act/360 method having a maturity of one month published by Bloomberg at 11 a.m. CET on the first Frankfurt business day of every month.

1.66 "**European Union**" or "**EU**" means the economic, scientific, and political organization of member states known as the European Union, as its membership may be altered from time to time, and any successor thereto.

1.67 "**Exchange Rate**" has the meaning set forth in Section 6.11.

1.68 "**Existing Patents**" has the meaning set forth in Section 10.2.1.

1.69 "**Existing Regulatory Documentation**" means the Regulatory Documentation Controlled by Galapagos or any of its Affiliates as of the date Abbott proceeds with the In-Licensing.

1.70 "**Exploit**" or "**Exploitation**" means to make, have made, import, export, use, have used, sell, have sold, or offer for sale, including to Develop, Commercialize, register, modify, enhance, improve, Manufacture, have Manufactured, hold, or keep (whether for disposal or otherwise), or otherwise dispose of.

1.71 "**FDA**" means the United States Food and Drug Administration and any successor agency(ies) or authority having substantially the same function.

1.72 "**FFDCA**" means the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 *et seq.*, as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).

1.73 "**Field**" means treatment, diagnosis, prediction, detection and/or prevention of any disease, disorder, state, condition and/or malady in humans and animals.

1.74 "**First Commercial Sale**" means, with respect to a Licensed Product and a country, the first sale for monetary value for use or consumption by the end user of such Licensed Product in such country after Regulatory Approval for such Licensed Product has been obtained in such country. Sales prior to receipt of Regulatory Approval for such Licensed Product, such as so-called "treatment IND sales," "named patient sales," and "compassionate use sales," shall not be construed as a First Commercial Sale.

1.75 "**Follow-On Compound**" means the compound known as […***…] or any Galapagos JAK1 inhibitor that Galapagos Controls, and any metabolite, salt, ester, hydrate, solvate, isomer, enantiomer, free acid form, free base form, crystalline form, co-crystalline form, amorphous form, pro-drug (including ester pro-drug) form, racemate, polymorph, chelate, stereoisomer, tautomer, or optically active form of any of the foregoing.

1.76 "**FTE**" means the equivalent of the work of one (1) employee full time for one (1) Calendar Year (consisting of at least a total of […***…] per Calendar Year) of work directly related to the Development, Commercialization or Manufacturing of a Licensed Compound or Licensed Product. Any person who devotes less than […***…] per Calendar Year (or such other number as may be agreed by the JDC or JCC, as applicable) shall be treated as an FTE on a pro rata basis based upon the actual number of hours worked divided by […***…].

1.77 "**FTE Costs**" means, with respect to a Party for any period, the applicable FTE Rate multiplied by the applicable number of FTEs of such Party performing Development, Commercialization or Manufacturing activities during such period in accordance with the applicable Development Plan and Budget or Co-Promotion Commercialization Plan, as applicable.

1.78 "**FTE Rate**" means the annual rate of […***…] Dollars ($[…***…]) per FTE. The FTE Rates applicable to activities undertaken by either Party are subject to adjustments effective on January 1 of each Calendar Year, based on the applicable employment cost index published by the United States Department of Labor, Bureau of Labor Statistics for the third quarter of the preceding Calendar Year.

1.79 "**Galapagos**" has the meaning set forth in the preamble hereto.

1.80 "**Galapagos Corporate Names**" means the Trademarks and logos identified on Schedule 1.80 and such other names and logos as Galapagos may designate in writing from time to time.

1.81 "**Galapagos Indemnitees**" had the meaning set forth in Section 11.1.

1.82 "**Galapagos Know-How**" means all Information that is (i) Controlled by Galapagos or any of its Affiliates as of the Effective Date or at any time during the Term, (ii) not generally known, and (iii) reasonably necessary or useful for the Development, Manufacture, or Commercialization of the Licensed Compound or a Licensed Product, but (iv) excluding any Information comprising Joint Know-How or inventions covered by the claims of published Galapagos Patents or Joint Patents.

1.83 "**Galapagos Patents**" means all of the Patents that are (i) Controlled by Galapagos or any of its Affiliates as of the Effective Date or at any time during the Term, and (ii) reasonably necessary or useful (or, with respect to Patent applications, would be reasonably necessary or useful if such Patent applications were to issue as Patents) for the Development, Manufacture, or Commercialization of the Licensed Compound or a Licensed Product, but (iii) excluding any Joint Patents. The Galapagos Patents include the Existing Patents.

1.84 "**Generic Product**" means, with respect to a Licensed Product, any product that (i) is sold by a Third Party that is not a licensee or Sublicensee of Abbott or its Affiliates, or any of their licensees or Sublicensees, under a Drug Approval Application granted by a Regulatory Authority to a Third Party; (ii) contains the Licensed Compound as an active ingredient; and (iii) is approved in reliance, in whole or in part, on the prior approval (or on safety or efficacy data submitted in support of the prior approval) of such Licensed Product as determined by the applicable Regulatory Authority, including any product authorized for sale (A) in the U.S. pursuant to Section 505(b)(2) or Section 505(j) of the Act (21 U.S.C. 355(b)(2) and 21 U.S.C. 355(j), respectively), (B) in the EU pursuant to a provision of Articles 10, 10a or 10b of Parliament and Council Directive 2001/83/EC as amended (including an application under Article 6.1 of Parliament and Council Regulation (EC) No 726/2004 that relies for its content on any such provision), or (C) in any other country or jurisdiction pursuant to all equivalents of such provisions, including any amendments and successor statutes with respect to the subsections (A) through (C) thereto. A Licensed Product licensed or produced by Abbott (i.e., an authorized generic product) will not constitute a Generic Product.

1.85 "**Generic Competition**" has the meaning set forth in Section 6.6.4.

1.86 "**Good Manufacturing Practice**" or "**GMP**" means the current good manufacturing practices applicable from time to time to the manufacturing of a Licensed Compound or Licensed Product or any intermediate thereof pursuant to Applicable Law.

1.87 "**Grantback Option**" has the meaning set forth in Section 12.6.1(iii).

1.88 "**Grantback Option to the Terminated Territory**" has the meaning set forth in Section 12.7.

1.89 […***…].

1.90 "**HSR Act**" has the meaning set forth in 13.3.

1.91 "**IMS**" has the meaning set forth in Section 6.6.4(i).

1.92 "**IND**" means an application filed with a Regulatory Authority for authorization to commence human Clinical Studies, including (a) an Investigational New Drug Application as defined in the FFDCA or any successor application or procedure filed with the FDA, (b) any equivalent of a United States IND in other countries or regulatory jurisdictions, and (c) all supplements, amendments, variations, extensions and renewals thereof that may be filed with respect to the foregoing.

1.93 "**Indemnification Claim Notice**" has the meaning set forth in Section 11.4.

1.94 "**Indemnified Party**" has the meaning set forth in Section 11.4.

1.95 "**Information**" means knowledge of a technical, scientific, business, and other nature, including know-how, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, data, results and other material, Regulatory Data, and other biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and information, including study designs and protocols; assays, and biological methodology; in each case (whether or not confidential, proprietary, patented or patentable, of commercial advantage or not) in written, electronic or any other form now known or hereafter developed.

1.96 "**Initial Development Activities**" means the Development activities (as further set forth in the Initial Development Plan and Budget) to be performed by Galapagos in order to achieve the Phase 2B RA Success Criteria.

1.97 "**Initial Development Plan and Budget**" means the Development Plan and Budget covering the Initial Development Activities attached as Schedule 1.97, as the same may be amended from time to time in accordance with the terms hereof.

1.98 "**Initial Indication**" means rheumatoid arthritis ("**RA**").

1.99 "**In-Licensing**" has the meaning set forth in Section 5.1.

1.100 "**Intellectual Property**" has the meaning set forth in Section 12.5.

1.101 "**JAK1**" means any compound that inhibits enzymes in the Janus kinase ("JAK") family […***…].

1.102 "**Joint Commercialization Committee**" or "**JCC**" has the meaning set forth in Section 2.3.1.

1.103 "**Joint Committees**" means collectively the JSC, JDC and JCC.

1.104 "**Joint Development Committee**" or **"JDC"** has the meaning set forth in Section 2.2.1.

1.105 "**Joint Intellectual Property Rights**" has the meaning set forth in Section 7.1.2.

1.106 "**Joint Know-How**" has the meaning set forth in Section 7.1.2.

1.107 "**Joint Patents**" has the meaning set forth in Section 7.1.2.

1.108 "**Joint Steering Committee**" or "**JSC**" has the meaning set forth in Section 2.1.1.

1.109 "**Knowledge**" means the […***…] of the chief executive officer, the president, the executive vice-president, any vice president, including the vice president for research, the vice president for product development, the vice president for clinical development, and the vice president for intellectual property, the head of regulatory affairs, the senior patent counsel, the general counsel, or the chief medical officer of a Party, or any personnel holding positions equivalent to such job titles (but only to the extent such positions exist at such Party).

1.110 "**Lead Compound**" means the compound known as GLPG0634 and any metabolite, salt, ester, hydrate, solvate, isomer, enantiomer, free acid form, free base form, crystalline form, co-crystalline form, amorphous form, pro-drug (including ester pro-drug) form, racemate, polymorph, chelate, stereoisomer, tautomer, or optically active form of the foregoing. If a Compound Failure occurs with respect to the Lead Compound, the Lead Compound shall be replaced by a Follow-On Compound, such Follow-On Compound to be determined by Abbott if more than one Follow-On Compound is in Development, and such Follow-On Compound shall be deemed to be the Lead Compound effective from the point in which the Compound Failure determination has been made by the JDC.

1.111 "**Licensed Compound(s)**" means the Lead Compound and any Follow-On Compounds.

1.112 "**Licensed Product**" means any product, or portion thereof, containing a specific Licensed Compound. Licensed Product includes all products (and portions thereof) containing the same Licensed Compound, alone or in combination with one or more other active ingredients, in any and all finished forms, presentations, delivery systems, strength, dosages, and formulations. Licensed Product does not include bulk sales of Licensed Compound to sublicensees for formulation into finished form.

1.113 "**Losses**" has the meaning set forth in Section 11.1.

1.114 "**MAA**" has the meaning set forth in the definition of Drug Approval Application.

1.115 "**Major Market**" means each of Germany, United Kingdom, France, Spain and Italy.

1.116 "**Major Regulatory Filing**" has the meaning set forth in Section 3.7.1(iii).

1.117 "**Manufacture**" and "**Manufacturing**" means all activities related to the synthesis, making, production, processing, purifying, formulating, filling, finishing, packaging, labeling, shipping, and holding of the Licensed Compound, any Licensed Product, or any intermediate thereof, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial production and analytic development, product characterization, stability testing, quality assurance, and quality control.

1.118 "**Manufacturing Cost**" with respect to the Licensed Compound or a Licensed Product has the meaning set forth on Schedule 1.118.

1.119 "**Manufacturing Process**" has the meaning set forth in Section 4.8.2.

1.120 "**Manufacturing Technology Transfer**" has the meaning set forth in Section 4.8.2.

1.121 "**Markings**" has the meaning set forth in Section 4.7.

1.122 "**Material Adverse Effect**" means a material adverse effect on the Development or Commercialization of a Licensed Compound or Licensed Product in the Territory.

1.123 "**Material Amendment**" means any amendment to the Initial Development Plan and Budget that (i) would add, delete or change any material Initial Development Activity (including significant changes to timelines); or (ii) could reasonably be expected to have a Material Adverse Effect.

1.124 "**Medical Affairs Activities**" means, with respect to any country or other jurisdiction in the Territory, the coordination of medical information requests and field based medical scientific liaisons with respect to Licensed Compounds or Licensed Products, including activities of medical scientific liaisons and the provision of medical information services with respect to a Licensed Compound or Licensed Product.

1.125 "**Medical Affairs Costs**" means those FTE Costs (charged in accordance with Section 6.10.3) incurred and the direct out-of-pocket costs, including costs for independent contractors engaged as permitted under this Agreement, incurred by a Party or any of its Affiliates in accordance with Accounting Standards after the Effective Date and during the Term of and pursuant to this Agreement, provided that such costs are specifically identifiable or reasonably allocable to Medical Affairs Activities with respect to any Co-Promotion Product sold in the Co-Promotion Territory.

1.126 "**Monthly Average Exchange Rate**" has the meaning set forth in Section 6.11.

1.127 "**NDA**" has the meaning set forth in the definition of Drug Approval Application.

1.128 "**Net Profits**" and, with correlative meaning, "**Net Losses**", means, […***…].

1.129 "**Net Sales**" means […***…].

1.130 "**Neutral**" has the meaning set forth in Schedule 13.8.2.

1.131 "**Non-Breaching Party**" has the meaning set forth in Section 12.2.1.

1.132 "**Owned Genus Patents**" has the meaning set forth in Section 10.2.3.

1.133 "Owned Species Patents" has the meaning set forth in Section 10.2.3.

1.134 "Owned Patents" has the meaning set forth in Section 10.2.3.

1.135 "Party" and "Parties" has the meaning set forth in the preamble hereto.

1.136 "Patent Costs" means those FTE Costs of in-house legal counsel and related personnel (charged in accordance with Section 6.10.3) incurred and the direct out-of-pocket costs

(including the reasonable fees and expenses paid to outside counsel and other Third Parties, and filing and maintenance fees paid to governmental authorities) recorded as an expense by a Party or any of its Affiliates in accordance with Accounting Standards after the Effective Date, during the Term of and pursuant to this Agreement, (i) in connection with the prosecution and maintenance of rights, including costs of patent interference, opposition, reissue, or re-examination proceedings and filing and registration fees with respect to the Galapagos Patents, Abbott Patents, or Joint Patents, in each case to the extent that they claim the composition of matter, article of manufacture, method of use or method of manufacture of a Co-Promotion Product in the Co-Promotion Territory, and (ii) the costs of litigation (enforcement or defense) or other proceedings, under the Galapagos Patents, Abbott Patents and Joint Patents, in each case only to the extent related to a Co-Promotion Product in the Co-Promotion Territory and not reimbursed by a Third Party.

1.137 "**Patents**" means (i) all national, regional and international patent applications, including provisional patent applications, and all applications claiming priority therefrom, including division**a**ls, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications; (ii) any and all national patents issued or granted from the foregoing patent applications, including utility patents, utility models, petty patents and design patents and certificates of invention; (iii) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((i) and (ii)); and (iii) any similar rights, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing patent applications and patents.

1.138 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.139 "**Phase 0**" means an exploratory, first-in-human trial conducted in accordance with the FDA 2006 Guidance on Exploratory Investigational New Drug Studies (or the equivalent in any country or other jurisdiction outside of the United States) and designed to expedite the development of therapeutic or imaging agents by establishing very early on whether the agent behaves in human subjects as was anticipated from preclinical studies.

1.140 "**Phase 1**" means a human clinical trial of a Licensed Compound or Licensed Product, the principal purpose of which is a preliminary determination of safety, tolerability, pharmacological activity or pharmacokinetics in healthy individuals or patients or similar clinical study prescribed by the Regulatory Authorities, including the trials referred to in 21 C.F.R. §312.21(a), as amended.

1.141 "**Phase 2**" means a human clinical trial of a Licensed Compound or Licensed Product, the principal purpose of which is a determination of safety and efficacy in the target patient population, which is prospectively designed to generate sufficient data that may permit commencement of pivotal clinical trials, or a similar clinical study prescribed by the Regulatory Authorities, from time to time, pursuant to Applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(b), as amended.

1.142 "**Phase 2B RA Success Criteria**" has the meaning set forth in Schedule 1.142.

1.143 "**Phase 3**" means a human clinical trial of a Licensed Compound or Licensed Product on a sufficient number of subjects in an indicated patient population that is designed to establish that a product is safe and efficacious for its intended use and to determine the benefit/risk relationship, warnings, precautions, and adverse reactions that are associated with such product in the dosage range to be prescribed, which trial is intended to support marketing approval of such Licensed Compound or Licensed Product, including all tests and studies that are required by the FDA from time to time, pursuant to Applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(c), as amended.

1.144 "**Phase 4 Costs**" means those FTE Costs (charged in accordance with Section 6.10.3) (i) incurred and the direct out-of-pocket costs recorded as an expense in accordance with Accounting Standards by or on behalf of a Party or any of its Affiliates after the Effective Date, during the Term of and pursuant to this Agreement, and (ii) specifically identifiable or reasonably allocable to Phase 4 Studies, wherever Conducted, of a Co-Promotion Product in support of Commercialization of such Co-Promotion Product in the Co-Promotion Territory. Subject to the foregoing, Phase 4 Costs shall include (i) costs in connection with the preparation for, or Conduct of, Phase 4 Studies, data collection and analysis and report writing, and clinical laboratory work, (ii) related Regulatory Expenses, and (iii) related Manufacturing Costs, provided that such Phase 4 Costs shall not be counted more than once as an Allowable Expense.

1.145 "**Phase 4 Study**" means a post-marketing human clinical study for a Licensed Product with respect to any indication as to which Regulatory Approval has been received or for a use that is the subject of an investigator-initiated study program.

1.146 "**PMDA**" means Japan's Pharmaceuticals and Medical Devices Agency and any successor agency(ies) or authority having substantially the same function.

1.147 "**Product Information**" has the meaning set forth in Section 9.1.

1.148 "**Product Labeling**" means, with respect to a Licensed Product in a country or other jurisdiction in the Territory, (i) the Regulatory Authority-approved full prescribing information for such Licensed Product for such country or other jurisdiction, including any required patient information, and (ii) all labels and other written, printed, or graphic matter upon a container, wrapper, or any package insert utilized with or for such Licensed Product in such country or other jurisdiction.

1.149 "**Product Trademarks**" means the Trademark(s) to be used by Abbott or its Affiliates or its or their respective Sublicensees for the Development or Commercialization of Licensed Products in the Territory and any registrations thereof or any pending applications relating thereto in the Territory (excluding, in any event, any trademarks, service marks, names or logos that include any corporate name or logo of the Parties or their Affiliates).

1.150 "**Proposed Future Third Party In-Licensed Rights**" has the meaning set forth in Section 5.9.

1.151 "**Regulatory Approval**" means, with respect to a country or other jurisdiction in the Territory, any and all approvals (including Drug Approval Applications), licenses, registrations, or authorizations of any Regulatory Authority necessary to commercially distribute, sell, or market a Licensed Compound or Licensed Product in such country or other jurisdiction,

including, where applicable, (i) pricing or reimbursement approval in such country or other jurisdiction, (ii) pre- and post-approval marketing authorizations (including any prerequisite Manufacturing approval or authorization related thereto), and (iii) approval of Product Labeling.

1.152 "**Regulatory Authority**" means any applicable supra-national, federal, national, regional, state, provincial, or local governmental or regulatory authority, agency, department, bureau, commission, council, or other entities (e.g., the FDA, EMA and PMDA) regulating or otherwise exercising authority with respect to activities contemplated in this Agreement, including the Exploitation of Licensed Compound or Licensed Products in the Territory.

1.153 "**Regulatory Data**" has the meaning set forth in Section 3.7.2(i).

1.154 "**Regulatory Documentation**" means all (i) applications (including all INDs and Drug Approval Applications and other Major Regulatory Filings), registrations, licenses, authorizations, and approvals (including Regulatory Approvals); (ii) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all regulatory drug lists, advertising and promotion documents, adverse event files, and complaint files; and (iii) Clinical Data and data contained or relied upon in any of the foregoing, in each case ((i), (ii), and (iii)) relating to a Licensed Compound or Licensed Product.

1.155 "**Regulatory Exclusivity**" means, with respect to any country or other jurisdiction in the Territory, an additional market protection, other than Patent protection, granted by a Regulatory Authority in such country or other jurisdiction which confers an exclusive Commercialization period during which Abbott or its Affiliates or Sublicensees have the exclusive right to market and sell a Licensed Compound or Licensed Product in such country or other jurisdiction through a regulatory exclusivity right, such as new chemical entity exclusivity, new use or indication exclusivity, new formulation exclusivity, orphan drug exclusivity, pediatric exclusivity, or any applicable data exclusivity.

1.156 "**Regulatory Expenses**" means those FTE Costs (charged in accordance with Section 6.10.3) (i) incurred and the direct out-of-pocket costs (including filing, user, maintenance and other fees paid to Regulatory Authorities) recorded as an expense in accordance with Accounting Standards by or on behalf of Abbott or any of its Affiliates after the Effective Date, during the Term of and pursuant to this Agreement, and (ii) specifically identifiable or reasonably allocable to the preparation of regulatory submissions for, and the obtaining and maintenance of Regulatory Approval of, any Co-Promotion Product in the Co-Promotion Territory, including compliance with Regulatory Approvals and requirements of such Regulatory Authorities, adverse event recordation and reporting and regulatory affairs activities, in each case in the Co-Promotion Territory, provided that such FTE Costs shall not be counted more than once as an Allowable Expense.

1.157 "**Review Notice**" has the meaning set forth in Section 5.1.

1.158 "**Review Period**" has the meaning set forth in Section 5.1.

1.159 "**Royalty Term**" means, with respect to each Licensed Product and each country or other jurisdiction in the Territory, the period beginning on the date of the First Commercial Sale of such Licensed Product in such country or other jurisdiction, and ending on

the later to occur of: (i) the expiration, invalidation or abandonment date of the last Galapagos Patent or Joint Patent that includes a Valid Claim that covers the Manufacture, use or sale of such Licensed Product that is sold in such country or other jurisdiction; or (ii) the […***…] ([…***…]) anniversary of the First Commercial Sale of such Licensed Product in such country or other jurisdiction, or (iii) expiration of Regulatory Exclusivity for such Licensed Product in such country.

1.160 "**Royalty Territory**" means the Territory excluding the Co-Promotion Territory, if applicable.

1.161 "**Sales and Marketing Costs**" means […***…].

1.162 "**Senior Officer**" means, with respect to Galapagos, its Chief Executive Officer or his/her designee, and with respect to Abbott, its Executive Vice President, Pharmaceutical Products Group or his/her designee.

1.163 "**Sublicensee**" means a Person, other than an Affiliate or a Distributor, that is granted a sublicense by Abbott under the grants in Section 5.2 as provided in Section 5.4.

1.164 "**Supply Agreement**" has the meaning set forth in Section 4.8.1.

1.165 "**Term**" has the meaning set forth in Section 12.1.1.

1.166 "**Terminated Territory**" means each country with respect to which this Agreement is terminated by Galapagos pursuant to Section 12.2.2, each country with respect to which this Agreement is terminated by Abbott pursuant to Sections 12.3.1 or 12.3.2, or, if this Agreement is terminated in its entirety, the entire Territory.

1.167 "**Territory**" means the entire world.

1.168 "**Third Party**" means any Person other than Galapagos, Abbott and their respective Affiliates.

1.169 "**Third Party Claims**" has the meaning set forth in Section 11.1.

1.170 "**Third Party Infringement**" has the meaning set forth in Section 7.3.1.

1.171 "**Third Party In-License Agreement**" **means […***…] and** any other agreement between Galapagos and a Third Party under which Abbott is granted a sublicense or other right under this Agreement as provided in Section 5.9.

1.172 "**Third Party In-Licensed Patents**" has the meaning set forth in Section 10.2.3.

1.173 "**Third Party Payments**" means all upfront payments, milestone payments, royalties, and other amounts paid to a Third Party pursuant to Third Party In-License Agreements and/or pursuant to an agreement with a Third Party that Abbott, its Affiliate(s) or Sublicensees enter into in order to obtain a license or right under a Patent or intellectual property right owned or controlled by such Third Party in order to Exploit a Licensed Product.

1.174 "**Third Party Provider**" has the meaning set forth in Section 3.5.3.

1.175 "**Trademark**" means any word, name, symbol, color, designation or device or any combination thereof that functions as a source identifier, including any trademark, trade dress, brand mark, service mark, trade name, brand name, logo, business symbol or domain names whether or not registered.

1.176 "**Trademark Costs**" means (A) those FTE Costs of in-house legal counsel and related personnel (charged in accordance with Section 6.10.3) (i) incurred and the direct out-of-pocket costs (including the reasonable fees and expenses paid to outside counsel and other Third Parties, and filing and maintenance fees paid to governmental authorities) recorded as an expense by a Party or any of its Affiliates in accordance with Accounting Standards after the Effective Date, during the Term of and pursuant to this Agreement, (ii) in connection with the prosecution and maintenance of rights, including filing and registration fees with respect to the Trademark(s) for the Co-Promotion Product in the Co-Promotion Territory, and (B) the costs of litigation (enforcement or defense) or other proceedings, under the Trademark(s) for the Co-Promotion Product in the Co-Promotion Territory, only to the extent not reimbursed by a Third Party.

1.177 "**Transition Agreement**" has the meaning set forth in Section 12.8.1.

1.178 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

1.179 "**Valid Claim**" means a claim of any issued Patent which has not expired, irretrievably lapsed, been abandoned, revoked, dedicated to the public, or disclaimed; or adjudged invalid or unenforceable as a result of a holding, finding, or decision of invalidity, unenforceability, or non-patentability by a court, governmental agency, national or regional patent office, or other appropriate body that has competent jurisdiction, such holding, finding, or decision being final and unappealable or unappealed within the time allowed for appeal.

1.180 "**Voting Stock**" has the meaning set forth in the definition of "Change in Control."

1.181 '**Working Group**" has the meaning set forth in Section 2.7.

ARTICLE 2 COLLABORATION MANAGEMENT

2.1 Joint Steering Committee.

2.1.1 Formation. As soon as practical after the Effective Date, but no later than thirty (30) days, the Parties shall establish a joint steering committee (the "**Joint Steering Committee**" or "**JSC**"), which shall (i) oversee the Development, Commercialization, and other Exploitation of the Licensed Compound or Licensed Product in the Territory, including reviewing Follow-On Compounds and managing and overseeing the Development of any Follow-On Compounds that the JSC determines should be Developed in lieu of any existing compounds or simultaneously Developed along with any Lead Compound, (ii) resolve Disputes that may arise in the JDC or the JCC, (iii) coordinate the Parties' activities under this Agreement, including oversight of the JDC and the JCC, and (iv) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement. The JSC shall consist of three (3) representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the Parties with respect to the issues falling within the jurisdiction of the JSC. From time to time, each Party may substitute one or more of its representatives to the JSC on written notice to the other Party. The JSC shall be chaired on an annual rotating basis by a representative of either Abbott or Galapagos, as applicable, on the Joint Steering Committee, with […***…] providing the first such chairperson. The chairperson shall appoint a secretary of the Joint Steering Committee, who shall be a representative of the other Party and who shall serve for the same annual term as such chairperson.

2.2 Joint Development Committee.

2.2.1 Formation. As soon as practical after the Effective Date, but no later than thirty (30) days, the Parties shall establish a joint development committee (the "**Joint Development Committee**" or "**JDC**"). The JDC shall consist of three (3) representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the Parties with respect to the issues falling within the jurisdiction of the JDC. From time to time, each Party may substitute one or more of its representatives to the JDC on written notice to the other Party. The JDC shall be chaired on an annual rotating basis by a representative of either Abbott or Galapagos, as applicable, on the JDC, with […***…] providing the first such chairperson.

2.2.2 Specific Responsibilities. The JDC shall develop the strategies for and oversee the Development of the Licensed Compounds or Licensed Products in the Territory, and shall serve as a forum for the coordination of Development activities for the Licensed Compounds or Licensed Products for the Territory. In particular, the JDC shall:

(i) periodically (no less often than annually) review and serve as a forum for discussing the Initial Development Plan and Budget, and review and approve amendments thereto, including any Material Amendment;

(ii) oversee the conduct of Development activities under the Initial Development Plan and Budget;

(iii) serve as a forum for discussing and coordinating strategies for obtaining Regulatory Approvals for the Licensed Products in the Territory;

(iv) determine whether a Compound Failure has occurred;

(v) establish secure access methods (such as secure databases) for each Party to access Regulatory Documentation and other JDC related Information as contemplated under this Agreement; and

(vi) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

2.2.3 Disbandment. Upon Regulatory Approval of the last Licensed Product developed pursuant to the Development Plan and Budget, unless otherwise mutually agreed in writing, the JDC shall have no further responsibilities or authority under this Agreement and will be considered dissolved by the Parties. Additionally, in the event of a Change in Control of Galapagos, Abbott shall have the right at any time and for any reason, effective upon written notice, to disband the JDC pursuant to Section 13.2.2.

2.3 Joint Commercialization Committee.

2.3.1 Formation. At least […***…] ([…***…]) months prior to the anticipated date of First Commercial Sale of a Co-Promotion Product in the Co-Promotion Territory, the Parties shall establish a joint commercialization committee (the "**Joint Commercialization Committee**" or "**JCC**"). The JCC shall consist of two (2) representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the Parties with respect to the issues falling within the jurisdiction of the JCC. From time to time, each Party may substitute one or more of its representatives to the JCC on written notice to the other Party. Abbott shall select from its representatives the chairperson for the JCC. From time to time, Abbott may change the representative who will serve as chairperson on written notice to Galapagos.

2.3.2 Specific Responsibilities. The JCC shall develop the strategies for and oversee the Commercialization of the Co-Promotion Products in the Co-Promotion Territory. In particular, the JCC shall:

(i) establish a strategy for the Commercialization of the Co-Promotion Products in the Co-Promotion Territory;

(ii) periodically (no less often than annually) review and serve as a forum for discussing the Co-Promotion Commercialization Plan and review and approve amendments thereto;

(iii) oversee at a high level all Commercialization activities in the Co-Promotion Territory with respect to the Co-Promotion Products;

(iv) resolve any disputes regarding whether any proposed Phase 4 Studies or proposed regulatory action could have a Material Adverse Effect, in each case in the Co-Promotion Territory with respect to the Co-Promotion Products;

(v) review and approve the manner in which the Markings are to be presented on promotional materials and Product Labeling for the Co-Promotion Products in the Co-Promotion Territory;

(vi) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

(vii) **JCC Dispute Resolution.** […***…].

2.4 General Provisions Applicable to Joint Committees.

2.4.1 Meetings and Minutes. The JSC shall meet semi-annually and the JDC and the JCC shall meet quarterly, or in each case as otherwise agreed to by the Parties, with the location of such meetings alternating between locations designated by Galapagos and locations designated by Abbott […***…]. The chairperson of the applicable Joint Committee shall be responsible for calling meetings on no less than thirty (30) Business Days' notice. Each Party shall make all proposals for agenda items and shall provide all appropriate information with respect to such proposed items at least ten (10) Business Days in advance of the applicable meeting; *provided* that under exigent circumstances requiring input by the Joint Committee, a Party may provide its agenda items to the other Party within a shorter period of time in advance of the meeting, or may propose that there not be a specific agenda for a particular meeting, so long as the other Party consents to such later addition of such agenda items or the absence of a specific agenda for such meeting, such consent not to be unreasonably withheld or delayed. The chairperson of the Joint Committee shall prepare and circulate for review and approval of the Parties minutes of each meeting within thirty (30) days after the meeting. The Parties shall agree on the minutes of each meeting promptly, but in no event later than the next meeting of the Joint Committee. If the Parties cannot agree on the content of the minutes the objecting party shall append a notice of objection with the specific details of the objection to the proposed minutes.

2.4.2 Procedural Rules. Each Joint Committee shall have the right to adopt such standing rules as shall be necessary for its work, to the extent that such rules are not inconsistent with this Agreement. A quorum of the Joint Committee shall exist whenever there is present at a meeting at least one (1) representative appointed by each Party. Representatives of the Parties on a Joint Committee may attend a meeting either in person or by telephone, video conference or similar means in which each participant can hear what is said by, and be heard by, the other participants. Representation by proxy shall be allowed. Each Joint Committee shall take action by unanimous agreement of the representatives present at a meeting at which a quorum exists, with each Party having a single vote irrespective of the number of representatives of such Party in attendance, or by a written resolution signed by at least one (1) representative appointed by each Party. Employees or consultants of either Party that are not representatives of the Parties on a Joint Committee may attend meetings of such Joint Committee; *provided, however,* that such attendees (i) shall not vote or otherwise participate in the decision-making process of the Joint Committee, and (ii) are bound by obligations of confidentiality and non-disclosure equivalent to those set forth in Article 9.

2.4.3 Joint Committee Dispute Resolution. If the JDC cannot, or does not, reach unanimous agreement on an issue at a meeting or within a period of […***…]

([…***…]) Business Days thereafter or such other period as the Parties may agree, then the dispute shall be referred to the JSC for resolution and a special meeting of the JSC may be called for such purpose. If the JSC cannot, or does not, reach unanimous agreement on an issue, including any dispute arising from the JDC, then the dispute shall first be referred to the Senior Officers of the Parties, who shall confer in good faith on the resolution of the issue. Any final decision mutually agreed to by the Senior Officers shall be conclusive and binding on the Parties. If the Senior Officers are not able to agree on the resolution of any such issue within […***…] after such issue was first referred to them, then, such dispute shall be finally and definitively resolved by: […***…]. Except as to Disputes arising out of the JCC (which shall be addressed as set forth in Section 2.3.2(vii)), Disputes arising between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith, and that are outside of the jurisdiction of the JSC, shall be resolved pursuant to Section 13.8.

2.4.4 Limitations on Authority. Each Party shall retain the rights, powers, and discretion granted to it under this Agreement and no such rights, powers, or discretion shall be delegated to or vested in a Joint Committee unless such delegation or vesting of rights is expressly provided for in this Agreement or the Parties expressly so agree in writing. No Joint Committee shall have the power to amend, modify, or waive compliance with this Agreement, which may only be amended or modified as provided in Section 13.10 or compliance with which may only be waived as provided in Section 13.12.

2.4.5 Alliance Manager. Each Party shall appoint a person(s) who shall oversee contact between the Parties for all matters between meetings of each Joint Committee and shall have such other responsibilities as the Parties may agree in writing after the Effective Date (each, an "**Alliance Manager**"). Each Party may replace its Alliance Manager at any time by notice in writing to the other Party.

2.5 Discontinuation of Participation on a Committee. Subject to Sections 2.2.3 and 13.2.2, each Joint Committee shall continue to exist until the first to occur of: (i) the Parties mutually agreeing to disband the Joint Committee; or (ii) Galapagos providing to Abbott written notice of its intention to disband and no longer participate in such Joint Committee, *provided* that Galapagos shall not give such written notice prior to the completion of all Initial Development Activities. Notwithstanding anything herein to the contrary, once Galapagos has provided such written notice, such Joint Committee shall be terminated and shall have no further rights or obligations under this Agreement, and thereafter any requirement of Galapagos to provide Information or other materials to such Joint Committee shall be deemed a requirement to provide such Information or other materials to Abbott and Abbott shall have the right to solely decide, without consultation with Galapagos, all matters that are subject to the review or approval by such Joint Committee hereunder.

2.6 Interactions Between a Committee and Internal Teams. The Parties recognize that each Party possesses an internal structure (including various committees, teams and review boards) that will be involved in administering such Party's activities under this Agreement. Nothing contained in this Article shall prevent a Party from making routine day-to-day decisions relating to the conduct of those activities for which it has performance or other obligations hereunder, in each case in a manner consistent with the then-current applicable plan and the terms and conditions of this Agreement.

2.7 Working Groups. From time to time, a Joint Committee may establish and delegate duties to sub-committees or directed teams (each, a "**Working Group**") on an "as-needed" basis to oversee particular projects or activities (for example, joint project team, joint finance group, and/or joint intellectual property group). Each such Working Group shall be constituted and shall operate as the Joint Committee determines; provided that each Working Group shall have equal representation from each Party, unless otherwise mutually agreed. Working Groups may be established on an ad hoc basis for purposes of a specific project or on such other basis as the Joint Committee may determine. Each Working Group and its activities shall be subject to the oversight, review and approval of, and shall report to, the Joint Committee that formed said Working Group. In no event shall the authority of the Working Group exceed that specified for the Joint Committee that formed the Working Group to this Article. All decisions of a Working Group shall be by unanimous agreement. Any disagreement between the designees of Abbott and Galapagos on a Working Group shall be referred to the Joint Committee that formed the Working Group for resolution.

2.8 Expenses. Each Party shall be responsible for all travel and related costs and expenses for its members and other representatives to attend meetings of, and otherwise participate on, a Committee or other Working Group.

ARTICLE 3
DEVELOPMENT AND REGULATORY

3.1 Initial Development Plan and Budget and Initial Development Activities.

3.1.1 Initial Development Plan and Budget. Either Party, directly or through its representatives on the JDC, may propose amendments to the Initial Development Plan and Budget from time to time as appropriate, including in light of changed circumstances. Any and all such amendments shall be subject to approval by the JDC as set forth in Section 2.2.2, subject to the dispute resolution procedures set forth in Section 2.4.3.

3.1.2 Initial Development Activities. Galapagos shall perform the Initial Development Activities, and shall do so in accordance with the Initial Development Plan and Budget (including the budget set forth therein) by allocating sufficient time, effort, equipment, and skilled personnel to complete such Initial Development Activities successfully and promptly. If Galapagos is in material breach of its obligation to perform any Initial Development Activities and fails to remedy such breach within […***…] ([…***…]) days after written notice thereof from Abbott, Abbott shall have the right, at Abbott's sole election, and without limitation to any other right or remedy available to Abbott, to assume and complete some or all of such Initial Development Activities. If Abbott so elects to assume and complete any of the Initial Development Activities, to the extent requested by Abbott in writing, Galapagos shall assign to Abbott any or all Third Party agreements relating to such Initial Development Activities (including agreements with contract research organizations, clinical sites and investigators). In such event, with respect to all such Initial Development Activities that involve Clinical Studies, at Abbott's option, Galapagos shall either (i) end such Clinical Studies with respect to enrolled subjects in an orderly and prompt manner in accordance with Applicable Law, including any required follow up treatment with previously enrolled subjects, or (ii) transfer control to Abbott or its designee of such Clinical Studies and cooperate with Abbott to ensure a smooth and orderly

transition thereof that will not involve any disruption of such studies. Galapagos shall bear the responsibility for the direct out-of-pocket costs and expenses of the Initial Development Activities (including supply costs), regardless of which Party undertakes such Initial Development Activities.

3.1.3 Regulatory Diligence. Galapagos shall use Commercially Reasonable Efforts in undertaking the Development activities for the initial Licensed Product containing or comprising the Lead Compound for the Initial Indication in those countries in the Territory set forth in the Initial Development Plan and Budget. Galapagos acknowledges that the exercise of its Commercially Reasonable Efforts as set forth in this Section 3.1.3 means that the provision by Galapagos to Abbott of the Complete Data Package is expected by […***…]. If Galapagos does not provide the Complete Data Package by […***…], upon Galapagos' showing that such delay is due to causes relating to Development or regulatory issues, Abbott hereby agrees to extend such delayed date until such Development or regulatory issues are fully resolved in a reasonable period of time. If Abbott alleges that Galapagos has failed to show that such delay is due to Development or regulatory issues, then Abbott shall have the option either to: (i) assume and complete some or all remaining Initial Development Activities pursuant to Section 3.1.2; or (ii) notify Galapagos of such failure as an alleged material breach, subject to Section 12.2.1.

3.1.4 Complete Data Package. Within […***…] ([…***…]) days after database lock of the Phase 2 Study for the Lead Compound in the Field of RA pursuant to the Initial Development Plan and Budget, Galapagos shall provide Abbott with a completion report, which report shall include all Information, Clinical Data, SAS charts and supporting documentation to support a decision on whether all Phase 2B RA Success Criteria have been met, including, finalized statistical analysis plan, along with a quality assurance statement certifying no quality issues limiting the validity of the Phase 2 Study were raised during the Conduct of the Phase 2 Study, and such other information as Abbott may reasonably request in connection with its evaluation of such data ("**Complete Data Package**").

3.2 Development Activities for Initial Indication After In-Licensing.

3.2.1 Development Plan and Budget. Prior to completion of the Initial Development Activities, the JDC shall jointly develop the Development Plan and Budget for the program of Development (other than Development covered by the Initial Development Plan and Budget) with respect to the Lead Compound for the Initial Indication. All Development activities, including any Clinical Studies, shall be designed and implemented so as to support the filing of Drug Approval Applications and the obtaining of Regulatory Approvals for the Licensed Product for the Initial Indication. The Parties shall engage in Development activities in accordance with the terms and conditions of this Agreement and the applicable Development Plan and Budget.

3.2.2 Updates; Amendments. The JDC shall review each Development Plan and Budget at least annually for the purpose of considering appropriate amendments thereto. The JDC shall manage (or have a Working Group manage) the proposed updating and/or amending of each Development Plan and Budget in a manner designed to have an initial draft for the following Calendar Year prepared by […***…] of the then-current Calendar Year for review and input and to obtain JDC approval no later than […***…] of the then-current Calendar Year. In addition, either Party, through its representatives on the JDC, may propose amendments to any Development Plan and Budget at any time.

3.3 Development Other than the Initial Development Activities. After Abbott proceeds with the In-Licensing, and except as otherwise expressly set forth herein (i.e., with respect to the Initial Development Activities), Abbott (itself or through its Affiliates or Sublicensees) shall have the sole right to Develop Licensed Compounds and Licensed Products in the Territory. Abbott shall bear the responsibility for the direct out-of-pocket costs and expenses of the Development activities (including supply costs) subsequent to the Initial Development Activities.

3.4 Diligence.

3.4.1 Following the successful completion by Galapagos of the Initial Development Activities in accordance with the Initial Development Plan and Budget, Abbott shall use Commercially Reasonable Efforts to obtain all Regulatory Approvals for the initial Licensed Product containing or comprising the Lead Compound for the Initial Indication in accordance with the Development Plan.

3.4.2 Notwithstanding Section 3.4.1, Abbott acknowledges that the exercise of its Commercially Reasonable Efforts means that the following activities are expected by the dates indicated below:

(i) Drug Approval Filing in US for Initial Indication: […***…]

(ii) Drug Approval Filing in a Major Market for Initial Indication: […***…]

3.4.3 If Abbott is unable to achieve one or more of the Drug Approval Filings by the dates indicated in Section 3.4.2(i)-(ii), or any extension of such dates, then Abbott shall notify Galapagos in writing of such delay in a prompt and timely manner. Upon Abbott's reasonable showing that such delay is due to causes relating to Development or regulatory issues, Galapagos hereby agrees to extend such delayed date until such Development or regulatory issues are fully resolved in a reasonable period of time. […***…].

3.5 Pre-Clinical and Clinical Supply of Licensed Compounds or Licensed Products; Subcontracting.

3.5.1 Supply. For the Initial Development Activities, Galapagos shall supply pre-clinical and clinical requirements of the Licensed Compounds or Licensed Products and placebo or other comparators for use by Galapagos in the Development of Licensed Compounds or Licensed Products as contemplated in the Initial Development Plan and Budget.

(i) After Abbott proceeds with the In-Licensing, and for Development activities subsequent to the Initial Development Activities, Abbott shall supply pre-clinical and clinical requirements of the Licensed Compounds or Licensed Products and placebo or other comparators for use by Abbott in the Development of Licensed Compounds or Licensed Products as contemplated in the Development Plan and Budget. In order to ensure the continuity of Development of the Licensed Compound, as reasonably requested by Abbott, Galapagos shall and shall use Commercially Reasonable Efforts to cause its Third Party subcontractors to enter into supply and any other relevant

agreements with Abbott to facilitate the transition of clinical supply responsibility to Abbott after Abbott proceeds with the In-Licensing, which agreements shall provide for the Phase 3 clinical supply materials (as set forth in the Development Plan and Budget) to be charged to Abbott at […***…].

(ii) If Abbott does not proceed with the In-Licensing, and Abbott has established a GMP Manufacturing process for Phase 3 supplies of Licensed Compound, Abbott shall supply ([…***…]) Galapagos with Galapagos' requirements of Licensed Compound for Phase 3 studies thereof; *provided that* the foregoing supply obligation shall not extend for longer than […***…] ([…***…]) months after the time at which Abbott does not proceed with the In-Licensing.

3.5.2 Manufacture. The Party responsible for the Manufacture of Licensed Compounds or Licensed Products and placebo or other comparators pursuant to Section 3.5.1 shall Manufacture pursuant to GMP.

3.5.3 Subcontracting. Each Party shall have the right to subcontract any of its Development activities to an Affiliate and/or a Third Party ("**Third Party Provider**"), *provided*, with respect to a Third Party Provider, that it furnishes the other Party with advanced written notice thereof and an opportunity to consult regarding such subcontract, which notice shall specify the work to be subcontracted, and obtains a written undertaking from the subcontractor that it shall be subject to the applicable terms and conditions of this Agreement, including the intellectual property provisions of Article 7 and confidentiality provisions of Article 9. […***…] develop a form of clinical study agreement and other form agreements (including API supply, service, confidentiality, material transfer and research collaboration agreements) **("Development Activities Agreements")** to be entered into with Third Parties to govern such Third Parties' performance of activities on Galapagos' behalf under the Initial Development. Galapagos shall ensure that any Development Activities Agreement that Galapagos negotiates shall not materially deviate from the forms agreed to by Abbott without Abbott's prior review and written approval. The Parties may agree that each Party shall appoint a contract coordinator to serve as such Party's primary liaison with the other Party on matters relating to Development Activities Agreements. Each Party may replace its contract coordinator at any time by written notice to the other Party.

3.5.4 Provision of Technology and Documentation.

(i) Immediately after the Effective Date, Galapagos shall, and shall cause its Affiliates to, without additional compensation, disclose and make available to Abbott, in whatever form Abbott may reasonably request, Regulatory Documentation, Galapagos Know-How, Joint Know-How, and any other Information relating, directly or indirectly, to the Licensed Compound or any Licensed Product (including, but not limited to, all information related to Manufacturing), to the extent not done so already and thereafter immediately upon the availability of such Regulatory Documentation, Galapagos Know-How, Joint Know-How, or other Information.

(ii) Galapagos, at its sole cost and expense, shall provide Abbott with all reasonable assistance required in order to transfer to Abbott the Regulatory Documentation, Galapagos Know-How, Joint Know-How, and other Information required to be produced pursuant to clause (i) above, in each case in a timely manner, and shall reasonably assist Abbott with respect to the Exploitation of any Licensed

Compound and any Licensed Products. Without prejudice to the generality of the foregoing, if visits of Galapagos' representatives to Abbott's facilities are reasonably requested by Abbott for purposes of transferring the Regulatory Documentation, Galapagos Know-How, Joint Know-How, or other Information to Abbott or for purposes of Abbott acquiring expertise on the practical application of such Information or assisting on issues arising during such Exploitation, Galapagos shall send appropriate representatives to Abbott's facilities, which representatives' reasonable travel costs shall be paid by Abbott.

3.6 Development Costs Relating to Initial Development Activities. Galapagos shall be solely responsible for and shall bear all costs (i) incurred by it and its Affiliates in connection with the performance of the Initial Development Activities, and (ii) incurred by Abbott and its Affiliates in connection with Initial Development Activities that Abbott elects to assume and complete upon a material breach by Galapagos pursuant to Section 3.1.2.

3.7 Regulatory Matters.

3.7.1 Regulatory Activities.

(i) After Abbott proceeds with the In-Licensing, Abbott shall have the sole right to prepare, obtain, and maintain the Drug Approval Applications (including the setting of the overall regulatory strategy therefor), other regulatory approvals and other submissions, and to conduct communications with the Regulatory Authorities, for Licensed Compounds or Licensed Products in the Territory (which shall include filings of or with respect to INDs and other filings or communications with the Regulatory Authorities). Galapagos shall support Abbott, as may be reasonably necessary, in obtaining Regulatory Approvals for the Licensed Products, and in the activities in support thereof, including providing necessary documents or other materials required by Applicable Law to obtain Regulatory Approvals, in each case in accordance with the terms and conditions of this Agreement and the applicable Development Plan and Budget.

(ii) Upon Abbott proceeding with the In-Licensing, all Regulatory Documentation (including all Regulatory Approvals and Product Labeling) relating to the Licensed Compounds or Licensed Products with respect to the Territory shall be owned by, and shall be the sole property and held in the name of, Abbott or its designated Affiliate, Sublicensee or designee. Upon Abbott proceeding with the In-Licensing, Galapagos hereby assigns to Abbott all of its right, title, and interest in and to all Existing Regulatory Documentation (including any existing Regulatory Approvals) and all other Regulatory Documentation Controlled by Galapagos from time to time during the Term, and Galapagos shall execute and deliver, or cause to be duly executed and delivered, such instruments and shall do and cause to be done such acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary under, or as Abbott may reasonably request in connection with, or to carry out more effectively the purpose of, or to better assure and confirm unto Abbott its rights under, this Section.

(iii) Abbott shall provide Galapagos with an opportunity to review and comment on all major regulatory filings and documents (including INDs, Drug Approval Applications, material labeling supplements, Regulatory Authority meeting requests, and core data sheets) for the Initial Indication in the United States, Japan and the Major

Markets (collectively, "**Major Regulatory Filings**"). Abbott shall provide access to interim drafts of such Major Regulatory Filings to Galapagos via the access methods (such as secure databases) established by the JDC, and Galapagos shall provide its comments on the final drafts of such Major Regulatory Filings or of proposed material actions within […***…] ([…***…]) Business days ([…***…] ([…***…]) Business days for Drug Approval Applications), or such other longer period of time mutually agreed to by the Parties. If a Regulatory Authority establishes a response deadline for any such Major Regulatory Filing or material action shorter than such […***…] ([…***…]) Business day (or […***…] ([…***…]) Business day) period, the Parties shall work cooperatively to ensure the other Party has a reasonable opportunity for review and comment within such deadlines. Abbott shall, and shall cause its Affiliates and Sublicensees to, consider in good faith any such comments of Galapagos.

(iv) Subject to the immediately following sentence, Abbott shall provide Galapagos with (A) access to or copies of all material written or electronic correspondence (other than regulatory filings) relating to the Development or Commercialization of Licensed Compounds or Licensed Products for the Initial Indication received by Abbott or its Affiliates or Sublicensees from, or forwarded by Abbott or its Affiliates or Sublicensees to, the Regulatory Authorities in the United States, Japan and in the Major Markets, and (B) copies of all meeting minutes and summaries of all meetings, conferences, and discussions held by Abbott or its Affiliates or Sublicensees with the Regulatory Authorities relating to the Development or Commercialization of Licensed Compounds or Licensed Products for the Initial Indication in the United States, Japan and in the Major Markets, including copies of all contact reports produced by Abbott or its Affiliates or Sublicensees, in each case ((A) and (B)) within […***…] ([…***…]) Business Days of its receipt, forwarding or production of the foregoing, as applicable. If such written or electronic correspondence received from any such Regulatory Authority relates to the withdrawal, suspension, or revocation of a Regulatory Approval for a Licensed Product for the Initial Indication, the prohibition or suspension of the supply of a Licensed Compound or Licensed Product for the Initial Indication, or the initiation of any investigation, review, or inquiry by such Regulatory Authority concerning the safety of a Licensed Compound or Licensed Product for the Initial Indication, Abbott shall notify Galapagos and provide Galapagos with copies of such written or electronic correspondence as soon as practicable.

(v) Abbott shall provide Galapagos with prior written notice, to the extent Abbott has advance knowledge, of any scheduled meeting, conference, or discussion (including any advisory committee meeting) with a Regulatory Authority in the United States, Japan and in the Major Markets relating to a Licensed Product for the Initial Indication, reasonably promptly after Abbott or its Affiliate or Sublicensee first receives notice of the scheduling of such meeting, conference, or discussion (or within such shorter period as may be necessary in order to give Galapagos a reasonable opportunity to attend such meeting, conference, or discussion). Galapagos shall have the right to have two (2) of Galapagos' employees attend as an observer (but not participate in) all such meetings, conferences, and discussions.

(vi) Abbott shall make every reasonable effort to notify Galapagos promptly following its determination that any event, incident, or circumstance has

occurred that may result in the need for a recall, market suspension, or market withdrawal of a Licensed Product in the Territory for the Initial Indication, and shall include in such notice the reasoning behind such determination, and any supporting facts. Abbott (or its Sublicensee) shall have the right to make the final determination whether to voluntarily implement any such recall, market suspension, or market withdrawal in the Territory. If a recall, market suspension, or market withdrawal is mandated by a Regulatory Authority in the Territory, Abbott (or its Sublicensee) shall initiate such a recall, market suspension, or market withdrawal in compliance with Applicable Law. For all recalls, market suspensions or market withdrawals undertaken pursuant to this Section 3.7.1(vi), Abbott (or its Sublicensee) responsible for the recall, market suspension, or market withdrawal shall be solely responsible for the execution thereof, and Galapagos shall reasonably cooperate in all such recall efforts. Subject to Article 11, (A) If and to the extent that a recall, market suspension, or market withdrawal resulted from a Party's or its Affiliate's breach of its obligations hereunder, or from such Party's or its Affiliate's negligence or willful misconduct, such Party shall bear the expense of such recall, market suspension, or market withdrawal, (B) with respect to any recall, market suspension, or market withdrawal of a Co-Promotion Product in the Co-Promotion Territory other than in clause (A) above, the expenses incurred by the Parties as a result of such recall, market suspension, or market withdrawal shall be included in Allowable Expenses hereunder and shared by the Parties pursuant to Section 6.9.1, and (C) with respect to any recall, market suspension, or market withdrawal not covered by clause (A) or (B), Abbott shall be responsible for all costs of such recall, market suspension, or market withdrawal and deducted from Net Sales pursuant to Article 6.

3.7.2 Regulatory Data.

(i) Each Party shall promptly provide to the other Party copies of or access to all non-clinical data and Clinical Data, and other Information, results, and analyses with respect to any Development activities that are Controlled by such Party or any of its Affiliates (collectively, "**Regulatory Data**"), when and as such Regulatory Data becomes available.

(ii) After Abbott proceeds with the In-Licensing, Galapagos shall support Abbott, as may be reasonably necessary or appropriate, in obtaining Regulatory Approval for the Licensed Compound or Licensed Products, including providing necessary documents or other materials required by Applicable Law to obtain Regulatory Approvals, in each case in accordance with the terms and conditions of this Agreement and any applicable Development Plan and Budget.

3.8 Compliance. Each Party shall perform or cause to be performed, any and all of its Development activities, including Initial Development Activities, in good scientific manner and in compliance with all Applicable Law.

3.9 Records.

3.9.1 Each of Galapagos and Abbott shall, and shall ensure that its Third Party Providers, maintain records in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, and in compliance with Applicable Law, which shall be complete and accurate and shall properly reflect all work done and results achieved in the performance of its designated Development activities which shall record only

such activities and shall not include or be commingled with records of activities outside the scope of this Agreement. Such records shall be retained by Galapagos or Abbott, as the case may be, for at least […***…] ([…***…]) years after the termination of this Agreement, or for such longer period as may be required by Applicable Law.

3.9.2 Each Party shall have the right, during normal business hours and upon reasonable notice, to inspect and copy all records of the other Party maintained pursuant to Section 3.9.1. The inspecting Party shall maintain such records and the information disclosed therein in confidence in accordance with Article 9.

3.9.3 Without limiting Section 7.1, the JDC shall determine what reports shall be generated to track the Development activities, including the content and timing thereof. The Parties shall promptly share all such reports with the JDC.

ARTICLE 4
COMMERCIALIZATION

4.1 In General. After Abbott proceeds with the In-Licensing, Abbott (itself or through its Affiliates or Sublicensees) shall have the sole right to Commercialize Licensed Compounds and Licensed Products in the Territory at its own cost and expense (except as otherwise expressly set forth herein).

4.2 Co-Promotion Commercialization Plan. In addition to the other provisions of this Agreement applicable to a Co-Promotion Product, upon Galapagos' exercise of its Co-Promotion Option under Section 4.9:

4.2.1 The Commercialization of the Co-Promotion Product in the Co-Promotion Territory shall be conducted pursuant to a comprehensive multi-year plan (the **"Co-Promotion Commercialization Plan"**). At least […***…] ([…***…]) days prior to the anticipated date of the First Commercial Sale of the Co-Promotion Product, Abbott shall propose to the JCC the initial Co-Promotion Commercialization Plan. Such plan shall allocate responsibility for such Commercialization activities to the Parties, which activities shall, in the case of Detailing, be allocated to each Party in accordance with Section 6.9, and shall otherwise be allocated to Abbott (unless the Parties otherwise agree).

4.2.2 The JCC shall review the Co-Promotion Commercialization Plan within […***…] ([…***…]) days after receipt and, thereafter, at least annually, and shall make amendments thereto.

4.3 Diligence. Abbott shall use Commercially Reasonable Efforts to Commercialize a Licensed Product for the Initial Indication in the United States and each Major Market country. Abbott shall have the right to satisfy its diligence obligations under this Section through its Affiliates or Sublicensees, and nothing in this Section is intended, or shall be construed, to require Abbott to Develop or Commercialize a specific Licensed Compound or Licensed Product. If Abbott decides to discontinue the development or commercialization of a Licensed Compound or Licensed Product in favor of another Licensed Compound or Licensed Product, its obligations under this Section shall cease with respect to such initial Licensed Compound or Licensed Product in favor of such other Licensed Compound or Licensed Product. If at any time Galapagos has a reasonable basis to believe that Abbott is in material breach of its material obligations under this Section, then Galapagos shall so notify Abbott, specifying the

basis for its belief, and the Parties shall meet within […***…] ([…***…]) days after such notice to discuss in good faith Galapagos' concerns and Abbott's Commercialization plans with respect to Licensed Product.

4.4 Statements and Compliance with Applicable Law. Each Party shall, and shall cause its Affiliates to, comply in all material respects with all Applicable Law with respect to the Commercialization of Licensed Products.

4.5 Booking of Sales; Distribution. Abbott shall have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehousing, and distribute the Licensed Products (including Co-Promotion Products) in the Territory and to perform or cause to be performed all related services. Abbott shall handle all returns, recalls, or withdrawals, order processing, invoicing, collection, distribution, and inventory management with respect to the Licensed Products (including Co-Promotion Products) in the Territory.

4.6 Product Trademarks.

4.6.1 Subject to Section 4.7, Abbott shall have the sole right to determine and own the Product Trademarks to be used with respect to the Exploitation of the Licensed Products on a worldwide basis.

4.6.2 Galapagos covenants that it and its Affiliates shall (i) not use in their respective businesses, any Trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of the Product Trademarks, (ii) not do any act which endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to the Product Trademarks, and (iii) conform (A) to the customary industry standards for the protection of Product Trademarks for products and such guidelines of Abbott with respect to manner of use (as provided in writing by Abbott) of the Product Trademarks, and (B) maintain the quality standards of Abbott with respect to the goods sold and services provided in connection with such Product Trademarks.

4.6.3 Galapagos covenants that it and its Affiliates shall not (i) do any act that endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to the Product Trademarks, or (ii) attack, dispute, or contest the validity of or ownership of such Product Trademark anywhere in the Territory or any registrations issued or issuing with respect thereto.

4.7 Markings. To the extent required by Applicable Law in a country or other jurisdiction in the Territory, the promotional materials and Product Labeling for the Licensed Products used by Abbott and its Affiliates in connection with the Licensed Products in such country or other jurisdiction shall contain (i) the Galapagos Corporate Name, and (ii) the logo and corporate name of the manufacturer (if other than Abbott or an Affiliate) (collectively, the **"Markings"**).

4.8 Commercial Supply of Licensed Compounds or Licensed Products.

4.8.1 Commercial Supply of Licensed Compounds or Licensed Products. After Abbott proceeds with the In-Licensing, Abbott shall have the sole right, at its expense, to Manufacture (or have Manufactured) and supply the Licensed Compound and Licensed Products for commercial sale in the Territory by Abbott and its Affiliates and Sublicensees except to the extent otherwise provided in any Initial Development Plan and

Budget or Development Plan and Budget. Notwithstanding the foregoing, Abbott and Galapagos may enter into a supply agreement pursuant to which Galapagos shall supply to Abbott the Licensed Compounds or Licensed Products as a second source (the "**Supply Agreement**") in such quantities as Abbott may order in accordance with the terms and conditions of such agreement. The Supply Agreement shall contain such pricing and terms as are reasonable and customary for similar supply agreements that shall be negotiated and agreed by the Parties in good faith.

4.8.2 Manufacturing Technology Transfer Upon Abbott's Request. Abbott shall have the right, at any time and from time to time after Abbott proceeds with the In-Licensing, to require Galapagos to effect a full transfer to Abbott or its designee (which designee may be an Affiliate or a Third Party manufacturer, and which Third Party manufacturer may be a backup manufacturer or a second manufacturer of Licensed Compound or Licensed Product) of all Galapagos Know-How relating to the then-current process for the Manufacture of the Licensed Compound and Licensed Products (the "**Manufacturing Process**") and to implement the Manufacturing Process at facilities designated by Abbott (such transfer and implementation, as more fully described in this Section 4.8.2, the "**Manufacturing Technology Transfer**"). Galapagos shall provide, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to provide (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), all reasonable assistance requested by Abbott to enable Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) to implement the Manufacturing Process at the facilities designated by Abbott. If requested by Abbott, such assistance shall include facilitating the entering into of agreements with applicable Third Party suppliers relating to the Licensed Compound and Licensed Products. Without limitation to the foregoing, in connection with each Manufacturing Technology Transfer:

(i) Galapagos shall make available, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to make available (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), to Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) from time to time as Abbott may request, all Manufacturing-related Galapagos Know-How, Information and materials relating to the Manufacturing Process, and all documentation constituting material support, performance advice, shop practice, standard operating procedures, specifications as to materials to be used and control methods, that are reasonably necessary or useful to enable Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) to use and practice the Manufacturing Process;

(ii) Galapagos shall cause all appropriate employees and representatives of Galapagos and its Affiliates to meet with, and shall use Commercially Reasonable Efforts to cause all appropriate employees and representatives of its Third Party manufacturers to meet with (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), employees or representatives of Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) at the applicable manufacturing facility at mutually convenient times to assist with the working

up and use of the Manufacturing Process and with the training of the personnel of Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) to the extent reasonably necessary or useful to enable Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) to use and practice the Manufacturing Process;

(iii) Without limiting the generality of clause (ii) above, Galapagos shall cause all appropriate analytical and quality control laboratory employees and representatives of Galapagos and its Affiliates to meet with, and shall use Commercially Reasonable Efforts to cause all appropriate analytical and quality control employees and representatives of its Third Party manufacturers to meet with (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), employees or representatives of Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) at the applicable manufacturing facility and make available all necessary equipment, at mutually convenient times, to support and execute the transfer of all applicable analytical methods and the validation thereof (including, all applicable Galapagos Know-How, methods, validation documents and other documentation, materials and sufficient supplies of all primary and other reference standards);

(iv) Galapagos shall take such steps, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to take such steps (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), as are reasonably necessary or useful to assist in reasonable respects Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) in obtaining any necessary licenses, permits or approvals from Regulatory Authorities with respect to the Manufacture of the Licensed Compound and Licensed Products at the applicable facilities; and

(v) Galapagos shall provide, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to provide (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), such other assistance as Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) may reasonably request to enable Abbott (or its Affiliate or designated Third Party manufacturer, as applicable) to use and practice the Manufacturing Process and otherwise to Manufacture Licensed Compounds and Licensed Products.

4.8.3 Subsequent Manufacturing Technology Transfer. Without limiting the foregoing, if Galapagos makes any invention, discovery, or improvement relating to the Manufacture of a Licensed Compound or a Licensed Product during the Term, Galapagos shall promptly disclose such invention, discovery, or improvement to Abbott, and shall, at Abbott's request, perform technology transfer with respect to such invention, discovery, or improvement in the same manner as provided in Section 4.8.2.

4.9 Co-Promotion Option.

4.9.1 Co-Promotion Option. Without limitation to Abbott's rights under Section 5.4 outside the Co-Promotion Territory, Galapagos shall have the exclusive right (the

"**Co-Promotion Option**") to elect to assume […***…] percent ([…***…]%) of the co-promotion effort for the Licensed Product containing the Lead Compound in the Co-Promotion Territory for which such Licensed Product receives Regulatory Approval in the Co-Promotion Territory, if any (the "**Co-Promotion Product**"). Abbott shall provide Galapagos with at least […***…] prior written notice of its anticipated filing date for its Drug Approval Application with the applicable Regulatory Authority in the Co-Promotion Territory.

4.9.2 Notice. In order to exercise the Co-Promotion Option, no later than […***…] ([…***…]) months prior to the anticipated filing of the Drug Approval Application with the applicable Regulatory Authority in a given country in the Co-Promotion Territory for the Initial Indication for the Co-Promotion Product), Galapagos must provide Abbott with written notice of its election to exercise the Co-Promotion Option. Following delivery of such notice, the Parties shall negotiate the Co-Promotion Agreement reasonably and in good faith and with such diligence as is required to execute and deliver the Co-Promotion Agreement by the date that is […***…] ([…***…]) months following the date of such notice, or such other period as the Parties may agree in writing.

4.9.3 Terms of Co-Promotion Agreement. The terms and conditions of such co-promotion arrangement shall be set forth in a co-promotion agreement (the "**Co-Promotion Agreement**") to be entered into between the Parties as set forth in this Section 4.9.3. The Co-Promotion Agreement shall include such provisions as are usual and customary in Abbott's contract sales force agreements, including with respect to diligence obligations of Galapagos, except that the financial terms of such arrangement shall be as provided in Section 4.9.4. Under the Co-Promotion Agreement, Abbott shall have the right to make all final decisions with respect to the co-promotion arrangement, including the promotional materials to be used, the training and testing applicable to such sales representatives, and restrictions with respect to the ability of such sales representatives to Detail other products. For purposes of this Section 4.9.3, "co-promote" or "co-promotion" means the Detailing of such Co-Promotion Product by Galapagos or its Affiliates under the relevant Regulatory Approval and the Product Trademarks, and shall not mean the sale or distribution of such Co-Promotion Product by Galapagos or its Affiliates.

4.9.4 Compensation for Co-Promotion. The Parties shall share, pursuant to Section 6.9, the costs and expenses incurred by the Parties with respect to co-promotion under the Co-Promotion Agreement solely to the extent that such costs and expenses are included in Net Profits/Net Losses. Abbott shall have no other obligation to compensate Galapagos with respect to its co-promotion of the Co-Promotion Products.

ARTICLE 5
GRANT OF RIGHTS

5.1 Abbott Review Right. Galapagos hereby grants to Abbott the exclusive right to obtain the licenses set forth in Section 5.2. Upon Abbott's receipt of the Complete Data Package pursuant to Section 3.1.4, Abbott shall have […***…] ([…***…]) days (the "**Review Period**") to review and asses the Complete Data Package and to make a good faith determination of whether all Phase 2B RA Success Criteria have been met, and, no later than at the end of the Review Period, Abbott shall notify Galapagos of such determination by providing written notice to Galapagos (the "**Review Notice**").

5.1.1 If Abbott notifies Galapagos through the Review Notice that the Phase 2B RA Success Criteria have been met, then, by providing such Review Notice, Abbott shall be deemed to have entered into the licenses set forth in Section 5.2 (the "**In-Licensing**").

5.1.2 If Abbott notifies Galapagos through the Review Notice that the Phase 2B RA Success Criteria have not been met, then Abbott may, at its sole discretion, no later than at the end of the Review Period: (i) exercise the Abbott No-Exercise Right set forth in Section 12.3.1(ii), or (ii) provide notification to Galapagos that it does proceed with the In-Licensing.

5.1.3 If Abbott notifies Galapagos through the Review Notice that the Phase 2B RA Success Criteria have not been met, and Abbott does not notify Galapagos prior to the end of the Review Period that it proceeds with the In-Licensing, or if Abbott does not provide Galapagos with the Review Notice within the Review Period, then all rights in connection with the licenses set forth in Section 5.2 shall expire and be of no further force and effect, and the Agreement shall terminate in accordance with Section 12.1.1(i).

5.2 Grants to Abbott. Subject to the prerequisites and restrictions of Sections 5.1, 5.4, and 5.7 Galapagos (on behalf of itself and its Affiliates) hereby grants to Abbott:

5.2.1 an exclusive (including with regard to Galapagos and its Affiliates except as provided in Section 5.7) license (or sublicense as the case may be), with the right to grant sublicenses in accordance with Section 5.4, under the Galapagos Patents, the Galapagos Know-How, and Galapagos' interests in the Joint Patents and the Joint Know-How, to Exploit the Licensed Compound and Licensed Products in the Field in the Territory;

5.2.2 an exclusive (including with regard to Galapagos and its Affiliates except as provided in Section 5.7) license and right of reference, with the right to grant sublicenses and further rights of reference in accordance with Section 5.4, under the Regulatory Approvals and any other Regulatory Documentation that Galapagos or its Affiliates may Control with respect to the Licensed Compounds or Licensed Products as necessary for purposes of Exploiting the Licensed Compound and Licensed Products in the Field in the Territory;

5.2.3 Subject to Section 7.1.5, a non-exclusive license, with the right to grant sublicenses in accordance with Section 5.4, to use Galapagos Corporate Names solely as required to Exploit the Licensed Compounds or Licensed Products in the Field in the Territory and for no other purpose.

5.3 Grants to Galapagos. Abbott grants to Galapagos:

5.3.1 a non-exclusive, royalty-free license, without the right to grant sublicenses, under the Abbott Patents, the Abbott Know-How, and Abbott's interests in the Joint Patents and the Joint Know-How, to Develop the Licensed Compounds or Licensed Products solely for purposes of performing its obligations as set forth in, and subject to, the Initial Development Plan and Budget and each applicable Development Plan and Budget; and

5.3.2 a non-exclusive, royalty-free license, without the right to grant sublicenses, under the Abbott Patents, the Abbott Know-How, and Abbott's interests in the

Joint Patents and the Joint Know-How, to Manufacture (or have Manufactured) Licensed Compound and Licensed Products solely for purposes of performing its obligations as set forth in, and subject to, the Initial Development Plan and Budget and each applicable Development Plan and Budget and under the Supply Agreement (if and as applicable).

5.4 Sublicenses. Abbott shall have the right to grant sublicenses (or further rights of reference), through multiple tiers of sublicensees, under the licenses and rights of reference granted in Section 5.1, to its Affiliates and other Persons; *provided* that any such sublicenses shall be consistent with the terms and conditions of this Agreement.

5.5 Distributorships. Abbott shall have the right, in its sole discretion, to appoint its Affiliates, and Abbott and its Affiliates shall have the right, in their sole discretion, to appoint any other Persons, in the Territory or in any country or other jurisdiction of the Territory, to distribute, market, and sell the Licensed Products (with or without packaging rights), in circumstances where the Person purchases its requirements of Licensed Products from Abbott or its Affiliates. Where Abbott or its Affiliates appoints such a Person and such Person is not an Affiliate of Abbott, that Person shall be a "**Distributor**" for purposes of this Agreement. The term "packaging rights" in this Section means the right for the Distributor to package Licensed Products supplied in unpackaged bulk form into individual ready-for-sale packs.

5.6 Co-Promotion Rights. For the avoidance of doubt, subject to Galapagos's exclusive Co-Promotion Option pursuant to Section 4.9.1, Abbott and its Affiliates shall have the right, in their sole discretion, to co-promote the Licensed Products with any other Person(s), or to appoint one or more Third Parties to promote the Licensed Products without Abbott in all or any part of the Territory.

5.7 Retention of Rights.

5.7.1 Notwithstanding the exclusive licenses granted to Abbott pursuant to Section 5.2, Galapagos retains the right to practice under the Galapagos Patents, the Galapagos Know-How, Galapagos' interests in the Joint Patents and the Joint Know-How, Regulatory Approvals and any other Regulatory Documentation to perform (and to sublicense Third Parties to perform as permitted hereunder) its obligations under this Agreement (including Development, Detailing a Co-Promotion Product, and the making or having made and supply of Licensed Compound and Licensed Product to Abbott, as applicable). Except as expressly provided herein respecting the Licensed Compounds, Galapagos grants no other right or license, including any rights or licenses to the Galapagos Patents, the Galapagos Know-How, the Regulatory Documentation, the Galapagos Corporate Names, or any other Patent or intellectual property rights not otherwise expressly granted herein.

5.7.2 Except as expressly provided herein, Abbott grants no other right or license, including any rights or licenses to the Abbott Patents, the Abbott Know-How, the Regulatory Documentation, or any other Patent or intellectual property rights not otherwise expressly granted herein.

5.8 Confirmatory Patent License. Galapagos shall, if requested to do so by Abbott, immediately enter into confirmatory license agreements in the form or substantially the form reasonably requested by Abbott for purposes of recording the licenses granted under this Agreement with such patent offices in the Territory as Abbott considers appropriate; provided in

no case, shall Galapagos be required to execute such license agreements if the legal effect thereof would be to transfer ownership of Galapagos Patents licensed thereunder to Abbott (in which event Galapagos and Abbott would mutually agree on an alternate solution to address the need for a confirmatory license without materially damaging the interests of either Party). Until the execution of any such confirmatory licenses (or alternate solution), so far as may be legally possible, Galapagos and Abbott shall have the same rights in respect of the Galapagos Patents and be under the same obligations to each other in all respects as if the said confirmatory licenses (or alternate solution) had been executed.

5.9 Third Party In-License Agreements. During the Term, neither Galapagos nor any of its Affiliates shall, without Abbott's prior written consent, not to be unreasonably withheld or delayed, enter into any agreement with a Third Party related to Information, Regulatory Documentation, Patents, or other intellectual property rights affecting the Licensed Compound or Licensed Product, and Galapagos shall consult with Abbott and seek Abbott's comments on all draft proposals exchanged between Galapagos and the prospective licensor with respect to any such license. If Galapagos or any of its Affiliates are a party to a license, sublicense or other agreement for additional rights, with the right to sublicense, under Patents or Information to make, use, sell, offer to sell or import the Licensed Compound or Licensed Product, or as permitted in the aforementioned sentence, then Galapagos shall inform Abbott and shall provide Abbott with a copy (which may be redacted in pertinent part) of such license, sublicense, or other agreement ("**Proposed Future Third Party In-Licensed Rights**"). If Abbott notifies Galapagos in writing that it wishes to be bound by and/or assume the rights and obligations of the Proposed Future Third Party In-Licensed Rights as they apply to Abbott and this Agreement, then the Proposed Future Third Party In-Licensed Rights shall automatically be included in the Galapagos Patents and/or Galapagos Know-How (as applicable) hereunder and Abbott agrees to abide by all applicable terms and conditions of such license, sublicense or other agreement, as it relates to Abbott and this Agreement. If Abbott declines to be bound by and/or assume the rights and obligations of the Proposed Future Third Party In-Licensed Rights as they apply to Abbott and this Agreement, Abbott may in its discretion negotiate and conclude a separate agreement with the applicable licensor.

ARTICLE 6
PAYMENTS AND RECORDS

6.1 Upfront Payment. No later than […***…] ([…***…]) days following the Effective Date, in partial consideration for entering into the collaboration with Galapagos and the rights granted by Galapagos to Abbott pursuant to this Agreement, including, but not limited to, those set forth in particular in Section 5.2 of this Agreement, Abbott shall pay Galapagos an non-refundable, one-time, upfront amount equal to One Hundred Fifty Million Dollars ($150,000,000.00). Such payment shall be non-creditable against any other payments due hereunder.

6.2 In-Licensing Payment. No later than […***…] ([…***…]) days following Abbott proceeding with the In-Licensing pursuant to Section 5.1, Abbott shall pay Galapagos a one-time non-refundable, non-creditable amount equal to Two Hundred Million Dollars ($200,000,000.00).

6.3 Regulatory Milestones. In partial consideration of the rights granted by Galapagos to Abbott hereunder for the Lead Indication and subject to the terms and conditions set forth in this Agreement, Abbott shall pay to Galapagos a milestone payment within […***…] ([…***…]) days after the achievement of each of the following milestones, calculated as follows:

6.3.1 upon […***…], […***…] Dollars ($[…***…]);
6.3.2 upon […***…], […***…] Dollars ($[…***…]);
6.3.3 Upon […***…], […***…] Dollars ($[…***…]);
6.3.4 Upon […***…], […***…] Dollars ($[…***…]);
6.3.5 Upon […***…], […***…] Dollars ($[…***…]);
6.3.6 Upon […***…], […***…] Dollars ($[…***…]);
6.3.7 Upon […***…], […***…] Dollars ($[…***…]);
6.3.8 Upon […***…], […***…] Dollars ($[…***…]);
6.3.9 Upon […***…], […***…] Dollars ($[…***…]);
6.3.10 Upon […***…], […***…] Dollars ($[…***…]);
6.3.11 Upon […***…], […***…] Dollars ($[…***…]);
6.3.12 Upon […***…], […***…] Dollars ($[…***…]);
6.3.13 Upon […***…], […***…] Dollars ($[…***…]);
6.3.14 Upon […***…], […***…] Dollars ($[…***…]);
6.3.15 Each milestone payment in this Section 6.3 shall be non-refundable, non-creditable and payable only upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone, whether for the same or a different Licensed Compound or Licensed Product.

6.4 Sales-Based Milestones.

6.4.1 In partial consideration of the license rights granted by Galapagos to Abbott hereunder, subject to Section 6.4.2, if the Net Sales of a particular Licensed Product made by Abbott or any of its Affiliates or Sublicensees in a given Calendar Year exceeds a threshold (each, an "**Annual Net Sales Milestone Threshold**") set forth in the left-hand column of the table immediately below (the "**Annual Net Sales-Based Milestone Table**"), Abbott shall pay to Galapagos a milestone payment (each, an "**Annual Net Sales-Based Milestone Payment**") in the corresponding amount set forth in the right-hand column of the Annual Net Sales-Based Milestone Table. If in a given Calendar Year more than one (1) Annual Net Sales Milestone Threshold is exceeded, Abbott shall pay to Galapagos a separate Annual Net Sales-Based Milestone Payment with respect to each Annual Net Sales Milestone Threshold that is exceeded in such Calendar Year. Each such milestone payment shall be due within […***…] ([…***…]) days of the end of the Calendar Year in which such milestone was achieved (each, a "**Annual Net Sales-Based Milestone Payment Date**").

Threshold Annual Net Sales Levels	Payment Amount
Greater than […***…] Dollars ($[…***…])	$ […***…]
Greater than […***…] Dollars ($[…***…])	$ […***…]
Greater than […***…] Dollars ($[…***…])	$ […***…]

6.4.2 Notwithstanding anything contained in Section 6.4.1, each milestone payment in this Section 6.4 shall be payable only upon the first achievement of such milestone, and no amounts shall be due for subsequent or repeated achievements of such milestone in subsequent Calendar Years.

6.5 Additional Regulatory Milestones. In partial consideration of the rights granted by Galapagos to Abbott hereunder for the Follow-On Compounds (not substituted as the Lead Compound) and subject to the terms and conditions set forth in this Agreement, Abbott shall pay to Galapagos a milestone payment within […***…] ([…***…]) days after the achievement of each of the following milestones, calculated as follows:

6.5.1 […***…], […***…] Dollars ($[…***…]); and
6.5.2 […***…], […***…] Dollars ($[…***…]).

6.5.3 Each milestone payment in this Section 6.5 shall be payable only upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone, whether for the same or a different Licensed Compound or Licensed Product.

6.6 Royalties.

6.6.1 Royalty Rates for Licensed Product Containing the Lead Compound or Follow-On Compound. As further consideration for the rights granted to Abbott hereunder, subject to Sections 6.6.4 and 6.6.2, commencing upon the First Commercial Sale of a Licensed Product containing the Lead Compound in the Royalty Territory, on a Licensed Product-by-Licensed Product basis, Abbott shall pay to Galapagos a royalty on Net Sales of each Licensed Product containing the Lead Compound or any Follow-On Compound sold in the Royalty Territory (excluding Net Sales of each such Licensed Product containing the Lead Compound sold in any country or other jurisdiction in the Royalty Territory for which the Royalty Term for such Licensed Product containing the Lead Compound sold in such country or other jurisdiction has expired) during each Calendar Year at the following rates:

Net Sales in the Royalty Territory of each Licensed Product containing the Lead Compound or Follow-On Compound in a Calendar Year	Royalty Rate
[…***…]	[…***…]
[…***…]	[…***…]
[…***…]	[…***…]
[…***…]	[…***…]
[…***…]	[…***…]

6.6.2 Notwithstanding the foregoing, if Galapagos exercises the Co-Promotion Option, any amount of Net Sales attributable to sales of the Co-Promotion Products (if any) in the Co-Promotion Territory during the Co-Promotion Period shall be excluded from aggregate Net Sales for purposes of this Section 6.6 and such sales shall not be subject to a royalty under this Section 6.6. With respect to each Licensed Product in each country or other jurisdiction in the Royalty Territory, from and after the expiration of the Royalty Term for such Licensed Product that is sold in such country or other jurisdiction, Net Sales of such Licensed Product in such country or other jurisdiction shall be excluded for purposes of calculating the Net Sales thresholds and ceilings set forth in this Section 6.6.

6.6.3 Royalty Term. Abbott shall have no obligation to pay any royalty with respect to Net Sales of any Licensed Product in any country or other jurisdiction after the Royalty Term for such Licensed Product that is sold in such country or other jurisdiction has expired.

6.6.4 Reductions. Notwithstanding the foregoing:

(i) If in any country or other jurisdiction in the Royalty Territory during the Royalty Term for a Licensed Product there is Generic Competition resulting in […***…];

(ii) Abbott shall be entitled to deduct from any royalties payable hereunder […***…] percent ([…***…]%) of all Third Party Payments, provided that royalties shall not be reduced to less than […***…] percent ([…***…]%) of the royalties due under Section 6.6.1; and

(iii) If a court or a governmental agency of competent jurisdiction requires Abbott or any of its Affiliates or Sublicensees to grant a compulsory license to a Third Party permitting such Third Party to make and sell a Licensed Product in a country or other jurisdiction in the Royalty Territory, then, for the purposes of calculating the royalties payable with respect to such Licensed Product under Sections 6.6.1 and 6.6.2, […***…];

(iv) If, and in such case from and after the date on which, a Licensed Product is Exploited in a country or other jurisdiction and the making, using, offer for sale, or sale of such Licensed Product sold in such country or other jurisdiction is not covered by a Valid Claim of a Galapagos Patent, then the royalty rates set forth in Sections 6.6.1 and 6.6.2 with respect to such sales of License Product in such country or other jurisdiction (for purposes of calculations under Sections 6.6.1 and 6.6.2), each shall be reduced by […***…] percent ([…***…]%);

(v) Abbott shall have the right to deduct costs in accordance with Section 7.2.1.

In no case shall any deductions allowable under this Section 6.6.4, alone or cumulatively, reduce the royalties paid to Galapagos by more than […***…] per cent ([…***…]%) of the royalties due under Section 6.6.1.

6.7 Royalty Payments and Reports. Abbott shall calculate all amounts payable to Galapagos pursuant to Section 6.6 at the end of each Calendar Quarter, which amounts shall be converted to Dollars, in accordance with Section 6.11. Abbott shall pay to Galapagos the royalty amounts due with respect to a given Calendar Quarter within […***…] ([…***…]) days after the end of such Calendar Quarter. Each payment of royalties due to Galapagos shall be accompanied by a statement of the amount of Net Sales of each Licensed Product in each country or other jurisdiction of the Royalty Territory during the applicable Calendar Quarter (including such amounts expressed in local currency and as converted to Dollars) and a calculation of the amount of royalty payment due on such Net Sales for such Calendar Quarter.

6.8 […*…].**

6.9 Profit or Loss in the Co-Promotion Territory. If Galapagos exercises a Co-Promotion Option with respect to a Licensed Product in the Co-Promotion Territory, the terms and conditions of this Section 6.9 shall govern each Party's rights and obligations with respect to Net Profits and Net Losses relating to such Licensed Product.

6.9.1 In General. Subject to Sections 4.9 and 6.10, (i) Galapagos shall receive […***…] of all Net Profits, and bear […***…] of all Net Losses, as applicable, with respect to the Co-Promotion Products in the Co-Promotion Territory, and (ii) Abbott shall receive […***…] of all Net Profits, and bear […***…] of all Net Losses, as applicable, with respect to the Co-Promotion Products in the Co-Promotion Territory. Galapagos shall bear its share of the Net Profits and Net Losses with respect to the Co-Promotion Products regardless of the date of its exercise of the Co-Promotion Option with respect to such Licensed Product only during the Co-Promotion Period with respect to such Licensed Product.

6.10 Calculation and Payment of Net Profit or Net Loss Share.

6.10.1 Reports and Payments in General. If Galapagos exercises its Co-Promotion Option with respect to a Co-Promotion Product, each Party shall report to the other Party, within […***…] ([…***…]) days after the end of each Calendar Quarter following such exercise, with regard to Net Sales and Allowable Expenses incurred by such Party for such Co-Promotion Product during such Calendar Quarter in the Co-Promotion Territory in a manner sufficient to enable the other Party to comply with its reporting requirements; *provided* that in the case of the first Calendar Quarter for which such report is due, each Party shall additionally report all Allowable Expenses incurred by such Party prior to such Calendar Quarter with respect to such Co-Promotion Product. Such report shall specify in reasonable detail all deductions allowed in the calculation of such Net Sales and all expenses included in Allowable Expenses. Within […***…] ([…***…]) days after the end of each Calendar Quarter (or for the last Calendar Quarter in a Calendar Year, […***…]

([…***…]) days after the end of such Calendar Quarter), the Parties shall reconcile all Net Sales and Allowable Expenses to ascertain whether there is a Net Profit or Net Loss and payments shall be made as set forth in subsections (i) and (ii) below, as applicable.

(i) If there is a Net Profit for such Calendar Quarter, then Abbott shall reimburse Galapagos for Allowable Expenses incurred by Galapagos in such Calendar Quarter and shall pay to Galapagos, an amount equal to […***…] percent ([…***…]%) of the Net Profit for such Calendar Quarter within […***…] ([…***…]) days after the end of each Calendar Quarter; or

(ii) If there is a Net Loss for such Calendar Quarter, then the Party that has borne less than its share of the Allowable Expenses in such Calendar Quarter shall make a reconciling payment to the other Party within […***…] ([…***…]) days after the end of each Calendar Quarter to assure that each Party bears its share of such Allowable Expenses during such Calendar Quarter.

A sample calculation for determining the Net Profits and Net Losses is attached hereto as Schedule 6.10.1.

6.10.2 Last Calendar Quarter. No separate payment shall be made for the last Calendar Quarter in any Calendar Year. Instead, at the end of each such Calendar Year, a final reconciliation shall be conducted by comparing the share of Net Profit or Net Loss to which a Party is otherwise entitled for such Calendar Year pursuant to Sections 6.9 and 6.10.1 against the sum of all amounts (if any) previously paid or retained by such Party for prior Calendar Quarters during such Calendar Year, and the Parties shall make reconciling payments to one another no later than […***…] ([…***…]) days after the end of such Calendar Quarter, if and as necessary to ensure that each Party receives for such Calendar Year its share of Net Profits and bears its share of Net Losses in accordance with Section 6.9.

6.10.3 FTE Records and Calculations. Each Party shall calculate and maintain records of FTE effort incurred by it in the same manner as used for other products developed by such Party, unless instructed by the JCC to employ other procedures, in which case such other procedures shall be applied equally to both Parties.

6.11 Mode of Payment; Offsets. All payments to either Party under this Agreement shall be made by electronic transfer of Dollars in the requisite amount to such bank account as the receiving Party may from time to time designate by notice to the paying Party. For the purpose of calculating any sums due under, or otherwise reimbursable pursuant to, this Agreement (including the calculation of Net Sales expressed in currencies other than Dollars), a Party shall convert any amount expressed in a foreign currency into Dollar equivalents using its, its Affiliate's or Sublicensee's standard conversion methodology consistent with Accounting Standards. Such standard conversion methodology shall be based upon the Monthly Average Exchange Rate. "**Monthly Average Exchange Rate**" means the simple average of prior month-end Exchange Rate and current month-end Exchange Rate based on 9:00 AM Central Time Bloomberg screen on the penultimate Business Day of the corresponding month, and "**Exchange Rate**" means, with respect to a Business Day, the spot bid rate for X currencies and spot ask rate for non-X currencies for the conversion of the applicable country's or other jurisdiction's currency to Dollars as reported at 9:00 AM Central Time Bloomberg screen on the penultimate Business Day. Abbott shall have the right to offset any expense that is owed by Galapagos, if any, but not paid for more than […***…] ([…***…]) days after its due date against any payments owed by Abbott, if any, under this Agreement.

6.12 Accounting Procedures. For purposes of determining Allowable Expenses, any expense allocated by either Party to a particular expense category of Allowable Expenses shall not also be allocated to another category under Allowable Expenses. Each Party shall determine Allowable Expenses consistent with applicable Accounting Standards, consistently applied, to the maximum extent practicable as if the Licensed Compound or Licensed Product were a solely-owned product of the Party. Each Party shall have the right to audit the other Party's records to confirm the accuracy of the other Party's costs and reports as provided in Section 6.17. Transfers between a Party and its Affiliates (or between such Affiliates) shall not have any effect for purposes of calculating Allowable Expenses, or other payments or expenses under this Agreement.

6.13 Withholding Taxes. Where any sum due to be paid to either Party hereunder is subject to any withholding or similar tax, the Parties shall use their Commercially Reasonable Efforts to do all such acts and things and to sign all such documents as will enable them to take advantage of any applicable double taxation agreement or treaty. If there is no applicable double taxation agreement or treaty, or if an applicable double taxation agreement or treaty reduces but does not eliminate such withholding or similar tax, the payor shall pay such withholding or similar tax to the appropriate government authority, deduct the amount paid from the amount due to payee and secure and send to payee the best available evidence of such payment.

6.14 No Other Compensation. Each Party hereby agrees that the terms of this Agreement fully define all consideration, compensation and benefits, monetary or otherwise, to be paid, granted or delivered by one Party to the other Party in connection with the transactions contemplated herein. Neither Party previously has paid or entered into any other commitment to pay, whether orally or in writing, any of the other Party's employees, directly or indirectly, any consideration, compensation or benefits, monetary or otherwise, in connection with the transaction contemplated herein.

6.15 Interest on Late Payments. If any payment due to either Party under this Agreement is not paid when due, then such paying Party shall pay interest thereon (before and after any judgment) at an annual rate (but with interest accruing on a daily basis) of […***…] ([…***…]) basis points above EURIBOR, such interest to run from the date on which payment of such sum became due until payment thereof in full together with such interest.

6.16 Financial Records. Each Party shall, and shall cause its Affiliates to, keep complete and accurate books and records pertaining to Net Sales of Licensed Products and Net Profits and Net Losses with respect to the Co-Promotion Products during the Co-Promotion Period (including Allowable Expenses), as applicable, and Development of the Licensed Compounds or Licensed Products, including books and records of actual expenditures with respect to the budgets set forth in each Development Plan and Budget, in sufficient detail to calculate all amounts payable hereunder and to verify compliance with its obligations under this Agreement. Such books and records shall be retained by such Party and its Affiliates until the later of (i) […***…] ([…***…]) years after the end of the period to which such books and records pertain, and (ii) the expiration of the applicable tax statute of limitations (or any extensions thereof), or for such longer period as may be required by Applicable Law.

6.17 Audit. At the request of the other Party, each Party shall, and shall cause its Affiliates to, permit an independent public accounting firm of nationally recognized standing designated by the other Party and reasonably acceptable to the audited Party, at reasonable times during normal business hours and upon reasonable notice, to audit the books and records maintained pursuant to Section 6.16 to ensure the accuracy of all reports and payments made hereunder. Such examinations may not (i) be conducted for any Calendar Quarter more than […***…] ([…***…]) years after the end of such quarter, (ii) be conducted more than once in any twelve (12)-month period (unless a previous audit during such twelve (12)-month period revealed an underpayment with respect to such period) or (iii) be repeated for any Calendar Quarter. The accounting firm shall disclose only whether the reports are correct or not, and the specific details concerning any discrepancies. No other information shall be shared. Except as provided below, the cost of this audit shall be borne by the auditing Party, unless the audit reveals a variance of more than […***…] percent ([…***…]%) from the reported amounts, in which case the audited Party shall bear the cost of the audit. Unless disputed pursuant to Section 6.18 below, if such audit concludes that (x) additional amounts were owed by the audited Party, the audited Party shall pay the additional amounts, with interest from the date originally due, or (y) excess payments were made by the audited Party, the auditing Party shall reimburse such excess payments, in either case ((x) or (y)), within […***…] ([…***…]) days after the date on which such audit is completed by the auditing Party.

6.18 Audit Dispute. In the event of a dispute with respect to any audit under Section 6.17, Galapagos and Abbott shall work in good faith to resolve the disagreement. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within […***…] ([…***…]) days, the dispute shall be submitted for resolution to a certified public accounting firm jointly selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "**Audit Arbitrator**"). Abbott and Galapagos shall enter into an engagement letter with the Audit Arbitrator and shall provide all books and records necessary to permit the Audit Arbitrator to reach its conclusion. The decision of the Audit Arbitrator shall be final and the costs of such arbitration as well as the initial audit shall be borne between the Parties in such manner as the Audit Arbitrator shall determine. Not later than […***…] ([…***…]) days after such decision and in accordance with such decision, the audited Party shall pay the additional amounts or the auditing Party shall reimburse the excess payments, as applicable.

6.19 Confidentiality. The receiving Party shall treat all information subject to review under this Article 6 in accordance with the confidentiality provisions of Article 9 and the Parties shall cause the Audit Arbitrator to enter into a reasonably acceptable confidentiality agreement with the audited Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement.

6.20 Diagnostic or Veterinary Products. The regulatory milestones and sales-based milestones in Sections 6.3 through 6.5 shall not apply to Development and Commercialization of Licensed Compounds or Licensed Products for diagnostic or veterinary use, or for uses solely for screening patients who have been diagnosed with a disease, state, or condition for eligibility to be treated for such disease, state, or condition with a Licensed Compound or Licensed Product or for monitoring patients who are or have been treated with a Licensed Compound or Licensed Product. If a Licensed Compound or Licensed Product is Developed for any such diagnostic and/or veterinary purposes, the royalties specified in Section 6.6, for the sale of such Licensed Product shall be […***…] per cent ([…***…]%).

ARTICLE 7
INTELLECTUAL PROPERTY

7.1 Ownership of Intellectual Property.

7.1.1 Ownership of Technology. Subject to Section 3.7.1(ii) and Section 7.1.2, as between the Parties, each Party shall own and retain all right, title, and interest in and to any and all (i) Information discovered and/or developed, and inventions, whether or not patentable, conceived, or made by Persons obligated to assign their rights therein to such Party (or its Affiliates or sublicensees), under or in connection with this Agreement, and any and all Patent and other intellectual property rights with respect thereto, except to the extent that such comprises Joint Know-How or Joint Patents, and (ii) other Information, inventions, Patents, and other intellectual property rights that are owned or otherwise Controlled (other than pursuant to the license grants set forth in Sections 5.2 and 5.4) by such Party, its Affiliates or its licensees or sublicensees.

7.1.2 Ownership of Joint Patents and Joint Know-How. Subject to Section 3.7.1(ii), as between the Parties, the Parties shall each own an equal, undivided interest in any and all (i) Information discovered and/or developed by or on behalf of either Party or its Affiliates or sublicensees in connection with the work conducted under or in connection with (1) Initial Development Activities or (2) jointly by or on behalf of Galapagos or its Affiliates or sublicensees, on the one hand, and Abbott or its Affiliates or Sublicensees, on the other hand, in connection with the work conducted under or in connection with this Agreement, (the "**Joint Know-How**"), and (ii) inventions, conceived, or made by jointly by one or more inventor(s) obligated to assign their rights therein to Galapagos and one or more inventor(s) obligated to assign their rights therein to Abbott (or their Affiliates or Sublicensees), and Patents claiming such inventions (the "**Joint Patents**"); wherein the Information and inventions described in clauses (i) and (ii) (together with Joint Know-How and Joint Patents, the "**Joint Intellectual Property Rights**"). Each Party shall promptly disclose to the other Party in writing, and shall cause its Affiliates, licensees and sublicensees to so disclose, the development, making, conception or reduction to practice of any Joint Know-How or Joint Patents. Subject to the licenses and rights of reference granted under Section 5.2 and the Parties' respective, in the case of Galapagos, its exclusivity obligations hereunder, each Party shall have the right to Exploit the Joint Intellectual Property Rights without a duty of seeking consent or accounting to the other Party.

7.1.3 United States Law. The determination of whether inventions are conceived or made by or on behalf of a Party for the purpose of allocating proprietary rights therein, shall, for purposes of this Agreement, be made in accordance with Applicable Law in the United States as such law exists as of the Effective Date irrespective of where such conception, or making occurs.

7.1.4 Assignment Obligation. Each Party shall cause all Persons who perform Development activities, Manufacturing activities or regulatory activities for such Party under this Agreement to be under an obligation to assign (or, if such Party is unable to cause such Person to agree to such assignment obligation despite such Party's using

Commercially Reasonable Efforts to negotiate such assignment obligation, provide a license under) their rights in any Information and inventions to such Party, except where Applicable Law requires otherwise and except in the case of governmental, not-for-profit and public institutions which have standard policies against such an assignment (in which case a suitable license, or right to obtain such a license, shall be obtained).

7.1.5 Ownership of Galapagos Corporate Names. As between the Parties, Galapagos shall retain all right, title and interest in and to Galapagos Corporate Names.

7.2 Maintenance and Prosecution of Patents.

7.2.1 Patent Prosecution and Maintenance of Galapagos Patents. In consultation with Abbott, Galapagos shall have the right, but not the obligation, through the use of internal or outside counsel reasonably acceptable to Abbott, to prepare, file, prosecute, and maintain the Galapagos Patents worldwide, at Galapagos's sole cost and expense (except to the extent any such cost or expense constitutes an Allowable Expense). Galapagos shall keep Abbott fully informed of all steps with regard to the preparation, filing, prosecution, and maintenance of Galapagos Patents in the Territory, including by providing Abbott with a copy of material communications to and from any patent authority regarding such Galapagos Patents, and by providing Abbott drafts of any material filings or responses to be made to such patent authorities sufficiently in advance of submitting such filings or responses so as to allow for a reasonable opportunity for Abbott to review and comment thereon. Galapagos shall consider in good faith the requests and suggestions of Abbott with respect to such Galapagos drafts and with respect to strategies for filing and prosecuting the Galapagos Patents in the Territory. Notwithstanding the foregoing, Galapagos shall promptly inform Abbott of any adversarial patent office proceeding or sua sponte filing, including a request for, or filing of or declaration of, any interference, opposition, third party observation, derivation proceeding, post grant review, supplementary examination, reissue or inter parte or ex parte reexamination relating to a Galapagos Patent in the Territory. The Parties shall thereafter consult and cooperate to determine a course of action with respect to any such proceeding in the Territory and Galapagos shall consider in good faith all comments, requests and suggestions provided by Abbott. Galapagos shall not initiate any such adversarial patent office proceeding relating to a Galapagos Patent in the Territory without first consulting Abbott. If Galapagos decides not to prepare, file, prosecute, or maintain a Galapagos Patent in a country or other jurisdiction in the Territory, Galapagos shall provide reasonable prior written notice to Abbott of such intention (which notice shall, in any event, be given no later than […***…] ([…***…]) days (or the earliest reasonable date if the applicable deadline is shorter than […***…] ([…***…]) days) prior to the next deadline for any action that may be taken with respect to such Galapagos Patent in such country or other jurisdiction), Abbott shall thereupon have the option, in its sole discretion, to assume the control and direction of the preparation, filing, prosecution, and maintenance of such Galapagos Patent at its expense in such country or other jurisdiction (except to the extent any such cost or expense constitutes an Allowable Expense); *provided, however*, that Abbott shall have the right to offset up to […***…] percent ([…***…]%) of such expense borne by Abbott (and not included as an Allowable Expense) against any amounts owed to Galapagos under this Agreement in a given Calendar Quarter from sales-based milestones due to Galapagos pursuant to Section 6.4.1 and royalties due to Galapagos pursuant to Section 6.6.1 for such Calendar Quarter,

with any balance then remaining to be carried over to subsequent Calendar Quarters and applied against such sales-based milestones and royalties due with respect to such subsequent Calendar Quarters, up to a maximum amount for each Calendar Quarter of […***…] percent ([…***…]%) of the amounts owed in respect of such subsequent Calendar Quarter. Upon Abbott's written acceptance of such option, Abbott shall assume the responsibility and control for the preparation, filing, prosecution, and maintenance of such specific Galapagos Patent. Galapagos shall reasonably cooperate with Abbott in such country or other jurisdiction as provided under Section 7.2.3.

7.2.2 Patent Prosecution and Maintenance of Abbott Patents and Joint Patents. Abbott shall have the right, but not the obligation, to prepare, file, prosecute, and maintain the Abbott Patents and the Joint Patents worldwide, at Abbott's sole cost and expense (except to the extent any such cost or expense constitutes an Allowable Expense). Abbott shall keep Galapagos fully informed of all steps with regard to the preparation, filing, prosecution, and maintenance of Abbott Patents and Joint Patents, including by providing Galapagos with a copy of material communications to and from any patent authority in the Territory regarding such Abbott Patents or Joint Patents, and by providing Galapagos drafts of any material filings or responses to be made to such patent authorities in the Territory sufficiently in advance of submitting such filings or responses so as to allow for a reasonable opportunity for Galapagos to review and comment thereon. Abbott shall consider in good faith the requests and suggestions of Galapagos with respect to such Abbott drafts and with respect to strategies for filing and prosecuting the Abbott Patents and the Joint Patents in the Territory. If Abbott decides not to prepare, file, prosecute, or maintain an Abbott Patent or a Joint Patent in a country or other jurisdiction in the Territory, Abbott shall provide reasonable prior written notice to Galapagos of such intention (which notice shall, in any event, be given no later than […***…] ([…***…]) days prior to the next deadline for any action that may be taken with respect to such Abbott Patent or Joint Patent in such country or other jurisdiction, or the earliest reasonable date if the applicable deadline is shorter than […***…] ([…***…]) days), and Galapagos shall thereupon have the option, in its sole discretion, to assume the control and direction of the preparation, filing, prosecution, and maintenance of such Abbott Patent or Joint Patent at its expense in such country or other jurisdiction. Upon Galapagos' written acceptance of such option, Galapagos shall assume the responsibility and control for the preparation, filing, prosecution, and maintenance of such specific Joint Patent. In such event, Abbott shall reasonably cooperate with Galapagos in such country or other jurisdiction as provided under Section 7.2.3.

7.2.3 Cooperation. The Parties agree to cooperate fully in the preparation, filing, prosecution, and maintenance of the Galapagos Patents, Abbott Patents, and Joint Patents in the Territory under this Agreement. Cooperation shall include:

(i) executing all papers and instruments, or requiring its employees or contractors to execute such papers and instruments, so as to (A) effectuate the ownership of intellectual property set forth in Section 7.1.1 and 7.1.2; (B) enable the other Party to apply for and to prosecute Patent applications in the Territory; and (C) obtain and maintain any Patent extensions, supplementary protection certificates, and the like with respect to the Galapagos Patents, Abbott Patents, and Joint Patents in the Territory, in each case ((A), (B), and (C)) to the extent provided for in this Agreement;

(ii) consistent with this Agreement, assisting in any license registration processes with applicable governmental authorities that may be available in the Territory for the protection of a Party's interests in this Agreement; and

(iii) promptly informing the other Party of any matters coming to such Party's attention that may materially affect the preparation, filing, prosecution, or maintenance of any such Galapagos Patents, Abbott Patents, or Joint Patents in the Territory.

7.2.4 Patent Term Extension and Supplementary Protection Certificate.

(i) Except as provided in Section 7.2.4(ii), Abbott shall be responsible for making decisions regarding patent term extensions, including supplementary protection certificates and any other extensions that are now or become available in the future, wherever applicable, for Galapagos Patents, Abbott Patents, and any Joint Patents in any country or other jurisdiction, *provided* that any Dispute with respect thereto shall be finally and definitively resolved by Abbott.

(ii) If Abbott elects to extend the Owned Genus Patent under Section 7.2.4(i), Abbott shall promptly notify Galapagos of its election and Galapagos shall promptly provide Abbott written confirmation whether the Owned Genus Patent has reverted to an Owned Species Patent under Section 10.2.3. If the Owned Genus Patent has not reverted to an Owned Species Patent then Galapagos shall be responsible for making decisions regarding patent term extensions, including supplementary protection certificates and any other extensions that are now or become available in the future for the Owned Genus Patents.

(iii) Abbott shall have the responsibility of applying for any extension or supplementary protection certificate with respect to such Patents in the Territory. Abbott shall keep Galapagos fully informed of its efforts to obtain such extension or supplementary protection certificate. Galapagos shall provide prompt and reasonable assistance, as requested by Abbott, including by taking such action as patent holder as is required under any Applicable Law to obtain such patent extension or supplementary protection certificate.

(iv) Abbott shall pay all expenses in regard to obtaining the extension or supplementary protection certificate in the Territory (except to the extent any such expense constitutes an Allowable Expense).

7.2.5 CREATE Act. Notwithstanding anything to the contrary in this Article 7, neither Party shall have the right to make an election under the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. 103(c)(2)-(c)(3) (the "**CREATE Act**") when exercising its rights under this Article 7 without the prior written consent of the other Party. With respect to any such permitted election, the Parties shall coordinate their activities with respect to any submissions, filings, or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in the CREATE Act.

7.2.6 Patent Listings. Abbott shall have the sole right to make all filings with Regulatory Authorities in the Territory with respect to Galapagos Patents, Abbott

Patents, and Joint Patents, including as required or allowed (i) in the United States, in the FDA's Orange Book, and (ii) outside the United States, under the national implementations of Article 10.1(a)(iii) of Directive 2001/EC/83 or other international equivalents. Galapagos shall (A) provide to Abbott a correct and complete list of Galapagos Patents covering any Licensed Product, or otherwise necessary or reasonably useful, to enable Abbott to make such filings with Regulatory Authorities in the Territory with respect to such Patents, and (B) cooperate with Abbott's reasonable requests in connection therewith, including meeting any submission deadlines, in each case ((A) and (B)), to the extent required or permitted by Applicable Law.

7.3 Enforcement of Patents.

7.3.1 Enforcement of Galapagos Patents and Joint Patents. Each Party shall promptly notify the other Party in writing of any alleged or threatened infringement of the Galapagos Patents or Joint Patents by a Third Party in the Territory of which such Party becomes aware (including alleged or threatened infringement based on the development, commercialization, or an application to market a product containing a Licensed Compound or any Licensed Product in the Territory (the "**Third Party Infringement**")). Abbott shall have the first right, but not the obligation, to abate any Third Party Infringement in the Territory (the "**Abbott Prosecuted Infringements**") at its sole expense (except to the extent any such expense constitutes an Allowable Expense) by litigation or otherwise and Abbott shall retain control of the prosecution of such proceeding. If Abbott prosecutes any Abbott Prosecuted Infringement, Galapagos shall have the right to join as a party to such claim, suit, or proceeding in the Territory and participate with its own counsel at its own expense; *provided* that Abbott shall retain control of the prosecution of such claim, suit, or proceeding. During any such claim, suit, or proceeding, Abbott shall: (i) provide Galapagos with drafts of all official papers and statements (whether written or oral) prior to their submission in such claim, suit, or proceeding, in sufficient time to allow Galapagos to review, consider and substantively comment thereon; (ii) reasonably consider taking action to incorporate Galapagos comments on all such official papers and statements; and (iii) allow Galapagos the opportunity to participate in the preparation of witnesses and other participants in such claim, suit, or proceeding. If Abbott does not take commercially reasonable steps to prosecute an Abbott Prosecuted Infringement (A) within […***…] ([…***…]) days following the first notice provided above with respect to the Abbott Prosecuted Infringement, or (B) provided such date occurs after the first such notice of the Abbott Prosecuted Infringement is provided, […***…] ([…***…]) Business Days before the time limit, if any, set forth in appropriate laws and regulations for filing of such actions, whichever comes first, then Galapagos may prosecute the Abbott Prosecuted Infringement at its own expense.

7.3.2 Enforcement of Abbott Patents. Each Party shall promptly notify the other Party in writing of any alleged or threatened infringement of the Abbott Patents by a Third Party in the Territory of which such Party becomes aware (including alleged or threatened infringement based on the development, commercialization, or an application to market a product containing a Licensed Compound or any Licensed Product in the Territory). Abbott shall have the first right, but not the obligation, to abate any such infringement in the Territory at its sole expense (except to the extent any such expense constitutes an Allowable Expense) by litigation or otherwise and Abbott shall retain control of the prosecution of such proceeding. If Abbott prosecutes any such infringement, Galapagos shall have the right to

join as a party to such claim, suit or proceeding in the Territory and participate with its own counsel at its own expense; *provided* that Abbott shall retain control of the prosecution of such claim, suit or proceeding. If Abbott does not take commercially reasonable steps to prosecute the alleged or threatened infringement in the Territory with respect to such Abbott Patents (i) within […***…] ([…***…]) days following the first notice provided above with respect to such alleged infringement, or (ii) provided such date occurs after the first such notice of infringement is provided, […***…] ([…***…]) Business Days before the time limit, if any, set forth in appropriate laws and regulations for filing of such actions, whichever comes first, then Galapagos may prosecute the alleged or threatened infringement in the Territory at its own expense.

7.3.3 Generic Competition. Notwithstanding the foregoing, if either Party (i) reasonably believes that a Third Party may be filing or preparing or seeking to file a generic or abridged Drug Approval Application that refers or relies on Regulatory Documentation submitted by either Party to any Regulatory Authority, whether or not such filing may infringe the Galapagos Patents; (ii) receives any notice of certification regarding the Galapagos Patents or the Joint Patents pursuant to the U.S. "Drug Price Competition and Patent Term Restoration Act" of 1984 (21 United States Code §355(b)(2)(A)(iv) or (j)(2)(A)(vii)(IV)) ("**ANDA Act**") claiming that any such Patents are invalid or unenforceable or claiming that any such Patents will not be infringed by the Manufacture, use, marketing or sale of a product for which an application under the ANDA Act is filed; or (iii) receives any equivalent or similar certification or notice in any other jurisdiction, it shall (A) notify the other Party in writing identifying the alleged applicant or potential applicant and furnishing the information upon which determination is based and (B) provide with a copy of any such notice of certification within […***…] ([…***…]) days of the date of receipt and the Parties' rights and obligations with respect to any legal action as a result of such certification shall be as set forth in Section 7.3.1, 7.3.2, or 7.3.4, as applicable; *provided, however*, that if Abbott elects not to bring suit against the Third Party providing notice of such certification within […***…] ([…***…]) days of receipt of such notice, Galapagos shall have the right, but shall not be obligated, to bring suit against such Third Party and to join Abbott as a party plaintiff if necessary to bring such a suit, in which event Galapagos shall hold Abbott harmless from and against any and all costs and expenses of such litigation, including reasonable attorneys' fees and expenses.

7.3.4 Cooperation. The Parties agree to cooperate fully in any infringement action pursuant to this Section 7.3. Where a Party brings such an action, the other Party shall, where necessary, furnish a power of attorney solely for such purpose or shall join in, or be named as a necessary party to, such action. Unless otherwise set forth herein, the Party entitled to bring any patent infringement litigation in accordance with this Section 7.3 shall have the right to settle such claim; *provided* that neither Party shall have the right to settle any patent infringement litigation under this Section 7.3 in a manner that diminishes or has a material adverse effect on the rights or interest of the other Party, or in a manner that imposes any costs or liability on, or involves any admission by, the other Party, without the express written consent of such other Party. The Party commencing the litigation shall provide the other Party with copies of all pleadings and other documents filed with the court and shall consider reasonable input from the other Party during the course of the proceedings.

7.3.5 Recovery. Except as otherwise agreed by the Parties by way of a cost-sharing arrangement, any recovery realized as a result of litigation described in Sections 7.3.1, 7.3.2, 7.3.3, or 7.3.4 (whether by way of settlement or otherwise) shall be first, allocated to reimburse the Parties for their costs and expenses in making such recovery (which amounts shall be allocated *pro rata* if insufficient to cover the totality of such expenses). Any remainder after such reimbursement is made shall be retained by the Party that has exercised its right to bring the enforcement action; *provided, however*, that to the extent that any award or settlement (whether by judgment or otherwise) is attributable to reasonable royalty or loss of sales with respect to a Licensed Product, the Parties shall negotiate in good faith an appropriate allocation of such remainder to reflect the economic interests of the Parties under this Agreement with respect to such Licensed Product.

7.4 Infringement Claims by Third Parties. If the manufacture, sale, or use of a Licensed Compound or Licensed Product in the Territory pursuant to this Agreement results in, or may result in, any claim, suit, or proceeding by a Third Party alleging patent infringement by Abbott (or its Affiliates or Sublicensees), Abbott shall promptly notify Galapagos thereof in writing. Abbott shall defend and control the defense of any such claim, suit, or proceeding at its own expense (except to the extent any such expense constitutes an Allowable Expense), using counsel of its own choice. Galapagos may participate in any such claim, suit, or proceeding with counsel of its choice at its own expense. Without limitation of the foregoing, if Abbott finds it necessary or desirable to join Galapagos as a party to any such action, Galapagos shall execute all papers and perform such acts as shall be reasonably required at Abbott's expense. Each Party shall keep the other Party reasonably informed of all material developments in connection with any such claim, suit, or proceeding. Unless otherwise set forth herein, Abbott shall have the right to settle such claim; provided that Abbott shall not settle any litigation under this Section 7.4 in a manner that diminishes or has a material adverse effect on the rights or interest of Galapagos, or in a manner that imposes any costs or liability on, or involves any admission by, Galapagos, without their express written consent. Each Party agrees to provide the other Party with copies of all pleadings filed in such action and to allow the other Party reasonable opportunity to participate in the defense of the claims. Abbott shall be entitled to deduct […***…] percent ([…***…]%) of the reasonable out-of-pocket attorney's fees and court costs borne by Abbott and not included as an Allowable Expense of defending such claim, suit, or proceeding brought by a Third Party alleging that a Licensed Compound and/or the Manufacturing Process (which Manufacturing Process Abbott has not modified in any substantial part pertinent to the asserted claims in said proceeding) infringe one or more patents Controlled by the Third Party. Such deduction shall be applied in a given Calendar Quarter from sales-based milestones and to the extent not exhausted within an […***…] ([…***…]) month period, may be deducted from royalties due to Galapagos pursuant to Section 6.4.1 or 6.6. Any recoveries by Abbott of any sanctions awarded to Abbott and against a party asserting a claim being defended under this Section 7.4 shall be applied as follows: such recovery shall be applied first to (i) reimburse Abbott for its reasonable out-of-pocket costs of defending such claim, suit, or proceedings to the extent not deducted from sales-based milestones pursuant to the previous sentence, and (ii) reimburse Galapagos for sales-based milestones deductions pursuant to the previous sentence. The balance of any such recoveries shall be retained or provided to Abbott and included in calculation of Net Sales for the relevant Licensed Product.

7.5 Invalidity or Unenforceability Defenses or Actions.

7.5.1 Notice. Each Party shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the Galapagos Patents, Abbott Patents, or Joint Patents by a Third Party, in each case in the Territory and of which such Party becomes aware.

7.5.2 Galapagos Patents.

(i) Abbott shall have the first right, but not the obligation, to defend and control the defense of the validity and enforceability of the Galapagos Owned Species Patents at its own expense (except to the extent any such expense constitutes an Allowable Expense) in the Territory. Galapagos may participate in any such claim, suit, or proceeding in the Territory with counsel of its choice at its own expense; *provided* that Abbott shall retain control of the defense in such claim, suit, or proceeding. If Abbott elects not to defend or control the defense of the Galapagos Owned Species Patents in a suit brought in the Territory, or otherwise fails to initiate and maintain the defense of any such claim, suit, or proceeding, then Galapagos may conduct and control the defense of any such claim, suit, or proceeding at its own expense.

(ii) Galapagos shall have the first right, but not the obligation, to defend and control the defense of the validity and enforceability of the Galapagos Owned Genus Patents at its own expense, only when the validity and enforceability actions are not related to Third Party Infringement (except to the extent any such expense constitutes an Allowable Expense) in the Territory. Abbott may participate in any such claim, suit, or proceeding in the Territory with counsel of its choice at its own expense; *provided* that Galapagos shall retain control of the defense in such claim, suit, or proceeding. If Galapagos elects not to defend or control the defense of the Galapagos Owned Genus Patents in a suit brought in the Territory, or otherwise fails to initiate and maintain the defense of any such claim, suit, or proceeding, then Abbott may conduct and control the defense of any such claim, suit, or proceeding at its own expense; *provided*, *however*, that Abbott shall obtain the written consent of Galapagos prior to settling or compromising such defense.

(iii) Subject to Section 7.5.2(ii), when a counterclaim alleging the invalidity and/or unenforceability of a Galapagos Owned Genus Patent is asserted in a Third Party Infringement action, Galapagos, working in a well coordinated litigation team with Abbott, shall have the first right, but not the obligation, to defend and control the defense of the validity and enforceability of the Galapagos Owned Genus Patents at its own expense (except to the extent any such expense constitutes an Allowable Expense) in the Territory; *provided* that Abbott shall retain control of the enforcement claim brought in such claim, suit, or proceeding. If Galapagos elects not to defend or control the defense of the Galapagos Owned Genus Patents in a suit brought in the Territory, or otherwise fails to initiate and maintain the defense of any such claim, suit, or proceeding, then Abbott may conduct and control the defense of any such claim, suit, or proceeding at its own expense; provided, however, that Abbott shall obtain the written consent of Galapagos prior to settling or compromising such defense.

7.5.3 Abbott Patents and Joint Patents. Abbott shall have the first right, but not the obligation, to defend and control the defense of the validity and enforceability of the Abbott Patents and the Joint Patents at its own expense (except to the extent such expense constitutes an Allowable Expense) in the Territory. Galapagos may participate in any such

claim, suit, or proceeding in the Territory related to the Joint Patents with counsel of its choice at its own expense; *provided* that Abbott shall retain control of the defense in such claim, suit, or proceeding. If Abbott elects not to defend or control the defense of the Abbott Patents or the Joint Patents in a suit brought in the Territory, or otherwise fails to initiate and maintain the defense of any such claim, suit, or proceeding, then Galapagos may conduct and control the defense of any such claim, suit, or proceeding, at its own expense; *provided*, *however*, that Galapagos shall obtain the written consent of Abbott prior to settling or compromising such defense.

7.5.4 Cooperation. Each Party shall assist and cooperate with the other Party as such other Party may reasonably request from time to time in connection with its activities set forth in this Section 7.5, including by being joined as a party plaintiff in such action or proceeding, providing access to relevant documents and other evidence, and making its employees available at reasonable business hours. In connection with any such defense or claim or counterclaim, the controlling Party shall consider in good faith any comments from the other Party and shall keep the other Party reasonably informed of any steps taken, and shall provide copies of all documents filed, in connection with such defense, claim, or counterclaim. In connection with the activities set forth in this Section 7.5, each Party shall consult with the other as to the strategy for the defense of the Galapagos Patents, Abbott Patents, and Joint Patents.

7.5.5 Costs and Expenses. Abbott shall be entitled to offset the reasonable attorney's fees and court costs of defending such claim, suit, or proceeding under this Section 7.5 that are borne by Abbott and not included as an Allowable Expense in a given Calendar Quarter (solely to the extent reasonably allocable to Galapagos Patents and Joint Patents) against any sales-based milestones due to Galapagos pursuant to Section 6.4.1, up to a maximum amount of […***…] percent ([…***…]%) of the amounts owed with respect to each Calendar Quarter.

7.6 Third Party Licenses. If in the reasonable opinion of Abbott, the Development, Manufacture, or Commercialization of any Licensed Compound or Licensed Product by Abbott, any of its Affiliates, or any of its or their Sublicensees misappropriates trade secrets, or infringes any Patent or other intellectual property right of a Third Party in any country or other jurisdiction in the Territory, such that Abbott, any of its Affiliates or any of its or their Sublicensees cannot Develop, Manufacture, or Commercialize such Licensed Compound or Licensed Product in such country or other jurisdiction without using said trade secrets or infringing such Patent or other intellectual property right of such Third Party, then Abbott shall have the sole right, but not the obligation, to negotiate and obtain a license from such Third Party as necessary for Abbott and its Affiliates, and its and their Sublicensees to Develop, Manufacture, and Commercialize Licensed Compound and Licensed Products in such country or other jurisdiction.

7.7 Product Trademarks.

7.7.1 Ownership and Prosecution of Product Trademarks. Abbott shall own all right, title, and interest to the Product Trademarks in the Territory, and shall be responsible for the registration, prosecution, and maintenance thereof. All costs and expenses of registering, prosecuting, and maintaining the Product Trademarks shall be borne solely by Abbott (except to the extent such costs and expenses constitute an Allowable

Expense). Galapagos shall provide all assistance and documents reasonably requested by Abbott in support of its prosecution, registration, and maintenance of the Product Trademarks.

7.7.2 Enforcement of Product Trademarks. Abbott shall have the sole right and responsibility for taking such action as Abbott deems necessary against a Third Party based on any alleged, threatened, or actual infringement, dilution, misappropriation, or other violation of, or unfair trade practices or any other like offense relating to, the Product Trademarks by a Third Party in the Territory. Abbott shall bear the costs and expenses relating to any enforcement action commenced pursuant to this Section 7.7.2 and any settlements and judgments with respect thereto (except to the extent such costs and expenses constitute an Allowable Expense), and shall retain any damages or other amounts collected in connection therewith.

7.7.3 Third Party Claims. Abbott shall have the sole right and responsibility for defending against any alleged, threatened, or actual claim by a Third Party that the use or registration of the Product Trademarks in the Territory infringes, dilutes, misappropriates, or otherwise violates any Trademark or other right of that Third Party or constitutes unfair trade practices or any other like offense, or any other claims as may be brought by a Third Party against a Party in connection with the use of the Product Trademarks with respect to a Licensed Product in the Territory. Abbott shall bear the costs and expenses relating to any defense commenced pursuant to this Section 7.7.3 and any settlements and judgments with respect thereto (except to the extent such amounts constitute an Allowable Expense), and shall retain any damages or other amounts collected in connection therewith.

7.7.4 Notice and Cooperation. Each Party shall provide to the other Party prompt written notice of any actual or threatened infringement of the Product Trademarks in the Territory and of any actual or threatened claim that the use of the Product Trademarks in the Territory violates the rights of any Third Party. Each Party agrees to cooperate fully with the other Party with respect to any enforcement action or defense commenced pursuant to this Section 7.7.

7.8 Inventor's Remuneration. Each Party shall be solely responsible for any remuneration that may be due such Party's inventors under any applicable inventor remuneration laws.

ARTICLE 8
PHARMACOVIGILANCE AND SAFETY

8.1 Pharmacovigilance. Within […***…] ([…***…]) days after Abbott proceeds with the In-Licensing, the Parties shall enter into an agreement to initiate a process for the exchange of safety data (including post-marketing spontaneous reports received by each Party and its Affiliates) in a mutually agreed format in order to monitor the safety of the Licensed Compounds or Licensed Products and to meet reporting requirements with any applicable Regulatory Authority.

8.2 Global Safety Database. Within […***…] ([…***…]) days after completion of the Initial Development Activities, Abbott shall set up, hold, and maintain (at Abbott's sole

cost and expense, but subject to the last sentence of this subsection) the global safety database for Licensed Compounds or Licensed Products. Galapagos shall provide Abbott with all information necessary or desirable for Abbott to comply with its pharmacovigilance responsibilities in the Territory, including, as applicable, any adverse drug experiences, from pre-clinical or clinical laboratory, animal toxicology and pharmacology studies, Clinical Studies, and commercial experiences with a Licensed Compound or Licensed Product, in each case in the form reasonably requested by Abbott. Abbott's and its Affiliates' and Sublicensees' costs incurred in connection with receiving, recording, reviewing, communicating, reporting, and responding to adverse events in the Co-Promotion Territory shall be included in Allowable Expenses calculated on an FTE Cost and direct out-of-pocket basis.

ARTICLE 9
CONFIDENTIALITY AND NON-DISCLOSURE

9.1 Product Information. Galapagos recognizes that by reason of, *inter alia*, Abbott's status as an exclusive licensee pursuant to the grants under Section 5.2, Abbott has an interest in Galapagos' retention in confidence of certain information of Galapagos. Accordingly, during the Term, Galapagos shall, and shall cause its Affiliates and its and their respective officers, directors, employees, and agents to, keep completely confidential, and not publish or otherwise disclose, and not use directly or indirectly for any purpose other than to fulfill Galapagos' obligations hereunder any Information owned or otherwise Controlled by Galapagos or any of its Affiliates specifically relating to any Licensed Compound or Licensed Product, or the Exploitation of any of the foregoing (the "**Product Information**"); except to the extent (x) the Product Information is in the public domain through no fault of Galapagos, its Affiliates or any of its or their respective officers, directors, employees, or agents; (y) such disclosure or use is expressly permitted under Section 9.3, or (z) such disclosure or use is otherwise expressly permitted by the terms of this Agreement. For purposes of Section 9.3, Abbott shall be deemed to be the disclosing Party with respect to Product Information under Section 9.3 and Galapagos shall be deemed to be the receiving Party with respect thereto. For further clarification, (i) without limiting this Section 9.1, to the extent Product Information is disclosed by Galapagos to Abbott pursuant to this Agreement, such information shall, subject to the other terms and conditions of this Article 9, also constitute Confidential Information of Galapagos with respect to the use and disclosure of such Information by Galapagos (and Galapagos shall be deemed to be the disclosing Party with respect to Product Information under Section 9.3 and Abbott shall be deemed to be the receiving Party with respect thereto), but (ii) the disclosure by Galapagos to Abbott of Product Information shall not cause such information to cease to be subject to the provisions of this Section 9.1 with respect to the use and disclosure of such Confidential Information by Galapagos. If this Agreement is terminated in its entirety or with respect to the Terminated Territory, this Section 9.1 shall have no continuing force or effect with respect to the use or disclosure of such information solely in connection with the Exploitation of the Licensed Compound or Licensed Product for the benefit of the Terminated Territory, but the Product Information, to the extent disclosed by Abbott to Galapagos hereunder, shall continue to be Confidential Information of Abbott, subject to the terms of Sections 9.2, 9.3, and 9.7 for purposes of the surviving provisions of this Agreement.

9.2 Confidentiality Obligations. At all times during the Term and for a period of […***…] ([…***…]) years following termination or expiration hereof in its entirety, each

Party shall, and shall cause its Affiliates, or any of its or their respective officers, directors, employees and agents to, keep confidential and not publish or otherwise disclose to a Third Party and not use, directly or indirectly, for any purpose, any Confidential Information furnished or otherwise made known to it, directly or indirectly, by the other Party, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement or is reasonably necessary or useful for the performance of, or the exercise of such Party's rights under, this Agreement. Notwithstanding the foregoing, to the extent the receiving Party can demonstrate by documentation or other competent proof, the confidentiality and non-use obligations under this Section 9.2 with respect to any Confidential Information shall not include any information that:

9.2.1 has been published by a Third Party or otherwise is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no wrongful act, fault or negligence on the part of the receiving Party;

9.2.2 have been in the receiving Party's possession prior to disclosure by the disclosing Party without any obligation of confidentiality with respect to such information;

9.2.3 is subsequently received by the receiving Party from a Third Party without restriction and without breach of any agreement between such Third Party and the disclosing Party;

9.2.4 is generally made available to Third Parties by the Disclosing Party without restriction on disclosure; or

9.2.5 have been independently developed by or for the receiving Party without reference to, or use or disclosure of, the disclosing Party's Confidential Information.

9.3 Permitted Disclosures. Receiving Party may disclose disclosing Party's Confidential Information to the extent that such disclosure is:

9.3.1 in the reasonable opinion of the receiving Party's legal counsel, required to be disclosed pursuant to law, regulation or a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial and local governmental body of competent jurisdiction, (including by reason of filing with securities regulators, but subject to Section 9.5)); *provided, however,* that the receiving Party shall first have given prompt written notice (and to the extent possible, at least […***…] ([…***…]) Business Days notice) to the disclosing Party and given the disclosing Party a reasonable opportunity to take whatever action it deems necessary to protect its Confidential Information (for example, quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or governmental body or, if disclosed, be used only for the purposes for which the order was issued). If no protective order or other remedy is obtained, or the disclosing Party waives compliance with the terms of this Agreement, receiving Party shall furnish only that portion of Confidential Information which receiving Party is advised by counsel is legally required to be disclosed;

9.3.2 made by or on behalf of the receiving Party to the Regulatory Authorities as required in connection with any filing, application or request for Regulatory Approval in accordance with the terms of this Agreement; *provided*, *however*, that reasonable measures shall be taken to assure confidential treatment of such information to the extent practicable and consistent with Applicable Law;

9.3.3 made by or on behalf of the receiving Party to a patent authority as may be reasonably necessary or useful for purposes of obtaining, defending or enforcing a Patent in accordance with the terms of this Agreement; *provided, however,* that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

9.3.4 made to its or its Affiliates' financial and legal advisors who have a need to know such disclosing Party's Confidential Information and are either under professional codes of conduct giving rise to expectations of confidentiality and non-use or under written agreements of confidentiality and non-use, in each case, at least as restrictive as those set forth in this Agreement; provided that the receiving Party shall remain responsible for any failure by such financial and legal advisors, to treat such Confidential Information as required under this Article;

9.3.5 made by Abbott or its Affiliates or Sublicensees to its or their advisors, consultants, clinicians, vendors, service providers, contractors, existing or prospective collaboration partners, licensees, sublicensees, or other Third Parties as may be necessary or useful in connection with the Exploitation of the Licensed Compound, the Licensed Products, or otherwise in connection with the performance of its obligations or exercise of its rights as contemplated by this Agreement; *provided, however,* that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this Article 9 (with a duration of confidentiality and non-use obligations as appropriate that is no less than […***…] ([…***…]) years from the date of disclosure for advisors, consultants, clinicians, vendors, service providers, contractors); or

9.3.6 made by Galapagos or its Affiliates to its or their advisors, consultants, clinicians, vendors, service providers, contractors, and the like to the extent necessary in assisting with Galapagos' activities contemplated by this Agreement; *provided, however,* that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information of Abbott substantially similar to the obligations of confidentiality and non-use of Galapagos pursuant to this Article 9 (with a duration of confidentiality and non-use obligations as appropriate that is no less than […***…] ([…***…]) years from the date of disclosure).

9.3.7 Section 9.3.5 shall apply *mutatis mutandis* to Galapagos with respect to Confidential Information of Abbott solely to the extent applicable to a Licensed Product being developed and commercialized by Galapagos pursuant to the licenses set forth in Sections 12.6.1(iii) and 12.7.2, if and as applicable.

9.4 Use of Name. Except as expressly provided herein, neither Party shall mention or otherwise use the name, logo, or Trademark of the other Party or any of its Affiliates (or any abbreviation or adaptation thereof) in any publication, press release, marketing and promotional material, or other form of publicity without the prior written approval of such other Party in each instance. The restrictions imposed by this Section 9.4 shall not prohibit either Party from making any disclosure identifying the other Party that, in the opinion of the disclosing Party's

counsel, is required by Applicable Law; provided such Party shall submit the proposed disclosure, as well as the specific Applicable Law for which disclosure is required, identifying the other Party in writing to the other Party as far in advance as reasonably practicable (and in no event less than […***…] ([…***…]) Business Days prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon.

9.5 Public Announcements. The Parties have agreed upon the content of a joint press release which shall be issued substantially in the form attached hereto as Schedule 9.5, the release of which the Parties shall coordinate in order to accomplish such release promptly upon execution of this Agreement. Neither Party shall issue any other public announcement, press release, or other public disclosure regarding this Agreement or its subject matter without the other Party's prior written consent, except for any such disclosure that is, in the opinion of the disclosing Party's counsel, required by Applicable Law or the rules of a stock exchange on which the securities of the disclosing Party are listed. If a Party is, in the opinion of its counsel, required by Applicable Law or the rules of a stock exchange on which its securities are listed to make such a public disclosure, such Party shall submit the proposed disclosure, as well as the specific Applicable Law or rule of a stock exchange for which disclosure is required, in writing to the other Party as far in advance as reasonably practicable (and in no event less than […***…] ([…***…]) Business Days prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon.

9.6 Notwithstanding the foregoing, Abbott, its Sublicensees and its and their respective Affiliates shall have the right to publicly announce, make a press release, or make other public disclosures of the research, development and commercial information (including with respect to regulatory matters) regarding the Licensed Compound and Licensed Products; *provided* (i) such disclosure is subject to the provisions of Sections 9.1 through 9.3 with respect to Galapagos' Confidential Information, (ii) Abbott shall not use the name of Galapagos (or insignia, or any contraction, abbreviation or adaptation thereof) without Galapagos' prior written permission, (iii) Abbott's rights under this paragraph shall commence upon Abbott proceeding with the In-Licensing.

9.7 Publications. Each Party recognizes that the publication of papers regarding results of, and other information regarding, activities under this Agreement, including oral presentations and abstracts, may be beneficial to both Parties, *provided* such publications are subject to reasonable controls to protect Confidential Information. In particular, it is the intent of the Parties to maintain the confidentiality of any Confidential Information included in any invention disclosures or draft Patent application until such Patent application has been filed. Accordingly, each Party shall have the right to review and approve any paper proposed for publication by the other Party, including any oral presentation or abstract, that contains Clinical Data or pertains to results of Clinical Studies, or other studies with respect to the Licensed Compounds or Licensed Products or that includes Confidential Information of the other Party. Before any such paper is submitted for publication or an oral presentation is made, the publishing or presenting Party shall deliver a then-current copy of the paper or materials for oral presentation to the other Party at least […***…] ([…***…]) days prior to submitting the paper to a publisher or making the presentation. The other Party shall review any such paper and give its comments to the publishing Party within […***…] ([…***…]) days of the delivery of such paper to the other Party. If approval is not given or deemed given, either Party may refer the matter to the JDC for resolution together with the reasons for withholding approval.

Notwithstanding the foregoing, the publishing or presenting Party shall comply with the other Party's request to delete references to such other Party's Confidential Information in any such paper and will withhold publication of any such paper or any presentation of same for an additional […***…] ([…***…]) days in order to permit the Parties to obtain Patent protection if either Party deems it necessary. Any publication shall include recognition of the contributions of the other Party according to standard practice for assigning scientific credit, either through authorship or acknowledgement, as may be appropriate. Each Party shall use Commercially Reasonable Efforts to cause investigators and institutions participating in Clinical Studies with which it contracts, to agree to terms substantially similar to those set forth in this Section, which efforts shall satisfy such Party's obligations under this Section with respect to such investigators and institutions.

9.7.1 Notwithstanding the foregoing, upon Abbott proceeding with the In-Licensing:

(i) The first paragraph shall no longer be effective;

(ii) Galapagos shall not publish, present, or otherwise disclose, and shall cause its Affiliates and Third Party Providers and its and their employees and agents not to disclose any material specifically related to the Exploitation of the applicable Licensed Compound or Licensed Product in the applicable indication without the prior written consent of Abbott; and

(iii) Abbott, its Sublicensees and its and their respective Affiliates shall have the right to publish, present, or otherwise disclose, any material related to the Exploitation of the applicable Licensed Compound or Licensed Product in the applicable indication; *provided* (i) such disclosure is subject to the provisions of Sections 9.1 through 9.3 with respect to Galapagos' Confidential Information, and (ii) Abbott shall not use the name of Galapagos (or insignia, or any contraction, abbreviation or adaptation thereof) without Galapagos' prior written permission.

9.8 Return of Confidential Information. Upon the effective date of the termination of this Agreement for any reason, either Party may request in writing, and the other Party shall either, with respect to Confidential Information (in the event of termination of this Agreement with respect to one or more Terminated Territories but not in its entirety, solely to the extent relating specifically and exclusively to such Terminated Territories) to which such first Party does not retain rights under the surviving provisions of this Agreement: (i) as soon as reasonably practicable, destroy all copies of such Confidential Information in the possession of the other Party and confirm such destruction in writing to the requesting Party; or (ii) as soon as reasonably practicable, deliver to the requesting Party, at the other Party's expense, all copies of such Confidential Information in the possession of the other Party; *provided, however,* the other Party shall be permitted to retain one (1) copy of such Confidential Information for the sole purpose of performing any continuing obligations hereunder, as required by Applicable Law, or for archival purposes. Notwithstanding the foregoing, such other Party also shall be permitted to retain such additional copies of or any computer records or files containing such Confidential Information that have been created solely by such Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such other Party's standard archiving and back-up procedures, but not for any other use or purpose.

9.9 Survival. All Confidential Information shall continue to be subject to the terms of this Agreement for the period set forth in Section 9.2.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.1 Mutual Representations and Warranties. Galapagos and Abbott represent and warrant to each other, as of the Effective Date, as follows:

10.1.1 Organization. It is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver, and perform this Agreement.

10.1.2 Authorization. The execution and delivery of this Agreement and the performance by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and do not violate (i) such Party's charter documents, bylaws, or other organizational documents, (ii) in any material respect, any agreement, instrument, or contractual obligation to which such Party is bound, (iii) any requirement of any Applicable Law, or (iv) any order, writ, judgment, injunction, decree, determination, or award of any court or governmental agency presently in effect applicable to such Party.

10.1.3 Binding Agreement. This Agreement is a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms and conditions, subject to the effects of bankruptcy, insolvency, or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance, and general principles of equity (whether enforceability is considered a proceeding at law or equity).

10.1.4 No Inconsistent Obligation. It is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement, or that would impede the diligent and complete fulfillment of its obligations hereunder.

10.2 Additional Representations and Warranties of Galapagos. Galapagos further represents and warrants to Abbott, as of the Effective Date, as follows:

10.2.1 All Galapagos Patents existing as of the Effective Date are listed on Schedule 10.2.1 (the "**Existing Patents**"). All Existing Patents existing as of the Effective Date are subsisting and are not invalid or unenforceable, in whole or in part, are being diligently prosecuted in the respective patent offices in the Territory in accordance with Applicable Law, and have been filed and maintained properly and correctly and all applicable fees have been paid on or before the due date for payment. The Existing Patents represent all Patents within Galapagos' or its Affiliates' ownership or Control including claims covering the making, using, and composition of matter of the Licensed Compounds or the Licensed Products, or the Exploitation thereof, as of the Effective Date.

10.2.2 To the best of Galapagos' Knowledge, there are no claims, judgments, or settlements against, or amounts with respect thereto, owed by Galapagos or any of its Affiliates relating to the Existing Regulatory Documentation, the Existing Patents, or the Galapagos Know-How. No claim or litigation has been brought or threatened by any

Person alleging, and Galapagos has no Knowledge of any claim, whether or not asserted, that (i) the Existing Patents or the Galapagos Know-How are invalid or unenforceable, or (ii) the Existing Regulatory Documentation, the Existing Patents, or the Galapagos Know-How, or the disclosing, copying, making, assigning, or licensing of the Existing Regulatory Documentation, the Existing Patents, or the Galapagos Know-How, or the Development, Manufacture, Commercialization or other Exploitation of the Licensed Compounds or Licensed Products as contemplated herein, does or will violate, infringe, misappropriate or otherwise conflict or interfere with, any Patent or other intellectual property or proprietary right of any Third Party. To Galapagos' Knowledge, no Person is infringing or threatening to infringe or misappropriating or threatening to misappropriate the Existing Patents, the Galapagos Know-How, or the Regulatory Documentation.

10.2.3 Galapagos is (i) the sole and exclusive owner of the entire right, title and interest in the Existing Patents listed on Schedule 10.2.1, Part A (the "**Owned Species Patents**"), and subject to […***…], the Existing Patents listed on Schedule 10.2.1, Part B (the "**Owned Genus Patents**")(collectively the "**Owned Patents**") and the Galapagos Know-How and (ii) the sole and exclusive licensee of the Existing Patents listed on Schedule 10.2.1, Part C (the "**Third Party In-Licensed Patents**"), in each case ((i) and (ii)) free of any encumbrance, lien, or claim of ownership by any Third Party (other than the rights of the licensors with respect to each Third Party In-License Agreement, and the rights granted under […***…]). Galapagos is entitled to grant the licenses specified herein. To the extent that any Owned Genus Patent become Controlled in its entirety (for sake of clarity, no longer subject to any Third Party rights under […***…]) by Galapagos then such Owned Genus Patent shall be deemed an Owned Species Patent.

10.2.4 Except for the Lead Compound and the compounds known as […***…], Galapagos does not have any JAK1 that […***…].

10.2.5 Galapagos covenants that, except (i) with respect to obligations to Third Parties existing as of the Effective Date and (ii) with respect to its rights and obligations under this Agreement, Galapagos shall not and shall cause its Affiliates to not directly or indirectly (including by means of licensing or otherwise), itself or through any Third Party, research, develop, commercialize, or manufacture any compound or product that inhibits enzymes in the JAK family (including, but not limited to, JAK1s).

10.2.6 During the Term, neither Galapagos nor any of its Affiliates shall encumber or diminish the rights granted to Abbott, or upon proceeding with the In-Licensing, to be granted to Abbott, hereunder, with respect to the Galapagos Patents, Galapagos Know-How or Joint Patents or Joint Know-How, including by not (i) committing any acts or permitting the occurrence of any omissions that would cause the breach or termination of any Third Party In-License Agreement, or (ii) amending or otherwise modifying or permitting to be amended or modified, any Third Party In-License Agreement. Galapagos shall promptly provide Abbott with notice of any alleged, threatened, or actual breach of any Third Party In-License Agreement. As of the Effective Date, none of Galapagos, its Affiliates or any Third Party is in breach of any Third Party In-License Agreement. Each Third Party In-License Agreement is in full force and effect.

10.2.7 To the best of Galapagos' Knowledge, Galapagos has provided or made available to Abbott, prior to the Effective Date, true, complete, and correct copies of

(i) the file wrapper and other documents and materials relating to the prosecution, defense, maintenance, validity, and enforceability of the Owned Patents and, to the extent in Galapagos' or any of its Affiliates' possession, the Third Party In-Licensed Patents and Third Party In-License Agreements; (ii) all Existing Regulatory Documentation; and (iii) all material adverse information with respect to the safety and efficacy of the Licensed Compound known to Galapagos, and (iv) […***…] in each case ((i) through (iv)) to the extent requested by Abbott.

10.2.8 To the best of Galapagos' Knowledge, Galapagos and its Affiliates have generated, prepared, maintained, and retained all Regulatory Documentation that is required to be maintained or retained pursuant to and in accordance with good laboratory and clinical practice and Applicable Law, and all such information is true, complete and correct and what it purports to be.

10.2.9 To the best of Galapagos' Knowledge, Galapagos and its Affiliates have presented, or will present prior to the pertinent patent office deadlines, all relevant references, documents, or information of which it and the inventors are aware to the relevant patent examiner at the pertinent patent office, in connection with the prosecution of the pending patent applications included in the Existing Patents.

10.2.10 To the best of Galapagos' Knowledge, each of the Existing Patents properly identifies each and every inventor of the claims thereof as determined in accordance with the laws of the jurisdiction in which such Existing Patent is issued or such application is pending.

10.2.11 Each Person who, to the best of Galapagos' Knowledge, has or has had any rights in or to any Owned Patents or any Galapagos Know-How, has assigned and has executed an agreement assigning its entire right, title, and interest in and to such Existing Patents and Galapagos Know-How to Galapagos. To the best of Galapagos' Knowledge, no current officer, employee, agent, or consultant of Galapagos or any of its Affiliates is in violation of any term of any assignment or other agreement regarding the protection of Patents or other intellectual property or proprietary information of Galapagos or such Affiliate or of any employment contract relating to the relationship of any such Person with Galapagos. To the best of Galapagos' Knowledge, each Person who has or has had any rights in or to any Third Party In-Licensed Patents or any know-how sublicensed hereunder, has assigned and has executed an agreement assigning its entire right, title, and interest in and to such patents and know-how to the licensor of the Third Party In-Licensed Agreement.

10.2.12 To the best of Galapagos' Knowledge, all works of authorship and all other materials subject to copyright protection included in Galapagos Know-How are original and were either created by employees of Galapagos or its Affiliates within the scope of their employment or are otherwise works made for hire, or all right, title, and interest in and to such materials have been legally and fully assigned and transferred to Galapagos or such Affiliate, and all rights in all inventions and discoveries, made, developed, or conceived by any employee or independent contractor of Galapagos or any of its Affiliates during the course of their employment (or other retention) by Galapagos or such Affiliate, and relating to or included in Galapagos Know-How or that are the subject of one or more Existing Patents have been or will be assigned in writing to Galapagos or such Affiliate.

10.2.13 Galapagos has obtained the right (including under any Patents and other intellectual property rights) to use all Information and all other materials (including any formulations and manufacturing processes and procedures) developed or delivered by any Third Party under any agreements between Galapagos and any such Third Party with respect to the Licensed Compound, and Galapagos has the rights under each such agreement to transfer such Information or other materials to Abbott and its designees and to grant Abbott the right to use such know-how or other materials in the Development or Commercialization of the Licensed Compounds or the Licensed Products without restriction.

10.2.14 The Galapagos Know-How has been kept confidential or has been disclosed to Third Parties only under terms of confidentiality. To the best of Galapagos' Knowledge, and its Affiliates, no breach of such confidentiality has been committed by any Third Party.

10.2.15 To the best of Galapagos' Knowledge, and to the extent requested by Abbott, Galapagos has made (and will make) available to Abbott all Regulatory Documentation, Galapagos Know-How and other Information in its possession or Control specifically related to the Licensed Compounds and the Licensed Products and all such Regulatory Documentation, Galapagos Know-How and other Information are (and, if made available after the Effective Date, will be) true, complete, and correct.

10.2.16 To the best of Galapagos' Knowledge, neither Galapagos nor any of its Affiliates, nor any of its or their respective officers, employees, or agents has made an untrue statement of material fact or fraudulent statement to the FDA or any other Regulatory Authority with respect to the Development of the Licensed Compounds or the Licensed Products, failed to disclose a material fact required to be disclosed to the FDA or any other Regulatory Authority with respect to the Development of the Licensed Compounds or the Licensed Products, or committed an act, made a statement, or failed to make a statement with respect to the Development of the Licensed Compounds or the Licensed Products that could reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities", set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereto or any analogous laws or policies in the Territory.

10.2.17 To the best of Galapagos' Knowledge, Galapagos and its Affiliates have conducted, and their respective contractors and consultants have conducted, all Development of the Licensed Compounds or the Licensed Products that they have conducted prior to the Effective Date in accordance with good laboratory and clinical practice and Applicable Law. To the best of Galapagos' Knowledge, Galapagos has conducted, and has caused its contractors and consultants to conduct, any and all pre-clinical and clinical studies related to the Licensed Compounds and Licensed Products in accordance with good laboratory and clinical practice and Applicable Law. To the best of Galapagos' Knowledge, Galapagos and its Affiliates have employed (and, with respect to such tests and studies that Galapagos will perform, will employ) Persons with appropriate education, knowledge and experience to conduct and to oversee the conduct of the pre-clinical and clinical studies with respect to the Licensed Compounds and Licensed Products.

10.2.18 Except with respect to the Third Party In-Licensed Agreement, to the best of Galapagos' Knowledge, there are no amounts that will be required

to be paid to a Third Party as a result of the Development or Commercialization of the Licensed Compounds or Licensed Products that arise out of any agreement to which Galapagos or any of its Affiliates is a party.

10.2.19 Neither Galapagos nor any of its Affiliates has any Knowledge of any scientific or technical facts or circumstances that have not been disclosed to Abbott, and that would adversely affect the scientific, therapeutic, or commercial potential of the Licensed Compounds or Licensed Products. Neither Galapagos nor any of its Affiliates has any Knowledge of anything that has not been disclosed to Abbott, and that could adversely affect the acceptance, or the subsequent approval, by any Regulatory Authority of any filing, application or request for Regulatory Approval.

10.2.20 Neither Galapagos nor any of its employees or agents performing hereunder, have ever been, are currently, or are the subject of a proceeding that could lead to it or such employees or agents becoming, as applicable, a Debarred Entity or Debarred Individual, an Excluded Entity or Excluded Individual or a Convicted Entity or Convicted Individual.

(i) If, during the Term, Galapagos, or any of its employees or agents performing hereunder, become or are the subject of a proceeding that could lead to a person becoming, as applicable, a Debarred Entity or Debarred Individual, an Excluded Entity or Excluded Individual or a Convicted Entity or Convicted Individual, Galapagos shall immediately notify Abbott, and Abbott shall have the option, at its sole discretion, to either: (x) prohibit such person from performing work under this Agreement or (y) terminate all work being performed and/or to be performed by Galapagos pursuant to this Agreement. This provision shall survive termination or expiration of this Agreement. For purposes of this Agreement, the following definitions shall apply:

(ii) A “Debarred Individual” is an individual who has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from providing services in any capacity to a person that has an approved or pending drug or biological product application.

(iii) A “Debarred Entity” is a corporation, partnership or association that has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from submitting or assisting in the submission of any abbreviated drug application, or a subsidiary or affiliate of a Debarred Entity.

(iv) An “Excluded Individual” or “Excluded Entity” is (i) an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to participate in federal health care programs such as Medicare or Medicaid by the Office of the Inspector General (OIG/HHS) of the U.S. Department of Health and Human Services, or (ii) is an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to participate in federal procurement and non-procurement programs, including those produced by the U.S. General Services Administration (GSA).

(v) A “Convicted Individual” or “Convicted Entity” is an individual or entity, as applicable, who has been convicted of a criminal offense that falls within the ambit of 21 U.S.C. §335a (a) or 42 U.S.C. §1320a - 7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible.

10.2.21 Galapagos has obtained from its Affiliates, sublicensees, employees and agents, and from the employees and agents of its Affiliates, sublicensees and agents, who are or are otherwise participating in the Exploitation of the Licensed Compounds or Licensed Products or who otherwise have access to any Abbott Information or other Confidential Information of Abbott, and shall obtain from such Persons during the Term, the licenses and other rights necessary for Galapagos to grant to Abbott the rights and licenses provided herein and for Abbott to perform its obligations hereunder, without payments beyond those required by Article 6.

10.2.22 The inventions claimed in the Existing Patents (i) were not conceived or made in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof, (ii) are not a "subject invention" as that term is described in 35 U.S.C. Section 201(f), and (iii) are not otherwise subject to the provisions of the Bayh-Dole Act.

10.2.23 With respect to supplies of Licensed Compound, Licensed Product and placebos Manufactured and supplied by or on behalf of a Party for use prior to or in the course of the Initial Development Activities and/or other Development activities, all such Licensed Compound, Licensed Product and placebos: (i) shall have been in conformity with the applicable specifications for such Licensed Compound, Licensed Product and placebos; (ii) shall have been Manufactured in conformance with GMP, all other Applicable Law, this Agreement, and any applicable quality agreement; (iii) shall have been Manufactured in facilities that are in compliance with Applicable Law at the time of such Manufacture (including applicable inspection requirements of FDA and other Regulatory Authorities); (iv) shall not be adulterated or misbranded under the FFDCA, and similar provisions of the laws of other countries as to which Regulatory Approvals have been granted; and (v) may be introduced into interstate commerce pursuant to the FFDCA, and similar provisions of the laws of other countries as to which Regulatory Approvals have been granted.

10.2.24 To the best of Galapagos' Knowledge, the representations and warranties of Galapagos in this Agreement, and the Information and materials furnished to Abbott in connection with its period of diligence prior to the Effective Date, do not, taken as a whole, (i) contain any untrue statement of a material fact, or (ii) omit to state any material fact necessary to make the statements or facts contained therein, in light of the circumstances under which they were made, not misleading.

10.3 DISCLAIMER OF WARRANTIES. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 11
INDEMNITY

11.1 Indemnification of Galapagos. Abbott shall indemnify Galapagos, its Affiliates and their respective directors, officers, employees, and agents (the "**Galapagos Indemnitees**") and shall defend and save each of them harmless, from and against any and all losses, damages, liabilities, penalties, costs, and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") in connection with any and all suits, investigations, claims, or demands of Third Parties (collectively, "**Third Party Claims**") incurred by or rendered against the Galapagos Indemnitees arising from or occurring as a result of:

(i) the breach by Abbott of any material obligation of this Agreement;

(ii) the negligence, reckless conduct or willful misconduct on the part of Abbott or its Affiliates or their respective directors, officers, employees, and agents in performing its or their material obligations under this Agreement;

(iii) the Development, Commercialization, Manufacture, or other Exploitation of the Licensed Products or the Licensed Compounds or use of any Product Trademark anywhere in the world in each case: after Abbott proceeds with the In-Licensing and during the Term thereafter, except for such Development, Commercialization, Manufacture, or other Exploitation conducted by, on behalf of, or for Galapagos or its Affiliates or sublicensees as permitted hereunder;

(iv) the co-promotion by Abbott or any of its Affiliates of a Co-Promotion Product in the Co-Promotion Territory; and

(v) the infringement of the Patent or other intellectual property or other proprietary rights of any Third Party from Abbott's or any of its Affiliates' Development, Commercialization, Manufacture, or other Exploitation of the Licensed Compounds or Licensed Products in each case: (x) after Abbott proceeds with the In-Licensing and during the Term thereafter except for such Development, Commercialization, Manufacture, or other Exploitation conducted by, on behalf of, or for Galapagos or its Affiliates or sublicensees as permitted hereunder or (y) in or for the benefit of the Terminated Territory;

except in the case of clauses (i) through (v), for those Losses for which Galapagos, in whole or in part, has an obligation to indemnify Abbott pursuant to Section 11.2 hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for such Losses.

11.2 Indemnification of Abbott. Galapagos shall indemnify Abbott, its Affiliates and their respective directors, officers, employees, and agents (the "**Abbott Indemnitees**"), and defend and save each of them harmless, from and against any and all Losses in connection with any and all Third Party Claims incurred by or rendered against the Abbott Indemnitees arising from or occurring as a result of:

(i) the breach by Galapagos of any material obligation of this Agreement;

(ii) the negligence, reckless conduct or willful misconduct on the part of Galapagos or its Affiliates or their respective directors, officers, employees, and agents in performing its material obligations under this Agreement;

(iii) the use of Galapagos Corporate Names in connection with the Commercialization of the Licensed Compounds or Licensed Products in the Territory as permitted under this Agreement;

(iv) the Development, Commercialization, Manufacture, or other Exploitation of the Licensed Products or the Licensed Compounds or use of any Product Trademark anywhere in the world in each case: (x) prior to the Effective Date, (y) after the Term except for such Development, Commercialization, Manufacture, or other Exploitation conducted by, on behalf of, or for Abbott or its Affiliates or Sublicensees as permitted hereunder and (z) in or for the benefit of the Terminated Territory;

(v) the co-promotion by Galapagos or any of its Affiliates of a Co-Promotion Product in the Co-Promotion Territory; and

(vi) the infringement of the Patent or other intellectual property or other proprietary rights of any Third Party from Galapagos' or any of its Affiliates' Development, Commercialization, Manufacture, or other Exploitation of the Licensed Compounds or Licensed Products in each case: (x) prior to the Effective Date, (y) after the Term except for such Development, Commercialization, Manufacture, or other Exploitation conducted by, on behalf of, or for Abbott or its Affiliates or Sublicensees as permitted hereunder or (z) in or for the benefit of the Terminated Territory;

except, in the case of clauses (i) through (vi) above for those Losses for which Abbott, in whole or in part, has an obligation to indemnify Galapagos pursuant to Section 11.1 hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for the Losses.

11.3 Certain Losses. Any Losses, other than those Losses covered in Article 7 or for which indemnification is provided in Section 11.1 or Section 11.2, in connection with any Third Party Claim brought against either Party resulting directly or indirectly from the Commercialization of any Co-Promotion Product, or the Manufacture of any Co-Promotion Product for use in Commercialization activities, shall be included as an Allowable Expense. If either Party learns of any Third Party Claim with respect to Losses covered by this Section 11.3, such Party shall provide the other Party with prompt written notice thereof. The Parties shall confer with respect to how to respond to such Third Party Claim and how to handle such Third Party Claim in an efficient manner. In the absence of such an agreement, Abbott shall have the right to take such action as it deems appropriate.

11.4 Notice of Claim. All indemnification claims in respect of a Party, its Affiliates, or their respective directors, officers, employees and agents shall be made solely by such Party to this Agreement (the "**Indemnified Party**"). The Indemnified Party shall give the indemnifying Party prompt written notice (an "**Indemnification Claim Notice**") of any Losses or discovery of fact upon which such Indemnified Party intends to base a request for indemnification under this Article 11, but in no event shall the indemnifying Party be liable for any Losses that result from any delay in providing such notice. Each Indemnification Claim Notice must contain a description of the claim and the nature and amount of such Loss (to the extent that the nature and

amount of such Loss is known at such time). The Indemnified Party shall furnish promptly to the indemnifying Party copies of all papers and official documents received in respect of any Losses and Third Party Claims.

11.5 Control of Defense.

11.5.1 In General. At its option, the indemnifying Party may assume the defense of any Third Party Claim by giving written notice to the Indemnified Party within […***…] ([…***…]) days after the indemnifying Party's receipt of an Indemnification Claim Notice. The assumption of the defense of a Third Party Claim by the indemnifying Party shall not be construed as an acknowledgment that the indemnifying Party is liable to indemnify the Indemnified Party in respect of the Third Party Claim, nor shall it constitute a waiver by the indemnifying Party of any defenses it may assert against the Indemnified Party's claim for indemnification. Upon assuming the defense of a Third Party Claim, the indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the indemnifying Party which shall be reasonably acceptable to the Indemnified Party. If the indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall immediately deliver to the indemnifying Party all original notices and documents (including court papers) received by the Indemnified Party in connection with the Third Party Claim. Should the indemnifying Party assume the defense of a Third Party Claim, except as provided in Section 11.5.2, the indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by such Indemnified Party in connection with the analysis, defense or settlement of the Third Party Claim unless specifically requested in writing by the indemnifying Party. If it is ultimately determined that the indemnifying Party is not obligated to indemnify, defend or hold harmless the Indemnified Party from and against the Third Party Claim, the Indemnified Party shall reimburse the indemnifying Party for any and all costs and expenses (including attorneys' fees and costs of suit) and any Losses incurred by the indemnifying Party in its defense of the Third Party Claim.

11.5.2 Right to Participate in Defense. Without limiting Section 11.5.1, any Indemnified Party shall be entitled to participate in, but not control, the defense of such Third Party Claim and to employ counsel of its choice for such purpose; *provided*, *however*, that such employment shall be at the Indemnified Party's own expense unless (i) the employment thereof, and the assumption by the indemnifying Party of such expense, has been specifically authorized by the indemnifying Party in writing, (ii) the indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 11.5.1 (in which case the Indemnified Party shall control the defense), or (iii) the interests of the Indemnified Party and the indemnifying Party with respect to such Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of both Parties under Applicable Law, ethical rules or equitable principles.

11.5.3 Settlement.

(i) With respect to any Losses relating solely to the payment of money damages in connection with a Third Party Claim and not resulting in the Indemnified Party's becoming subject to injunctive or other relief, and as to which the indemnifying Party shall have acknowledged in writing the obligation to indemnify the Indemnified Party hereunder, the indemnifying Party shall have the sole right to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Loss, on such terms as the indemnifying Party, in its sole discretion, shall deem appropriate.

(ii) With respect to all other Losses in connection with Third Party Claims, where the indemnifying Party has assumed the defense of the Third Party Claim in accordance with Section 11.5.1, the indemnifying Party shall have authority to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Loss; *provided* it obtains the prior written consent of the Indemnified Party. If the indemnifying Party does not assume and conduct the defense of a Third Party Claim as provided above, the Indemnified Party may defend against such Third Party Claim. Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, no Indemnified Party shall admit any liability with respect to, or settle, compromise or dispose of, any Third Party Claim without the prior written consent of the indemnifying Party. The Indemnifying Party shall not be liable for any settlement, compromise or other disposition of a Loss by an Indemnified Party that is reached without the written consent of the Indemnifying Party.

11.5.4 Cooperation. Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party shall, and shall cause each Indemnified Party to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnified Parties and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

11.5.5 Expenses. Except as provided above, the reasonable and verifiable costs and expenses, including fees and disbursements of counsel, incurred by the Indemnified Party in connection with any Third Party Claim shall be reimbursed on a Calendar Quarter basis in arrears by the indemnifying Party, without prejudice to the indemnifying Party's right to contest the Indemnified Party's right to indemnification and subject to refund if the indemnifying Party is ultimately held not to be obligated to indemnify the Indemnified Party.

11.6 Special, Indirect, and Other Losses. EXCEPT FOR WILLFUL MISCONDUCT, NEITHER PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS OR BUSINESS INTERRUPTION, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE IN CONNECTION WITH OR ARISING IN ANY WAY OUT OF THE TERMS OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE USE OF THE LICENSED COMPOUND OR LICENSED PRODUCT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. Notwithstanding the foregoing, nothing in this Agreement shall limit payments by either Party to an Indemnified Party for Third Party Claims as to which a Party provides indemnification under this Article 11.

11.7 Insurance. Each Party shall obtain and carry in full force and effect the minimum insurance requirements set forth herein. Such insurance (i) shall be primary insurance with respect to each Party's own participation under this Agreement, (ii) shall be issued by a recognized insurer rated by A.M. Best "A-VII" (or its equivalent) or better, or an insurer pre-approved in writing by the other Party, (iii) shall list the other Party as an additional named insured thereunder, and (iv) shall require […***…] ([…***…]) days' written notice to be given to the other Party prior to any cancellation, non-renewal or material change thereof.

11.7.1 Types and Minimum Limits. The types of insurance, and minimum limits shall be:

(i) Worker's Compensation with statutory limits in compliance with the Worker's Compensation laws of the state or states in which the Party has employees in the United States (excluding Puerto Rico).

(ii) Employer's Liability coverage with a minimum limit of […***…] Dollars ($[…***…]) per occurrence *provided* a Party has employees in the United States (excluding Puerto Rico).

(iii) General Liability Insurance with a minimum limit of […***…] Dollars ($[…***…]) annual aggregate during Development of Licensed Product or Licensed Compound. General Liability Insurance shall include, at a minimum, Professional Liability, Clinical Trial Insurance and, beginning at least […***…] ([…***…]) days prior to First Commercial Sale of a Licensed Product, product liability insurance. The Parties shall mutually agree on liability insurance limits for product liability insurance.

11.7.2 Certificates of Insurance. Upon request by a Party, the other Party shall provide Certificates of Insurance evidencing compliance with this Section. The insurance policies shall be under an occurrence form, but if only a claims-made form is available to a Party, then such Party shall continue to maintain such insurance after the expiration or termination of this Agreement for the longer of: (i) a period of […***…] ([…***…]) years following termination or expiration of this Agreement in its entirety or, (ii) with respect to a particular Party, last sale of a Licensed Product (or but for expiration or termination, would be considered a Licensed Product) sold under this Agreement by a Party.

11.7.3 Self-Insurance. Notwithstanding the foregoing, either Party may self-insure in whole or in part the insurance requirements described above, *provided* such Party continues to be investment grade determined by reputable and accepted financial rating agencies.

ARTICLE 12
TERM AND TERMINATION

12.1 Term.

12.1.1 Term. This Agreement shall commence on the Effective Date and, unless earlier terminated in accordance herewith, shall continue in force and effect until

the longer of (i) expiration of the Review Period if Abbott does not proceed with the In-Licensing; or (ii) if Abbott proceeds with the In-Licensing, expiration of the longest Royalty Term applicable to Licensed Products (such period, the "**Term**").

12.1.2 Effect of Expiration of the Term. Following the expiration of the Term pursuant to Section 12.1.1(ii), the grants in Section 5.2 shall become non-exclusive, fully-paid, royalty-free and irrevocable with rights to sublicense as set forth in this Agreement.

12.2 Termination for Material Breach.

12.2.1 Material Breach. If either Party (the "**Non-Breaching Party**") believes that the other Party (the "**Breaching Party**") is in breach of one or more of its material obligations under this Agreement, then the Non-Breaching Party may deliver notice of such breach to the Breaching Party (a "**Default Notice**"). If the Breaching Party does not dispute that it is in breach of one or more of its material obligations under this Agreement, then if the Breaching Party fails to cure such breach, or fails to take steps as would be considered reasonable to effectively cure such breach, within […***…] ([…***…]) days after receipt of the Default Notice, or if such compliance cannot be fully achieved within such […***…] ([…***…]) day period and the Breaching Party has failed to commence compliance or has failed to use diligent efforts to achieve full compliance as soon thereafter as is reasonably possible, the Non-Breaching Party may terminate this Agreement upon written notice to the Breaching Party. If the Breaching Party disputes that it is in breach of one of its material obligations under this Agreement, the dispute shall be resolved pursuant to Section 13.8. If, as a result of the application of such dispute resolution procedures, the Breaching Party is determined to be in breach of one or more of its material obligations under this Agreement (an "**Adverse Ruling**"), then if the Breaching Party fails to complete the actions specified by the Adverse Ruling to cure such breach within […***…] ([…***…]) days after such ruling, or if such compliance cannot be fully achieved within such […***…] ([…***…]) day period and the Breaching Party has failed to commence compliance or has failed to use diligent efforts to achieve full compliance as soon thereafter as is reasonably possible, then the Non-Breaching Party may terminate this Agreement upon written notice to the Breaching Party.

12.2.2 Material Breach Related to Diligence in a Single Country. Notwithstanding Section 12.2.1, if the breach and failure to cure contemplated by Section 12.2.1 is with respect to Abbott's Commercialization diligence obligations under Section 4.3 or Abbott's Development or Regulatory diligence obligations under Section 3.4, with respect to only one of the United States or any Major Market country, Galapagos shall not have the right to terminate this Agreement in its entirety, but shall have the right to terminate this Agreement solely with respect to the country for which breach and failure to cure applies.

12.3 Additional Termination Rights by Abbott.

12.3.1 For Technical Reasons. Abbott may terminate this Agreement (i) on a country or other jurisdiction-by-country or other jurisdiction basis, effective immediately upon written notice to Galapagos if a Compound Failure occurs affecting such country(ies) or jurisdiction(s); or (ii) in its entirety, if following the procedure set forth in Section 5.1, Abbott notifies Galapagos that the Phase 2B RA Success Criteria have not been met and wishes to exercise its termination rights (the termination right in this Section 12.3.1(ii) being the "**Abbott No-Exercise Right**").

12.3.2 For Convenience. Abbott may terminate this Agreement in its entirety, or on a country or other jurisdiction-by-country or other jurisdiction basis, for any or no reason, upon […***…] ([…***…]) days' prior written notice to Galapagos, *provided that* the termination right under this Section 12.3.2 shall not be exercisable during the Review Period.

12.4 Termination for Bankruptcy, Insolvency or Similar Event. If either Party (i) becomes the subject, whether voluntarily or involuntarily, of any bankruptcy, insolvency, receivership or similar proceeding, provided that any involuntary proceeding is not subject to dismissal or appeal within the judicial time periods for such actions; (ii) makes an assignment for the benefit of creditors; (iii) appoints or suffers appointment of a receiver or trustee over substantially all of its property; (iv) proposes a written agreement of composition, arrangement, readjustment or extension of its debts; (v) proposes or is a party to any dissolution or liquidation or otherwise ceases to do business or winds up its affairs; (vi) admits in writing its inability to meet its obligations as they fall due in the general course; or (vii) becomes subject to a warrant of attachment, execution, or distraint or similar process against substantially all of its property, then the other Party may terminate this Agreement, in whole or in part and in its sole discretion, effective immediately upon written notice to such other Party as specified in Section 13.9 of this Agreement. The basis for such termination shall be breach for lack of performance of a material obligation of this Agreement, subject to the Parties retaining rights in accordance with Section 12.5 hereinbelow.

12.5 Rights in Bankruptcy.

12.5.1 Applicability of 11 U.S.C. § 365(n). All rights and licenses (collectively, the "**Intellectual Property**") granted under or pursuant to this Agreement, including, without limitation, all rights and licenses to use improvements or enhancements developed during the term of this Agreement, are intended to be, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**") or any analogous provisions in any other country or jurisdiction, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that the licensee of such Intellectual Property under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code, including, but not limited to, Section 365(n) of the Bankruptcy Code, or any analogous provisions in any other country or jurisdiction. All of the rights granted to either Party under this Agreement shall be deemed to exist immediately before the occurrence of any bankruptcy case in which the other Party is the debtor.

12.5.2 Rights of non-Debtor Party in Bankruptcy. If a bankruptcy proceeding is commenced by or against either Party under the Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the non-debtor Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any Intellectual Property and all embodiments of such Intellectual Property, which, if not already in the non-debtor Party's possession, shall be delivered to the non-debtor Party within […***…] ([…***…]) business days of such request; provided, however, that the debtor Party is excused from its obligation to deliver the Intellectual Property to the extent the debtor Party

continues to perform all of its obligations under this Agreement and the Agreement has not been rejected pursuant to the Bankruptcy Code or any analogous provision in any other country or jurisdiction.

12.6 Termination in Entirety.

12.6.1 In the event of a termination of this Agreement in its entirety by Abbott pursuant to Section 12.3 (Additional Termination Rights by Abbott) or by Galapagos pursuant to Section 12.2.1 (Material Breach), or expiration of this Agreement under Section 12.1.1(i):

(i) all rights and licenses granted by Galapagos hereunder shall immediately terminate;

(ii) all rights and licenses granted by Abbott hereunder shall immediately terminate; and

(iii) Abbott shall, and hereby does, effective as of the effective date of termination, grant Galapagos an exclusive and irrevocable option to acquire an exclusive or a non-exclusive license, with the right to grant multiple tiers of sublicenses, under the Abbott Grantback Patents, Abbott Grantback Know-How, Abbott's rights under the Joint Patents, and the Product Trademark to Exploit in the Territory any Licensed Product that is the subject of Development or Commercialization in the Territory and contains the Licensed Compound as the sole active ingredient, as such Licensed Product exists as of the effective date of termination ("**Grantback Option**"); *provided* that (i) the foregoing shall exclude any option to license with respect to any active ingredient that is not a Licensed Compound and which is covered by Patents Controlled by Abbott or any of its Affiliates; (ii) Galapagos shall be responsible for (A) making any payments (including royalties, milestones and other amounts) payable by Abbott to Third Parties under any Third Party agreements with respect to the Abbott Grantback Patents and Abbott Grantback Know-How that are the subject of the license granted by Abbott to Galapagos pursuant to this Section and to the extent that the payments relate to the Licensed Compounds and Licensed Products, if any, by making such payments directly to Abbott and, in each instance, Galapagos shall make the requisite payments to Abbott and provide the necessary reporting information to Abbott in sufficient time to enable Abbott to comply with its obligations under such Third Party agreements, and (B) complying with any other obligations included in any such Third Party agreements that are applicable to the grant to Galapagos of such license or to the exercise of such license by Galapagos or any of its Affiliates or sublicensees; and (iii) Abbott shall be responsible for paying or providing to any such Third Party any payments or reports made or provided by Galapagos. Galapagos may exercise its Grantback Option by providing written notice to Abbott within […***…] ([…***…]) days from the termination effective date. If Galapagos exercises its Grantback Option, the Parties shall negotiate in good faith a Transition Agreement that will include commercially reasonable financial consideration. If, despite good faith discussions, the Parties are unable to agree on the terms of an agreement, including commercially reasonable financial consideration, then either Party shall have the option to invoke the arbitration proceedings pursuant to Section 13.8 within […***…] ([…***…]) days after the Grantback Option expired.

12.6.2 In the event of a termination of this Agreement in its entirety by Abbott pursuant to Section 12.2.1 (Material Breach):

(i) all rights and licenses granted by Abbott hereunder shall immediately terminate; and

(ii) all rights and licenses granted to Abbott hereunder shall become exclusive or non-exclusive (at Abbott's sole option), irrevocable, unrestricted, and perpetual rights and licenses and the Parties shall mutually agree, in good faith, in writing the consideration Galapagos shall receive for the aforementioned license. If, despite good faith discussions, the Parties are unable to agree on the consideration, then the dispute shall be resolved pursuant to Section 13.8.

12.7 Termination of Terminated Territory. In the event of a termination of this Agreement with respect to a country or other jurisdiction by Abbott pursuant to Section 12.3 or with respect to a Terminated Territory by Galapagos pursuant to Section 12.2.2 (Material Breach Related to Diligence in a Single Country), but not in the case of any termination of this Agreement in its entirety:

12.7.1 all rights and licenses granted by Galapagos hereunder (i) shall automatically be deemed to be amended to exclude, if applicable, the right to market, promote, detail, distribute, import, export, sell, offer for sale, file any Drug Approval Application for, or seek any Regulatory Approval for Licensed Compound or Licensed Products in such Terminated Territory, and the right to Manufacture Licensed Compound and Licensed Product solely for sale in the Terminated Territory, but (ii) shall otherwise survive and continue in effect outside such Terminated Territory;

12.7.2 Abbott shall, and hereby does, effective as of the effective date of termination, grant Galapagos an exclusive and irrevocable option to acquire an exclusive or a non-exclusive, royalty-bearing license, with the right to grant multiple tiers of sublicenses, under the Abbott Grantback Patents, Abbott Grantback Know-How, Abbott's rights under the Joint Patents, and the Product Trademark to Exploit solely in such Terminated Territory any Licensed Product that is or has been the subject of Development or Commercialization in the Territory and contains the Licensed Compound as the sole active ingredient, as such Licensed Product exists as of the effective date of termination ("**Grantback Option to the Terminated Territory**"); *provided* that: (i) the foregoing license shall exclude any license or other rights with respect to any active ingredient that is not a Licensed Compound and which is covered by Patents Controlled by Abbott; (ii) Galapagos shall be responsible for (A) making any payments (including royalties, milestones, and other amounts) payable by Abbott to Third Parties under any Third Party agreements with respect to the Abbott Grantback Patents and Abbott Grantback Know-How that are the subject of the license granted by Abbott to Galapagos pursuant to this Section 12.7.2 and to the extent that the payments relate to the Licensed Compounds and Licensed Products, by making such payments directly to Abbott and, in each instance, Galapagos shall make the requisite payments to Abbott and provide the necessary reporting information to Abbott in sufficient time to enable Abbott to comply with its obligations under such Third Party agreements, and (B) complying with any other obligations included in any such Third Party agreements that are applicable to the grant to Galapagos of such license or to the exercise of such license by Galapagos or any of its Affiliates or sublicensees; and (iii) Abbott shall be responsible for

paying or providing to any such Third Party any payments or reports made or provided by Galapagos under this Section 12.7.2. If Galapagos exercises its Grantback Option to the Terminated Territory, the Parties shall negotiate in good faith a Transition Agreement (as set forth in Section 12.8) which will include commercially reasonable financial consideration. If, despite good faith discussions, the Parties are unable to agree on the terms of a Transition Agreement under this Section 12.7.2, then either Party shall have the option to invoke the arbitration proceedings pursuant to Section 13.8 within […***…] ([…***…]) days after the Grantback Option to the Terminated Territory expired.

12.8 Transition Agreement.

12.8.1 In the event of termination of this Agreement, whether in its entirety or with respect to the Terminated Territory, Galapagos and Abbott shall negotiate in good faith the terms and conditions of a written transition agreement (the "**Transition Agreement**") pursuant to which Abbott and Galapagos will effectuate and coordinate a smooth and efficient transition of relevant obligations and rights to Galapagos as reasonably necessary for Galapagos to exercise its licenses pursuant to Section 12.6 and Section 12.7 with respect to the Licensed Products after termination of this Agreement (in its entirety or with respect to the Terminated Territory, as applicable) as and to the extent set forth in this Article 12. For clarity, except as set forth in Section 3.5.1(ii), Abbott shall not be required to manufacture or have manufactured the Licensed Products by or on behalf of Galapagos as part of the Transition Agreement.

12.8.2 The Transition Agreement shall provide that in the event of a termination of this Agreement in its entirety by Abbott pursuant to Section 12.3 or by Galapagos in its entirety pursuant to Section 12.2.1 or Section 12.2.2, Abbott shall:

(i) where permitted by Applicable Law, transfer to Galapagos all of its right, title, and interest in all Regulatory Documentation then owned or Controlled by Abbott or its Affiliates or Sublicensees and in its/their name applicable to the Licensed Products in the Territory that are the subject of an exclusive license grant in Section 12.6.1(iii);

(ii) notify the applicable Regulatory Authorities and take any other action reasonably necessary to effect the transfer set forth in clause (i) above;

(iii) unless expressly prohibited by any Regulatory Authority, transfer control to Galapagos of all Clinical Studies being Conducted by Abbott or its Affiliates or Sublicensees as of the effective date of termination and continue to conduct such Clinical Studies, at Galapagos' cost, for up to […***…] ([…***…]) months to enable such transfer to be completed without interruption of any such Clinical Study; *provided* that (A) Galapagos shall not have any obligation to continue any Clinical Study unless required by Applicable Law, and (B) with respect to each Clinical Study for which such transfer is expressly prohibited by the applicable Regulatory Authority, if any, Abbott shall continue to conduct such Clinical Study to completion, at Galapagos' cost;

(iv) assign (or cause its Affiliates or Sublicensees to assign) to Galapagos all agreements with any Third Party with respect to the conduct of pre-clinical Development activities, Clinical Studies or Manufacturing activities (if Abbott or its Affiliates or Sublicensees have undertaken any Manufacturing activities prior to

proceeding with the In-Licensing) for the Licensed Products, including agreements with contract research organizations, clinical sites, and investigators, unless, with respect to any such agreement, (a) Galapagos declines such assignment, or (b) such agreement (A) expressly prohibits such assignment, in which case Abbott shall cooperate with Galapagos in reasonable respects to secure the consent of the applicable Third Party to such assignment, or (B) covers Clinical Studies for Combination Products in which any active ingredient that is not a Licensed Compound is covered by Patents Controlled by Abbott or any of its Affiliates or covers products covered by Patents Controlled by Abbott or any of its Affiliates in addition to the Licensed Products, in which case Abbott shall, at Galapagos' sole cost and expense, cooperate with Galapagos in all reasonable respects to facilitate the execution of a new agreement between Galapagos and the applicable Third Party.

12.8.3 The Transition Agreement shall provide that in the event of a termination of this Agreement with respect to a country or other jurisdiction by Abbott pursuant to Section 12.3 or with respect to a Terminated Territory by Galapagos pursuant to Section 12.2.2 (but not in the case of any termination of this Agreement in its entirety), Abbott shall:

(i) where permitted by Applicable Law, transfer to Galapagos all of its right, title, and interest in all Regulatory Approvals owned by, and/or in the name of, Abbott or its Affiliates or Sublicensees, which Regulatory Approvals are solely applicable to the Terminated Territory and to the Licensed Products that are the subject of an exclusive license grant in Section 12.7.2, as such Regulatory Approvals exists as of the effective date of such termination of this Agreement with respect to such Terminated Territory; *provided* that Abbott retains a license and right of reference under any Regulatory Approval transferred pursuant to this clause as necessary or reasonably useful for Abbott to Commercialize Licensed Products in the Territory, Develop Licensed Products in support of such Commercialization, or Manufacture Licensed Products in support of such Development or Commercialization;

(ii) notify the applicable Regulatory Authorities and take any other action reasonably necessary to effect the transfer set forth in clause (i) above;

(iii) grant Galapagos a right of reference to all Regulatory Documentation then owned by, and/or in the name of, Abbott or its Affiliates or Sublicensees, and which Regulatory Documentation is not transferred to Galapagos pursuant to clause (i) above, and is necessary or reasonably useful for Galapagos, any of its Affiliates or sublicensees to Develop or Commercialize any Licensed Products that are the subject of the license grant in Section 12.7.2, as such Regulatory Documentation exists as of the effective date of such termination of this Agreement with respect to such Terminated Territory.

12.9 Existing Inventory. Notwithstanding the termination of Abbott's licenses and other rights under this Agreement or with respect to a particular Major Market or country(ies) or other jurisdiction(s), as the case may be, but subject to the terms of any Transition Agreement, Abbott shall have the right for […***…] after the effective date of such termination with respect to each Major Market or country(ies) or other jurisdiction(s) with respect to which such termination applies to sell or otherwise dispose of all Licensed Compound or Licensed Product

then in its inventory and any in-progress inventory, in each case that is intended for sale or disposition in such Major Market or country(ies) or other jurisdiction(s), as though this Agreement had not terminated with respect to such Major Market or country(ies) or other jurisdiction(s), and such sale or disposition shall not constitute infringement of Galapagos' or its Affiliates' Patent or other intellectual property or other proprietary rights. For the avoidance of doubt, Abbott shall continue to make payments thereon as provided in Article 6 (as if this Agreement had not terminated with respect to such Major Market or country or other jurisdiction).

12.10 Remedies. Except as otherwise expressly provided herein, termination of this Agreement (either in its entirety or with respect to one or more country(ies) or other jurisdiction(s)) in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

12.11 Accrued Rights; Surviving Obligations. Termination or expiration of this Agreement (either in its entirety or with respect to one or more country(ies) or other jurisdiction(s)) for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, Sections 3.9, 6.8, 7.1, 7.7, 7.8, and Articles 1, 9, 11, 12, and 13 of this Agreement, and all Sections necessary to effectuate the interpretation of such surviving Sections and Articles, shall survive the termination or expiration of this Agreement for any reason. If this Agreement is terminated with respect to the Terminated Territory but not in its entirety, then following such termination the foregoing provisions of this Agreement shall remain in effect with respect to the Terminated Territory (to the extent they would survive and apply if the Agreement expires or is terminated in its entirety), and all provisions not surviving in accordance with the foregoing shall terminate upon termination of this Agreement with respect to the Terminated Territory and be of no further force and effect (and for the avoidance of doubt all provisions of this Agreement shall remain in effect with respect to all countries in the Territory other than the Terminated Territory).

ARTICLE 13
MISCELLANEOUS

13.1 Force Majeure. Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, hurricanes, embargoes, shortages, epidemics, quarantines, war, acts of war (whether war be declared or not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts, or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any governmental authority (except to the extent such delay results from the breach by the non-performing Party or any of its Affiliates of any term or condition of this Agreement). The non-performing Party shall notify the other Party of such force majeure within […***…] ([…***…]) days after such occurrence by giving written notice to the other Party stating the nature of the event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use Commercially Reasonable Efforts to remedy its inability to perform.

13.2 Change in Control of Galapagos.

13.2.1 Galapagos (or its successor) shall provide Abbott with written notice of any Change in Control of Galapagos within […***…] ([…***…]) Business Days following the closing date of such transaction.

13.2.2 In the event of a Change in Control of Galapagos, then Abbott shall have the right, in its sole and absolute discretion, by written notice delivered to Galapagos (or its successor) at any time during the […***…] ([…***…]) days following the written notice contemplated by Section 13.2.1, to terminate this Agreement in its entirety; or, alternatively, to require any one or more of the following actions: (i) if Change of Control occurs after Abbott proceeds with the In-Licensing, the Parties shall disband each of the Joint Committees and terminate the activities of each of the Joint Committees and thereafter undertake all activities assigned by this Agreement to any of the Joint Committees solely and exclusively by itself; (ii) Galapagos and the Change in Control party shall adopt reasonable procedures to be agreed upon in writing to prevent disclosure of Confidential Information of Abbott; and (iii) if Galapagos has not exercised its Co-Promotion Option as of such Change in Control, terminate the Co-Promotion Option, and if Galapagos has exercised its Co-Promotion Option as of such Change in Control, terminate Galapagos' right to co-promote any Co-Promotion Products in the Co-Promotion Territory. If Galapagos' right to co-promote any Co-Promotion Products in the Co-Promotion Territory pursuant to this Section is terminated, Section 6.6 shall apply to Net Sales of Licensed Product in the terminated Co-Promotion Territory, and Section 6.9 shall be of no further force or effect.

13.3 Potential Competition Review.

13.3.1 Tolling of Payment Obligations. If the act of Abbott proceeding with the In-Licensing requires the making of filings under the Hart-Scott-Rodino Antitrust Improvements Act (the "**HSR Act**"), or under any similar pre-merger or antitrust notification provision in the European Union or any other jurisdiction, or if Abbott's election not to proceed with the In-Licensing results in Galapagos being required to make any filings under the HSR Act or under any similar pre-merger or antitrust notification provision in the European Union or any other jurisdiction, then all rights and obligations related to Abbott proceeding with the In-Licensing or Abbott's decision not to proceed with the In-Licensing will be tolled until the applicable waiting period has expired or been terminated or until approval or clearance from the reviewing authority has been received, and each Party agrees to diligently make any such filings and respond to any request for information to expedite review of such transaction and minimize or avoid any delays in payments.

13.3.2 Resolution of Regulatory Authority Opposition. If the antitrust enforcement authorities in the U.S. make a second request under the HSR Act, or any antitrust enforcement authority in another jurisdiction commences an investigation related to Abbott proceeding with the In-Licensing or decision by Abbott not to proceed with the In-Licensing, then the Parties will, in good faith, cooperate with each other and take reasonable actions to attempt to: (a) resolve all enforcement agency concerns about the transaction under investigation; and (b) diligently oppose any enforcement agency opposition to such transaction. If the enforcement agency files a formal action to oppose the transaction, the Parties will confer in

good faith to determine the appropriate strategy for resolving the enforcement agency opposition, including without limitation, and where appropriate, the renegotiation of their obligations under this Agreement with respect to the In-Licensing, with the objective of placing each Party, to the maximum extent possible, in the same economic position that each Party would have occupied if Abbott's decision to proceed with the In-Licensing or not to proceed with the In-Licensing had been permitted. Notwithstanding the foregoing, nothing in this Section 13.3 will require either Party to divest, sell, license or otherwise dispose of any assets, entities or facilities.

13.4 Export Control. This Agreement is made subject to any restrictions. concerning the export of products or technical information from the United States or other countries that may be imposed on the Parties from time to time. Each **Party** agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity in accordance with Applicable Law.

13.5 Assignment.

13.5.1 Without the prior written consent of the other Party, neither Party shall sell, transfer, assign, delegate, pledge, or otherwise dispose of, whether voluntarily, involuntarily, by operation of law or otherwise, this Agreement or any of its rights or duties hereunder; *provided, however*, that (subject to Section 13.2) either Party may make such an assignment without the other Party's consent to its Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or any other transaction, of the business to which this Agreement relates. With respect to an assignment to an Affiliate, the assigning Party shall remain responsible for the performance by such Affiliate of the rights and obligations hereunder. Any attempted assignment or delegation in violation of this Section 13.5 shall be void and of no effect. All validly assigned and delegated rights and obligations of the Parties hereunder shall be binding upon and inure to the benefit of and be enforceable by and against the successors and permitted assigns of Galapagos or Abbott, as the case may be. The permitted assignee or transferee shall assume all obligations of its assignor or transferor under this Agreement. Without limiting the foregoing, the grant of rights set forth in this Agreement shall be binding upon any successor or permitted assignee of Galapagos, and the obligations of Abbott, including the payment obligations, shall run in favor of any such successor or permitted assignee of Galapagos' benefits under this Agreement.

13.5.2 Abbott Laboratories announced on October 19, 2011 that it intends to separate into two publicly traded companies: (1) a diversified medical products company, that will retain the name Abbott Laboratories, and (2) a research-based pharmaceutical company that will be named later ("Pharmaco"). Galapagos hereby consents to the transfer or assignment of Abbott's rights and obligations under this Agreement to Abbott Laboratories, Pharmaco or a subsidiary of either company in connection with or in anticipation of the separation, and notwithstanding anything to the contrary that may be contained in this Agreement, such transfer or assignment shall not violate, constitute a breach of, result in any additional obligations or loss of rights under, or give rise to any right to terminate or cancel this Agreement. Following such transfer or assignment, the person to whom such rights and obligations are transferred or assigned shall have all rights and all obligations of Abbott under this Agreement, and Abbott shall have no further obligations

under this Agreement. Notwithstanding anything to the contrary that may be contained in this Agreement, no consent or notice shall be required for the direct or indirect transfer of any equity of Abbott to Pharmaco, Abbott Laboratories or a subsidiary of either company in connection with or anticipation of the separation, and such transfer shall not violate, constitute a breach of, result in any additional obligations or loss of rights under, or give rise to any right to terminate or cancel this Agreement.

13.5.3 The rights to Information, materials and intellectual property: (i) controlled by a Third Party permitted assignee of a Party, which Information, materials and intellectual property were controlled by such assignee immediately prior to such assignment; or (ii) controlled by an Affiliate of a Party who becomes an Affiliate through any Change in Control of or by such Party, which Information, materials and intellectual property were controlled by such Affiliate immediately prior to such Change in Control, in each case ((i) and (ii)), shall be automatically included with the rights licensed or granted to the other Party under this Agreement.

13.6 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (i) such provision shall be fully severable, (ii) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, (iii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom, and (iv) in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and reasonably acceptable to the Parties. To the fullest extent permitted by Applicable Law, each Party hereby waives any provision of law that would render any provision hereof illegal, invalid, or unenforceable in any respect.

13.7 Governing Law, Jurisdiction and Service.

13.7.1 Governing Law. This Agreement or the performance, enforcement, breach or termination hereof shall be interpreted, governed by and construed in accordance with the laws of the State of New York, United States, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction; provided, that all questions concerning the construction or effect of patent applications and patents shall be determined in accordance with the laws of the country or other jurisdiction in which the particular patent application or patent has been filed or granted, as the case may be. The Parties agree to exclude the application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

13.7.2 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 13.9.2 shall be effective service of process for any action, suit, or proceeding brought against it under this Agreement in any such court.

13.8 Dispute Resolution. Except for disputes resolved by the procedures set forth in Section 2.4.3 or Section 6.18, if a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith (a "**Dispute**"), it shall be resolved pursuant to this Section 13.8.

13.8.1 General. Any Dispute shall be first referred to the Senior Officers of the Parties, who shall confer in good faith on the resolution of the issue. Any final decision mutually agreed to by the Senior Officers shall be conclusive and binding on the Parties. If the Senior Officers are not able to agree on the resolution of any such issue within […***…] ([…***…]) days (or such other period of time as mutually agreed by the Senior Officers) after such issue was first referred to them, then, except as otherwise set forth in Section 2.4.3, either Party may, by written notice to the other Party, elect to initiate an alternative dispute resolution ("**ADR**") proceeding pursuant to the procedures set forth in Section 13.8.2 for purposes of having the matter settled.

13.8.2 ADR. Any ADR proceeding under this Agreement shall take place pursuant to the procedures set forth in Schedule 13.8.2.

13.9 Notices.

13.9.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval, or other communication permitted or required under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if (i) delivered by hand, (ii) sent by facsimile transmission (with transmission confirmed), or (iii) by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 13.9.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party in accordance with this Section 13.9.1. Such Notice shall be deemed to have been given as of the date delivered by hand or transmitted by facsimile (with transmission confirmed) or on the second Business Day (at the place of delivery) after deposit with an internationally recognized overnight delivery service. Any notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter. This Section 13.9.1 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

13.9.2 Address for Notice.

(i) If to Abbott, to:

Abbott Hospitals Limited
c/o Abbott Laboratories
100 Abbott Park Road
Abbott Park, Illinois 60064-3500
Attn: Senior Vice President, Global Pharmaceutical Research and Development
Facsimile: […***…]

With a copy (which shall not constitute notice) to:
Abbott Laboratories
Pharmaceutical Products Group Legal Operations
Bldg. AP6A-2
100 Abbott Park Road
Abbott Park, Illinois 60064-3500 USA.
Attn: DVP & Associate General Counsel
Facsimile: […***…]

(ii) If to Galapagos, to:

Galapagos NV
Generaal de Wittelaan
L11A3, B2800 Mechelen, Belgium
Attention: CEO
Facsimile: […***…]

with a copy (which shall not constitute notice) to:

Galapagos NV
Generaal de Wittelaan
L11A3, B2800 Mechelen, Belgium
Attention: Legal Department
Facsimile: […***…]

13.10 Entire Agreement; Amendments. This Agreement, together with the Schedules attached hereto, and the Confidential Disclosure Agreement among Galapagos and Abbott Laboratories dated 24 January 2012, sets forth and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understandings, promises, and representations, whether written or oral, with respect thereto are superseded hereby (including, but not limited to, that certain Confidential Disclosure Agreement between the Parties or their respective Affiliates dated September 21, 2010 as amended on October 12, 2011). Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth in this Agreement. No amendment, modification, release, or discharge shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

13.11 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

13.12 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party hereto of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available except as expressly set forth herein.

13.13 No Benefit to Third Parties. Except as provided in Article 11, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

13.14 Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

13.15 Relationship of the Parties. It is expressly agreed that Galapagos, on the one hand, and Abbott, on the other hand, shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture, or agency. Neither Galapagos, on the one hand, nor Abbott, on the other hand, shall have the authority to make any statements, representations, or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Party to do so. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

13.16 Performance by Affiliates. Each Party may use one or more of its Affiliates to perform its obligations and duties hereunder and such Affiliates are expressly granted certain rights herein; provided that each such Affiliate shall be bound by the corresponding obligations of such Party and, subject to an assignment to such Affiliate pursuant to Section 13.5, Abbott shall remain liable hereunder for the prompt payment and performance of all its payment obligations hereunder.

13.17 Counterparts; Facsimile Execution. This Agreement may be executed in two (2) or more counterparts, **each** of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile, .pdf or other electronically transmitted signatures and such signatures shall be deemed to bind each Party hereto as if they were original signatures.

13.18 References. Unless otherwise specified, (i) references in this Agreement to any Article, Section or Schedule shall mean references to such Article, Section or Schedule of this Agreement, (ii) references in any Section to any clause are references to such clause of such Section, and (iii) references to any agreement, instrument, or other document in this Agreement refer to such agreement, instrument, or other document as originally executed or, if subsequently amended, replaced, or supplemented from time to time, as so amended, replaced, or supplemented and in effect at the relevant time of reference thereto.

13.19 Schedules. In the event of any inconsistencies between this Agreement and any schedules or other attachments hereto, the terms of this Agreement shall control.

13.20 Construction. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or). Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar

days. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including,” “include,” or “includes” as used herein shall mean “including, but not limited to,” and shall not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party hereto. Each Party represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption will apply against the Party which drafted such terms and provisions.

SIGNATURE PAGE FOLLOWS.

THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the Effective Date.

GALAPAGOS NV		**ABBOTT HOSPITALS LIMITED**	
By:	/s/ Onno van de Stolpe	By:	/s/ Thomas C. Freyman
Name:	Onno van de Stolpe	Name:	Thomas C. Freyman
Title:	CEO	Title:	Director and President

Schedule 1.80

Galapagos Corporate Names

Galapagos Trademarks:

Title	Country	Filing date	Filing number	Registration date	Registration number
[***]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]
[***]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]

Galapagos logos:

[…***…]

Schedule 1.97

Initial Development Plan and Budget for GLPG0634 in Rheumatoid Arthritis

The following describes the clinical, pre-clinical, and CMC activities that will be performed as part of Initial Development Plan Activities as described in the Collaboration Agreement between Galapagos NV and Abbott Hospitals Limited ("the Agreement").

Summary timelines

[…***…]

[…***…].

[…***…].

Non-clinical safety evaluation and pharmacokinetics

[…***…].

[…***…].

Budget

[…***…].

Schedule 1.118

Manufacturing Cost

[…***…].

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Schedule 1.142

Phase 2B RA Success Criteria

[…***…]		[…***…]	
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Schedule 6.10.1

Sample Net Profits/Net Losses Calculation

[…***…].

Confidential Treatment Requested

Schedule 9.5

Form of Press Release

CONFIDENTIAL * DRAFT RELEASE * NOT FOR DISTRIBTION

Abbott and Galapagos Announce Global Collaboration to Develop and Commercialize Novel Oral Therapy GLPG0634 to Treat Autoimmune Diseases

Selective JAK1 inhibitor in Phase II clinical development for RA

Abbott to Retain Exclusive Global Commercial Rights with Galapagos co-promotion in Benelux Countries

Galapagos to Receive Upfront Payment of $150 Million, with the Potential for Significant Milestone Payments

Abbott Park, Illinois and Mechelen, Belgium XX DATE 2012 – Abbott (NYSE: ABT) and Galapagos (Euronext: GLPG) announced today that they have entered into a global collaboration to develop and commercialize an oral, next-generation JAK1 inhibitor with the potential to treat multiple autoimmune diseases.

GLPG0634 is a highly selective JAK1 inhibitor that Galapagos is developing for the treatment of rheumatoid arthritis (RA) and other inflammatory conditions. The Janus kinases (JAK) are a family of enzymes that play a key role in the signaling mechanism used by a number of cytokines that are involved in inflammatory and autoimmune diseases. In previously reported results from a 4-week Phase IIa study, GLPG0634 demonstrated efficacy measures among the best reported in RA. All patients completed the study, and few experienced any side effects. No anemia, change in blood pressure or lipids were observed. An additional Phase IIa dose-range finding study with GLPG0634 is expected to begin shortly.

“The addition of this novel, oral compound offers patients the potential for advanced treatment options and an improved patient experience to address RA and other autoimmune diseases,” said John Leonard, M.D., senior vice president, global research and development, Abbott. “Abbott’s expertise in immunology, combined with a robust portfolio of investigational treatments represents promising innovation across several areas of medical need.”

“This collaboration with Abbott, the global leader in inflammatory diseases, is a great recognition of the value of GLPG0634. We view Abbott to be the best partner possible to deliver a complete clinical program and a powerful market introduction. We are excited to continue the phase II trials and expect to deliver to Abbott a complete Phase II package in 2014,” said Onno van de Stolpe, chief executive officer, Galapagos. “With GLPG0634 we have proven that we can deliver from target to clinical Proof of Concept, and we aim to do the same on many novel target programs in our pipeline. This collaboration is transformational for Galapagos, providing the means to progress these innovative products into the clinic.”

Under the terms of the agreement, Abbott will make an initial upfront payment of $150 million for rights related to the global collaboration. Upon successful completion of the RA Phase II studies, Abbott will license the program for a one-time fee of $200 million if the studies meet certain pre-agreed criteria. Abbott will assume sole responsibility for Phase III clinical development and global manufacturing. Pending achievement of certain developmental, regulatory, commercial and sales-based milestones, Galapagos would be eligible to receive additional milestone payments from Abbott, potentially amounting to $1.0 billion, in addition to tiered double-digit royalties on net sales upon commercialization. Galapagos retains co-promotion rights in Belgium, the Netherlands and Luxembourg.

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Webcast presentation

Galapagos will hold an audio webcast presentation for journalists, analysts, and investors today at 4 pm CET/US TIMES, viewable at www.glpg.com.
Call numbers: LIST NUMBERS HERE

Galapagos Forward-Looking Statements

This release may contain forward-looking statements, including, without limitation, statements containing the words "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "may," "will," "could," "stands to," and "continues," as well as similar expressions. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance or achievements of Galapagos, or industry results, to be materially different from any historic or future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this document. Galapagos expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.

About Galapagos

Galapagos (Euronext: GLPG; OTC: GLPYY) is a mid-size biotechnology company specialized in the discovery and development of small molecule and antibody therapies with novel modes-of-action. The Company is progressing GLPG0634 through Phase II and has one of the largest pipelines in biotech, with seven programs in development and over 50 discovery programs. The Galapagos Group has about 800 employees and operates facilities in six countries, with global headquarters in Mechelen, Belgium. More info at: www.glpg.com

Abbott Forward-Looking Statements

Some statements in this news release may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Abbott cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Economic, competitive, governmental, technological and other factors that may affect Abbott's operations are discussed in Item 1A, "Risk Factors," to our Annual Report on Securities and Exchange Commission Form 10-K for the year ended Dec. 31, 2011, and are incorporated by reference. Abbott undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments.

About Abbott

Abbott (NYSE: ABT) is a global, broad-based health care company devoted to the discovery, development, manufacture and marketing of pharmaceuticals and medical products, including nutritionals, devices and diagnostics. The company employs approximately 91,000 people and markets its products in more than 130 countries.

More information:

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Investors: Larry Peepo, +1-847-935-6722

Galapagos NV
Onno van de Stolpe, CEO
Tel: +31 6 2909 8028

Elizabeth Goodwin, Director Investor Relations
Tel: +31 6 2291 6240
ir@glpg.com

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Schedule 10.2.1

Existing Patents

Part A, Species Patents

Country	Appln #	Filing date	Publn date	Publn #	Grant Date	Grant #
[…***…]	[…***…]	[…***…]				
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Part A, Species Patents (continued)

[…*…]**

[…*…]**

Country	Application #	Filing date	Publication #
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Confidential Treatment Requested

Part B, Genus Patents

Country	Application #	Filing Date	Publn date	Publn Number	Grant Date	Grant Number
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[…***…]	[…***…]	[…***…]	[…***…]	[…***…]		
[…***…]	[…***…]	[…***…]			[…***…]	[…***…]
[…***…]	[…***…]	[…***…]	[…***…]			

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Part C, Third Party In-Licensed Patents

As of the Effective Date, there are no Third Party In-Licensed Patents

Schedule 13.8.2

ADR Procedures

Any Dispute referred to ADR under this Agreement shall be resolved as follows:

[…***…].

FIRST AMENDMENT TO
COLLABORATION AGREEMENT

This First Amendment to Collaboration Agreement (this "**First Amendment**") is entered into as of April 12, 2013 (the "**First Amendment Effective Date**"), by and between Galapagos NV, a corporation organized under the laws of Belgium and having a principal place of business at Generaal de Wittelaan L11A3, B2800 Mechelen, Belgium ("**Galapagos**"), and AbbVie Bahamas Ltd. (formerly known as Abbott Hospitals Limited) […***…] ("**AbbVie**"). Galapagos and AbbVie are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**." Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Agreement (as defined herein).

RECITALS

WHEREAS, AbbVie and Galapagos are parties to that certain Collaboration Agreement, dated as of February 28, 2012 (the "**Agreement**"), pursuant to which Galapagos granted AbbVie an exclusive right to obtain licenses under certain intellectual property Controlled by Galapagos in the Territory subject to the terms and conditions set forth therein; and

WHEREAS, the Parties now desire to amend the Agreement on the terms set forth in this First Amendment to modify the Initial Development Plan and Budget.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

AMENDMENT

1. **Definitions.** The use of the defined term "**Abbott**" in the Agreement shall refer to AbbVie unless the context otherwise determines.

2. **Regulatory Diligence.** Section 3.1.3 of the Agreement is hereby amended by replacing all uses of "[…***…]" with "[…***…]."

3. **Initial Development Plan and Budget Payment.** Article 6 of the Agreement is hereby amended by adding the following as Section 6.1A:

> "**6.1A Initial Development Plan and Budget Payment.** No later than […***…] ([…***…]) days following the First Amendment Effective Date, in consideration of the amendments to the Initial Development Plan and Budget pursuant to the First Amendment, AbbVie shall pay Galapagos a one-time non-refundable, non-creditable amount equal to Twenty Million Dollars ($20,000,000.00)."

4. **Regulatory Milestones.** The introductory sentence of Section 6.3 of the Agreement is hereby amended by replacing the words "Lead Indication" with the words "Lead Compound."

5. **Initial Development Plan and Budget.** Schedule 1.97 of the Agreement is hereby amended pursuant to the contents set forth in Schedule A attached hereto. Except as amended by Schedule A, Schedule 1.97 of the Agreement shall remain in full force and effect.

6. **Miscellaneous**. Except as expressly amended by this First Amendment, all of the terms and conditions of the Agreement remain in full force and effect. In the event of a conflict between the terms of this First Amendment and the terms of the Agreement, the terms of this First Amendment shall prevail. This First Amendment may be executed in two (2) original counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

THIS FIRST AMENDMENT is executed by the authorized representatives of the Parties as of the First Amendment Effective Date.

GALAPAGOS NV

By: /s/ Onno van de Stolpe

Name: Onno van de Stolpe

Title: CEO

ABBVIE BAHAMAS LTD.

By: /s/ William Chase

Name: William Chase

Title: EVP and CFO

Schedule A

In Schedule 1.97 (Initial Development Plan and Budget for GLPG0634 in Rheumatoid Arthritis) of the Agreement, the following changes are made with effect as of the First Amendment Effective Date:

(1) In the chapter entitled "**Clinical**", under the heading "[…***…]":

(a) in the paragraph entitled "[…***…]":

(i) the words "[…***…]" shall be deleted and replaced with the words "[…***…]";

(ii) the words "[…***…]" shall be deleted and replaced with the words "[…***…]"; and

(iii) the words "[…***…]" shall be deleted and replaced with the words "[…***…]".

(b) in the paragraph entitled "[…***…]":

(i) the words "[…***…]" shall be deleted and replaced with the words "[…***…]";

(ii) the words "[…***…]" shall be deleted and replaced with the words "[…***…]"; and

(iii) the words "[…***…]" shall be deleted and replaced with the words "[…***…]".

(2) In the chapter entitled "**Budget**" the following sentence shall be added below the table set forth in said chapter:

"In consideration for the implementation of the changes in the chapter "Clinical" of Schedule 1.97 pursuant to the First Amendment to the Agreement, AbbVie has agreed in said First Amendment to pay Galapagos a one-time non-refundable, non-creditable amount equal to Twenty Million Dollars ($20,000,000.00)."

**

SECOND AMENDMENT TO
COLLABORATION AGREEMENT

This Second Amendment to Collaboration Agreement (this "**Second Amendment**") is entered into as of May 16, 2013 (the "**Second Amendment Effective Date**"), by and between Galapagos NV, a corporation organized under the laws of Belgium and having a principal place of business at Generaal de Wittelaan L11A3, B2800 Mechelen, Belgium ("**Galapagos**"), and AbbVie Bahamas Ltd. […***…] ("**AbbVie**"). Galapagos and AbbVie are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**." Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Agreement (as defined herein).

RECITALS

WHEREAS, AbbVie and Galapagos are parties to that certain Collaboration Agreement, dated as of February 28, 2012, as amended by that certain First Amendment to Collaboration Agreement dated as of April 12, 2013 (collectively, the "**Agreement**"), pursuant to which Galapagos granted AbbVie an exclusive right to obtain licenses under certain intellectual property Controlled by Galapagos in the Territory subject to the terms and conditions set forth therein; and

WHEREAS, the Parties now desire to amend the Agreement on the terms set forth in this Second Amendment to: (i) include delivery of the Crohn's Disease Complete Data Package (as defined herein) to AbbVie by Galapagos; (ii) include a contingent payment from AbbVie to Galapagos for the delivery of the Crohn's Disease Complete Data Package and achievement of the Phase 2B Crohn's Disease Success Criteria (as defined herein); and (iii) modify the Initial Development Plan and Budget to include Initial Development Activities related to the Crohn's Disease Indication (as defined herein).

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

AMENDMENT

1. **Definitions.**

   A. Article 1 of the Agreement is hereby amended by adding the following as Section 1.31A:

   "**1.31A** "**CD/UC Payment**" has the meaning set forth in Section 6.2.2."

   B. Article 1 of the Agreement is hereby amended by adding the following as Section 1.50A:

"**1.50A** "**Crohn's Disease Complete Data Package**" has the meaning set forth in Section 3.1.5."

C. Article 1 of the Agreement is hereby amended by adding the following as Section 1.50B:

"**1.50B** "**Crohn's Disease Election**" has the meaning set forth in Section 3.1.5."

D. Article 1 of the Agreement is hereby amended by adding the following as Section 1.50C:

"**1.50C** "**Crohn's Disease Indication**" means Crohn's disease."

E. Article 1 of the Agreement is hereby amended by adding the following as Section 1.50D:

"**1.50D** "**Crohn's Disease Review Notice**" has the meaning set forth in Section 3.1.5."

F. Article 1 of the Agreement is hereby amended by adding the following as Section 1.50E:

"**1.50E** "**Crohn's Disease Review Period**" has the meaning set forth in Section 3.1.5."

G. Section 1.96 of the Agreement is hereby deleted in its entirety and replaced with the following:

"**1.96** "**Initial Development Activities**" means the Development activities (as further set forth in the Initial Development Plan and Budget) to be performed by Galapagos in order to achieve the Phase 2B RA Success Criteria and the Phase 2B Crohn's Disease Success Criteria."

H. Article 1 of the Agreement is hereby amended by adding the following as Section 1.141A:

"**1.141A** "**Phase 2B Crohn's Disease Success Criteria**" has the meaning set forth in Schedule 1.141A."

I. Article 1 of the Agreement is hereby amended by adding the following as Section 1.177A:

"**1.177A** "**Ulcerative Colitis Election**" has the meaning set forth in Section 3.1.5."

2. **Crohn's Disease Indication Regulatory Diligence.** Article 3 of the Agreement is hereby amended by adding the following as Section 3.1.3A:

"**3.1.3A Crohn's Disease Regulatory Diligence.** Galapagos shall use Commercially Reasonable Efforts in undertaking the Development activities for the initial Licensed Product containing or comprising the Lead Compound for the Crohn's Disease Indication in those countries in the Territory set forth in the Initial Development Plan and Budget. Galapagos acknowledges that the exercise of its Commercially Reasonable Efforts as set forth in this Section 3.1.3A means that the provision by Galapagos to AbbVie of the Crohn's Disease Complete Data Package is expected by […***…]. If Galapagos does not provide the Crohn's Disease Complete Data Package by […***…], upon Galapagos' showing that such delay is due to causes relating to Development or regulatory issues, AbbVie hereby agrees to extend such delayed date until such Development or regulatory issues are fully resolved in a reasonable period of time. If AbbVie alleges that Galapagos has failed to show that such delay is due to Development or regulatory issues, then AbbVie shall have the option either to: (i) assume and complete some or all remaining Initial Development Activities pursuant to Section 3.1.2; or (ii) notify Galapagos of such failure as an alleged material breach, subject to Section 12.2.1."

3. **Crohn's Disease Complete Data Package.** Article 3 of the Agreement is hereby amended by adding the following as Section 3.1.5:

"3.1.5 Crohn's Disease Complete Data Package. Subject to the Initial Development Plan and Budget, Galapagos shall provide to AbbVie the final protocol and a detailed synopsis for each Clinical Study for the Crohn's Disease Indication at least […***…] ([…***…]) days prior to initiating such study. Galapagos shall allow AbbVie a period of […***…] ([…***…]) days from the date of AbbVie's receipt of the same to review and comment on such protocol and synopsis and Galapagos shall consider in good faith any comments of AbbVie, provided, however, if AbbVie fails to provide comments within such […***…] ([…***…]) day period, then AbbVie shall be deemed to have approved such protocol and synopsis. Within […***…] ([…***…]) days after database lock of the Phase 2 Study for the Lead Compound in the Field of Crohn's disease pursuant to the Initial Development Plan and Budget, Galapagos shall provide AbbVie with a completion report, which report shall include all Information, Clinical Data, SAS charts and supporting documentation to support a decision on whether all Phase 2B Crohn's Disease Success Criteria have been met, including, finalized statistical analysis plan, along with a quality assurance statement certifying no quality issues limiting the validity of the Phase 2 Study were raised during the Conduct of the Phase 2 Study, and such other information as AbbVie may reasonably request in connection with its evaluation of such data ("Crohn's Disease Complete Data Package"). Upon AbbVie's receipt of the Crohn's Disease Complete Data Package, AbbVie shall have […***…] ([…***…]) days (the "Crohn's Disease Review Period") to review and assess the Crohn's

Disease Complete Data Package and to make a good faith determination of whether all Phase 2B Crohn's Disease Success Criteria have been met, and, no later than at the end of the Crohn's Disease Review Period, AbbVie shall notify Galapagos of such determination by providing written notice to Galapagos (the "**Crohn's Disease Review Notice**"). In the event: (A) AbbVie notifies Galapagos through the Crohn's Disease Review Notice that: (i) all the Phase 2B Crohn's Disease Success Criteria have been met; or (ii) AbbVie otherwise indicates in such notice its approval of the Crohn's Disease Complete Data Package irrespective of meeting all of the Phase 2B Crohn's Disease Success Criteria; or, alternatively, (B) AbbVie initiates at any time a Phase 3 Clinical Study with the Lead Compound for the Crohn's Disease Indication (each of subsections (A)(i), (A)(ii) and (B) herein, a "**Crohn's Disease Election**"), then AbbVie shall be required to pay Galapagos the CD/UC Payment following the first Crohn's Disease Election pursuant to Section 6.2.2. Notwithstanding the foregoing, in the event: (i) AbbVie does not proceed with a Crohn's Disease Election; (ii) the data contained in the Crohn's Disease Complete Data Package enables the initiation of a Phase 3 Clinical Study without conducting or completing Phase 2 Clinical Studies for ulcerative colitis; and (iii) AbbVie initiates at any time a Phase 3 Clinical Study with the Lead Compound for ulcerative colitis ("**Ulcerative Colitis Election**"), then AbbVie shall be required to pay Galapagos the CD/UC Payment pursuant to Section 6.2.2. For clarification, AbbVie shall not be required to pay the CD/UC Payment to Galapagos in the event AbbVie is required to conduct and complete a Phase 2 Clinical Study prior to initiating a Phase 3 Clinical Study for ulcerative colitis. Subject to Section 6.2.2, upon the first occurrence of a Crohn's Disease Election or the Ulcerative Colitis Election AbbVie shall be permitted to further Develop the Lead Compound for either or both of the Crohn's Disease Indication or ulcerative colitis in its sole and absolute discretion."

4. **In-Licensing and CD/UC Payments.** Section 6.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

"6.2 In-Licensing and CD/UC Payments.

6.2.1 In-Licensing Payment. No later than […***…] ([…***…]) days following AbbVie proceeding with the In-Licensing pursuant to Section 5.1, AbbVie shall pay Galapagos a one-time non-refundable, non-creditable amount equal to Two Hundred Million Dollars ($200,000,000.00).

6.2.2 CD/UC Payment. Subsequent to: (i) AbbVie proceeding with the In-Licensing pursuant to Section 5.1; (ii) the timely receipt of the Crohn's Disease Complete Data Package by AbbVie prior to the deadline set forth in Section 3.1.3A; and (iii) AbbVie proceeding with a Crohn's Disease Election or the Ulcerative Colitis Election pursuant to Section 3.1.5, AbbVie shall pay Galapagos a one-time non-refundable, non-creditable amount equal to Fifty Million Dollars ($50,000,000.00) ("**CD/UC Payment**") no later than […***…] ([…***…]) days following the delivery of such Crohn's Disease Review Notice or initiation by

AbbVie of a Phase 3 Clinical Study with the Lead Compound for the Crohn's Disease Indication or ulcerative colitis, as applicable. AbbVie shall not be required to pay the CD/UC Payment to Galapagos in the event any of the requirements set forth in subsections (i)-(iii) herein are not fulfilled."

5. **Initial Development Plan and Budget.** Schedule 1.97 of the Agreement is hereby amended by adding the contents set forth in Schedule A attached hereto. Except as amended by Schedule A, Schedule 1.97 of the Agreement shall remain in full force and effect.

6. **Phase 2B Crohn's Disease Success Criteria.** Schedule 1.141A of the Agreement is set forth in Schedule B attached hereto.

7. **Miscellaneous**. Except as expressly amended by this Second Amendment, all of the terms and conditions of the Agreement remain in full force and effect. In the event of a conflict between the terms of this Second Amendment and the terms of the Agreement, the terms of this Second Amendment shall prevail. This Second Amendment may be executed in two (2) original counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

THIS SECOND AMENDMENT is executed by the authorized representatives of the Parties as of the Second Amendment Effective Date.

GALAPAGOS NV

By: /s/ Onno van de Stolpe

Name: Onno van de Stolpe

Title: CEO

ABBVIE BAHAMAS LTD.

By: /s/ William Chase

Name: William Chase

Title: EVP and CFO

Schedule A

Schedule 1.97

Initial Development Plan and Budget for Crohn's Disease Indication

(see attached)

[…***…]

Schedule B

Schedule 1.141A

Phase 2B Crohn's Disease Success Criteria

[…***…]

Exhibit 10.5
EXECUTION VERSION

*****Text Omitted and Filed Separately with the Securities and Exchange Commission**

Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 230.406

COLLABORATION AGREEMENT

between

GALAPAGOS NV

and

ABBVIE S.À.R.L.

Dated as of September 23, 2013

Confidential Treatment Requested

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COLLABORATION AGREEMENT

This Collaboration Agreement (this "**Agreement**") is made and entered into effect as of September 23, 2013 (the "**Effective Date**") by and between Galapagos NV, a corporation organized under the laws of Belgium and having a principal place of business at Generaal de Wittelaan L11A3, 2800 Mechelen, Belgium ("**Galapagos**"), and AbbVie S.à.r.l., […***…] ("**AbbVie**"). Galapagos and AbbVie are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Galapagos and AbbVie desire to collaborate in the discovery, research, development and commercialization of Molecules (as defined herein) and Products (as defined herein) in the Territory (as defined herein) in accordance with the terms and conditions set forth herein; and

WHEREAS, each Party desires to grant to the other Party certain licenses to its intellectual property in connection with such collaboration in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 "**AbbVie**" has the meaning set forth in the preamble hereto.

1.2 "**AbbVie Grantback Know-How**" means, as used in connection with any grant back license provided in Article 12, that certain AbbVie Know-How that is (i) Controlled by AbbVie or any of its Affiliates as of the effective date of the applicable termination of this Agreement (in its entirety or with respect to one (1) or more countries), (ii) not generally known, and (iii) directed to the composition or formulation of, or the method of making or using, a Product, but (iv) in each case solely with respect to any such Product that is the subject of Development or Commercialization in such country(ies) as of the date of such termination, as such Product exists as of the effective date of such termination.

1.3 "**AbbVie Grantback Patents**" means, as used in connection with any grant back license provided in Article 12, those certain AbbVie Patents that (i) are Controlled by AbbVie or any of its Affiliates as of the effective date of the applicable termination of this Agreement (in its entirety or with respect to one (1) or more countries), and (ii) include one (1) or more claim(s) that cover the composition or formulation of, or the method of making or using, the applicable

Product(s) as to which this Agreement has been terminated. In addition, AbbVie Grantback Patents include only AbbVie Patents with claims that cover any Product that is the subject of Development or Commercialization in the applicable country(ies) as of the date of the applicable termination of this Agreement, as such Product exists as of the effective date of such termination.

1.4 "**AbbVie Indemnitees**" has the meaning set forth in Section 11.2.

1.5 "**AbbVie Know-How**" means all Information that is (i) Controlled by AbbVie or any of its Affiliates as of the Effective Date or at any time during the Term, (ii) not generally known, and (iii) reasonably necessary or useful for the performance of Discovery Activities or the Exploitation of any Molecule or any Product, but (iv) excluding any Joint Know-How and any inventions covered by the claims of published AbbVie Patents or Joint Patents.

1.6 "**AbbVie Patents**" means all of the Patents that (i) are Controlled by AbbVie or any of its Affiliates as of the Effective Date or at any time during the Term, and (ii) are reasonably necessary or useful (or, with respect to patent applications, would be reasonably necessary or useful if such patent applications were to issue as patents) for the performance of Discovery Activities or the Exploitation of any Molecule or any Product, but (iii) excluding any Joint Patents.

1.7 "**AbbVie Prosecuted Infringements**" has the meaning set forth in Section 7.3.1.

1.8 "**AbbVie Territory**" means the entire Territory, except for (i) the Galapagos Territory, and (ii) any Terminated Territories.

1.9 "**Acceptance**" means, (i) with respect to an NDA, receipt of written notice from the FDA indicating that such NDA has been accepted for filing and further FDA review, or (ii) with respect to an MAA, receipt of written notice (i.e., validation) from the EMA indicating that such MAA has been accepted for filing and further review.

1.10 "**Accounting Standards**" with respect to a Party means that such Party shall maintain records and books of accounts in accordance with (i) United States Generally Accepted Accounting Principles, or (ii) to the extent applicable, International Financial Reporting Standards as issued by the International Accounting Standards Board.

1.11 "**ADR**" has the meaning set forth in Section 13.7.1.

1.12 "**Adverse Ruling**" has the meaning set forth in Section 12.2.1.

1.13 "**Affiliate**" means, with respect to a Party, any Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means (i) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise, or (ii) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a Person (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). The Parties acknowledge that in

the case of certain entities organized under the laws of certain countries outside of the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage shall be substituted in the preceding sentence; *provided*, that such foreign investor has the power to direct the management or policies of such entity.

1.14 "**Agreement**" has the meaning set forth in the preamble hereto.

1.15 "**Alliance Manager**" has the meaning set forth in Section 2.5.5.

1.16 "**Allowable Expenses**" means […***…].

1.17 "**ANDA Act**" has the meaning set forth in Section 7.3.3.

1.18 "**Annual Net Sales-Based Milestone Payment**" has the meaning set forth in Section 6.4.1.

1.19 "**Annual Net Sales-Based Milestone Payment Date**" has the meaning set forth in Section 6.4.1.

1.20 "**Annual Net Sales-Based Milestone Table**" has the meaning set forth in Section 6.4.1.

1.21 "**Annual Net Sales Milestone Threshold**" has the meaning set forth in Section 6.4.1.

1.22 "Applicable Law" means federal, state, local, national and supra-national laws, statutes, rules, and regulations, including any rules, regulations, guidelines, or other requirements of the Regulatory Authorities, major national securities exchanges or major securities listing organizations, that may be in effect from time to time during the Term and applicable to a particular activity or country or other jurisdiction hereunder.

1.23 "**Approved Country**" means (i) each country identified on Schedule 1.23 and (ii) each other country that may be designated as such by the JDC.

1.24 "**Audit Arbitrator**" has the meaning set forth in Section 6.18.

1.25 "**Back-Up Combination Product**" has the meaning set forth in Section 3.7.2.

1.26 "**Back-Up Potentiator Product**" has the meaning set forth in Section 3.7.1.

1.27 "**Base Quarterly Discovery Obligation**" has the meaning set forth in Section 3.1.6(iii)(4).

1.28 "**Base Quarterly POC Obligation**" has the meaning set forth in Section 3.2.7(iii)(4).

1.29 "**Base Quarterly Post-POC Obligation**" has the meaning set forth in Section 3.3.6(iii)(4).

1.30 "**Bayh-Dole Act**" means the Patent and Trademark Law Amendments Act of 1980, as amended, codified at 35 U.S.C. §§ 200-212, as amended, as well as any regulations promulgated pursuant thereto, including in 37 C.F.R. Part 401.

1.31 "**Board of Directors**" has the meaning set forth in the definition of "Change in Control."

1.32 "**Brand Elements**" has the meaning set forth in Section 4.2.2.

1.33 "**Breaching Party**" has the meaning set forth in Section 12.2.

1.34 "**Business Combination Transaction**" has the meaning set forth in Section 5.9.3.

1.35 "**Business Day**" means a day other than a Saturday or Sunday on which banking institutions in New York, New York are open for business.

1.36 "**Calendar Quarter**" means each successive period of three (3) calendar months commencing on January 1, April 1, July 1 and October 1, except that the first Calendar Quarter of the Term shall commence on the Effective Date and end on the day immediately prior to the first to occur of January 1, April 1, July 1 or October 1 after the Effective Date, and the last Calendar Quarter shall end on the last day of the Term.

1.37 "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31, except that the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the year in which the Effective Date occurs and the last Calendar Year of the Term shall commence on January 1 of the year in which the Term ends and end on the last day of the Term.

1.38 "**Centralized Approval Procedure**" means the procedure through which an MAA filed with the EMA results in a single marketing authorization valid throughout the European Union.

1.39 "**CF**" means cystic fibrosis.

1.40 "**CFTR**" means cystic fibrosis transmembrane conductance regulator.

1.41 "**Change in Control**," with respect to a Party, shall be deemed to have occurred if any of the following occurs after the Effective Date:

1.41.1 any "person" or "group" (as such terms are defined below) (i) is or becomes the "beneficial owner" (as defined below), directly or indirectly, of shares of capital stock or other interests (including partnership interests) of such Party then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of the directors, managers or similar supervisory positions ("**Voting Stock**") of such Party representing fifty percent (50%) or more of the total voting power of all outstanding classes of Voting Stock of such Party, or (ii) has the power, directly or indirectly, to elect a majority of the members of the Party's board of directors, or similar governing body ("**Board of Directors**"); or

1.41.2 such Party enters into a merger, consolidation or similar transaction with another Person (whether such Party is the surviving entity or not) and as a result of such merger, consolidation or similar transaction (i) the members of the Board of Directors of such Party immediately prior to such transaction constitute less than a majority of the members of the Board of Directors of such Party or such surviving Person immediately following such transaction, or (ii) the Persons that beneficially owned, directly or indirectly, the shares of Voting Stock of such Party immediately prior to such transaction cease to beneficially own, directly or indirectly, shares of Voting Stock of such Party representing at least a majority of the total voting power of all outstanding classes of Voting Stock of the surviving Person in substantially the same proportions as their ownership of Voting Stock of such Party immediately prior to such transaction; or

1.41.3 such Party sells or transfers to any Third Party, in one (1) or more related transactions, properties or assets representing all or substantially all of such Party's total assets to which this Agreement relates; or

1.41.4 the holders of capital stock of such Party approve a plan or proposal for the liquidation or dissolution of such Party.

For the purpose of this definition of Change in Control, (i) "person" and "group" have the meanings given such terms under Section 13(d) and 14(d) of the United States Securities Exchange Act of 1934 and the term "group" includes any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the said Act, (ii) a "beneficial owner" shall be determined in accordance with Rule 13d-3 under the aforesaid Act, and (iii) the terms "beneficially owned" and "beneficially own" shall have meanings correlative to that of "beneficial owner."

1.42 "**Clinical Data**" means all Information with respect to any Molecule or Product made, collected, or otherwise generated under or in connection with Clinical Studies or Phase 4 Studies, including any data (including raw data), reports, and results with respect thereto.

1.43 "**Clinical Studies**" means Phase 0, Phase 1, Phase 2, Phase 3, and such other tests and studies in human subjects that are required by Applicable Law, or otherwise recommended by the Regulatory Authorities, to obtain or maintain Regulatory Approvals for a Product for one (1) or more indications, including tests or studies that are intended to expand the Product Labeling for such Product with respect to such indication.

1.44 "**CMC Amendment**" means any amendment to a Discovery Budget, POC Budget or Post-POC Development Budget that would increase the amount for CMC Costs budgeted therein.

1.45 "**CMC Costs**" means the FTE Costs (charged in accordance with Section 6.7) incurred, and the direct out-of-pocket costs recorded as an expense by a Party or any of its Affiliates after the Effective Date, during the Term of and pursuant to this Agreement that are specifically identifiable to CMC Development activities (including CMC Development activities performed by the Step-In Party pursuant to Section 3.14); *provided*, that such costs shall be included in "CMC Costs" only (i) to the extent consistent with the applicable Development Plan, or (ii) as otherwise mutually agreed by the Parties.

1.46 "**CMC Development**" means chemistry, Manufacturing and controls development activities with respect to the Molecules and Products, including active pharmaceutical ingredient and formulation development, test method development, Manufacture/testing of active pharmaceutical ingredient and formulations (including placebos) for use in Clinical Studies, quality assurance, quality control development, development of the Manufacturing Process for the Products, scale-up, Manufacturing Process validation, including validation batches, Manufacturing Improvements, and qualification and validation of Third Party contract manufacturers.

1.47 "**CMC Matters**" means all matters related to the chemistry, Manufacturing and controls of the Molecules and Products, including the commercial synthetic route and Manufacturing process for the active pharmaceutical ingredients, formulation technology/formulation and process, specifications, and quality matters.

1.48 "**Combination Product**" means a pharmaceutical product containing one (1) or more Corrector Molecule(s) and one (1) Potentiator Molecule as active ingredients, which product may be either a single, fixed dose formulation or combined in a single package and sold as one (1) product, in each case, including in any and all finished forms, presentations, delivery systems, strengths, dosages and formulations. For clarity, a Back-Up Combination Product is a Combination Product.

1.49 "**Combination Standard**" has the meaning set forth in Section 3.1.2(ii).

1.50 "**Commercialization**" means any and all activities directed to the preparation for sale, offering for sale, or sale of a Product, including activities related to marketing, promoting, distributing, importing and exporting such Product, and, for purposes of setting forth the rights and obligations of the Parties under this Agreement, shall be deemed to include conducting Medical Affairs Activities and conducting Phase 4 Studies, and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, "**to Commercialize**" and "**Commercializing**" means to engage in Commercialization, and "**Commercialized**" has a corresponding meaning.

1.51 "**Commercially Reasonable Efforts**" means, with respect to the performance of Development, Commercialization, or Manufacturing activities with respect to a Molecule or Product by a Party, the level of effort required to carry out an obligation in a sustained, active and diligent manner consistent […***…]. "Commercially Reasonable Efforts" shall be determined on a country-by-country (or jurisdiction-by-jurisdiction, where applicable) and Product-by-Product basis, except that the Party may consider the impact of its efforts and resources expended with respect to any country (or jurisdiction) on any other country (or jurisdiction).

1.52 […***…].

1.53 "**Conduct**" means, with respect to any Clinical Study, to (i) sponsor, support or perform, directly or indirectly through a Third Party, such Clinical Study, or (ii) provide to a Third Party funding for, or clinical supplies (including placebos) for use in, such Clinical Study.

1.54 "**Confidential Information**" means any Information provided orally, visually, in writing or other form by or on behalf of one (1) Party (or an Affiliate of such Party) to the other Party (or to an Affiliate of such Party) in connection with this Agreement or the negotiation hereof, whether prior to, on, or after the Effective Date, including Information relating to the terms of this Agreement, any Molecule or Product (including the Regulatory Documentation and Regulatory Data), any Exploitation of any Molecule or Product, any know-how with respect thereto developed by or on behalf of the disclosing Party or its Affiliates (including AbbVie Know-How and Galapagos Know-How, as applicable), or the scientific, regulatory or business affairs or other activities of either Party. Notwithstanding the foregoing, all Joint Know-How shall be deemed to be the Confidential Information of both Parties and both Parties shall be deemed to be the receiving Party and the disclosing Party with respect thereto.

1.55 "**Control**" means, with respect to any item of Information, Regulatory Documentation, material, Patent, or other property right existing on or after the Effective Date and during the Term, the possession of the right, whether directly or indirectly, and whether by ownership, license, covenant not to sue, or otherwise (other than by operation of the license and other grants in Sections 5.1 or 5.2), to grant a license, sublicense or other right (including the right to reference Regulatory Documentation) to or under such Information, Regulatory Documentation, material, Patent, or other property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party; *provided*, that except in the case of Third Party In-License Agreements, neither Party shall be deemed to Control any item of Information, Regulatory Documentation, material, Patent, or other property right of a Third Party if access requires or triggers a payment obligation.

1.56 "**Co-Promotion Agreement**" has the meaning set forth in Section 4.9.3.

1.57 "**Co-Promotion Option**" has the meaning set forth in Section 4.9.1.

1.58 "**Co-Promotion Period**" means that period commencing on the effective date of the Co-Promotion Agreement and ending on the first date on which Galapagos' co-promotion rights with respect to the Co-Promotion Products terminate pursuant to this Agreement or the Co-Promotion Agreement.

1.59 "**Co-Promotion Plan**" has the meaning set forth in Section 4.9.4.

1.60 "**Co-Promotion Product**" has the meaning set forth in Section 4.9.1.

1.61 "**Co-Promotion Territory**" means, if and only if Galapagos exercises the Co-Promotion Option, Belgium, the Netherlands and Luxembourg. For clarity, if Galapagos does not exercise the Co-Promotion Option, there shall be no Co-Promotion Territory.

1.62 "**Corrector/Combination Product POC Budget**" has the meaning set forth in Section 3.2.2.

1.63 "**Corrector/Combination Product POC Development Plan**" has the meaning set forth in Section 3.2.2.

1.64 "**Corrector/Combination Product POC Success Criteria**" means the success criteria with respect to Combination Products set forth on Schedule 1.64, as the same may be amended from time to time by the JDC pursuant to Section 2.3.2.

1.65 […***…].

1.66 "**Corrector/Combination Product POC Success Deadline**" means the date by which a Combination Product must be determined to have satisfied the Corrector/Combination Product POC Success Criteria, which date shall be set forth in the Corrector/Combination Product POC Development Plan.

1.67 "**Corrector/Combination Product Post-POC Development Budget**" has the meaning set forth in Section 3.3.2.

1.68 "**Corrector/Combination Product Post-POC Development Plan**" has the meaning set forth in Section 3.3.2.

1.69 "**Corrector IND Success Criteria**" means the success criteria with respect to Corrector Molecules set forth on Schedule 1.69, as the same may be amended from time to time by the JRC pursuant to Section 2.2.2.

1.70 […***…].

1.71 […***…].

1.72 "**Corrector Molecule**" means a CFTR corrector molecule resulting from the Discovery Collaboration that acts to improve the trafficking of the CFTR protein and increases the amount of CFTR protein expressed in the airway cell membrane.

1.73 "**Corrector POC Failure**" means the failure of a Combination Product Developed under the Corrector/Combination Product POC Development Plan, after completion of all Development activities thereunder (or such earlier time as the Parties may otherwise agree), to either (i) satisfy the Corrector/Combination Product POC Success Criteria, or (ii) be elected by AbbVie for continued Development in accordance Section 3.3.2(b).

1.74 "**Corrector Post-POC Development Failure**" means the failure of (i) the Development activities under the Corrector/Combination Product Post-POC Development Plan, after completion thereof (or such earlier time as the Parties may otherwise agree), to support the filing of a Drug Approval Application for a Combination Product in the United States, as determined by the JDC, or (ii) a Combination Product Developed under the Corrector/Combination Product Post-POC Development Plan to receive Regulatory Approval in the United States within […***…] ([…***…]) months (or such later date as the JDC may agree) after the filing of the Drug Approval Application therefor with respect to such country.

1.75 "**CREATE Act**" has the meaning set forth in Section 7.2.5.

1.76 "**Default Notice**" has the meaning set forth in Section 12.2.

1.77 "**Delivery System**" has the meaning set forth in the definition of "**Net Sales**".

1.78 "**Detail**" means, with respect to a Co-Promotion Product in the Co-Promotion Territory, a face-to-face contact between a sales representative and a physician or other medical professional, during which a primary position detail (as defined in the Co-Promotion Agreement) or a secondary position detail (as defined in the Co-Promotion Agreement) is made to such person, in each case as measured by each Party's internal recording of such activity in accordance with the Co-Promotion Agreement; *provided*, that such meeting is consistent with and in accordance with the requirements of Applicable Law and this Agreement. When used as a verb, "**Detail**" means to engage in a Detail.

1.79 "**Development**" means all activities related to discovery (including lead identification and lead optimization), research, pre-clinical and other non-clinical testing, CMC Development, Clinical Studies, statistical analysis and report writing, the preparation and submission of Drug Approval Applications, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval. When used as a verb, "**Develop**" means to engage in Development. Development shall exclude Phase 4 Studies. For purposes of clarity, Development shall include any submissions, and activities required in support thereof, required by Applicable Laws or a Regulatory Authority as a condition or in support of obtaining a pricing or reimbursement approval for an approved Product.

1.80 "**Development Costs**" means […***…].

1.81 "**Development Plans**" means the Discovery Work Plan, the Potentiator POC Development Plan (if any), the Corrector/Combination Product POC Development Plan (if any), the Potentiator Post-POC Development Plan (if any), the Corrector/Combination Product Post-POC Development Plan (if any), and the Galapagos Territory Development Plan (if any).

1.82 "**Discovery Activities**" means the Development activities to be performed during the Discovery Term by Galapagos and AbbVie as set forth in the Discovery Work Plan from time to time.

1.83 "**Discovery Additional Cost Cap**" means […***…] Dollars ($[…***…]).

1.84 "**Discovery Budget**" has the meaning set forth in Section 3.1.3.

1.85 "**Discovery Collaboration**" means the performance of the Discovery Activities by Galapagos and AbbVie during the Discovery Term in accordance with the Discovery Work Plan and this Agreement.

1.86 "**Discovery Cost Portion**" means (i) with respect to AbbVie, […***…] percent ([…***…]%), and (ii) with respect to Galapagos, […***…] percent ([…***…]%).

1.87 "**Discovery Increase Funding Date**" has the meaning set forth in Section 3.1.6(iii)(2).

1.88 "**Discovery Reimbursement Credit**" has the meaning set forth in Section 3.1.6(iii)(5).

1.89 "**Discovery Reimbursement Payment**" has the meaning set forth in Section 3.1.6(iii)(6).

1.90 "**Discovery Reimbursement Premium Percentage**" has the meaning set forth in Section 3.1.6(iii)(10).

1.91 "**Discovery Term**" means the period commencing on the Effective Date and ending on the […***…] ([…***…]) anniversary of the Effective Date, unless modified by the JRC pursuant to Section 2.2.2.

1.92 "**Discovery Total Cost Cap**" means […***…].

1.93 "**Discovery Work Plan**" means the development plan and budget attached hereto as Schedule 1.93, as the same may be amended from time to time by the JRC pursuant to Section 2.2.2.

1.94 "**Dispute**" has the meaning set forth in Section 13.7.

1.95 "**Distribution Costs**" means […***…].

1.96 "**Distributor**" has the meaning set forth in Section 5.4.3.

1.97 […***…].

1.98 "**Dollars**" or "$" means United States Dollars.

1.99 "**Drug Approval Application**" means a New Drug Application (an "**NDA**") as defined in the FFDCA, or any corresponding foreign application in the Territory, including, with respect to the European Union, a Marketing Authorization Application (a "**MAA**") filed with the EMA pursuant to the Centralized Approval Procedure or with the applicable Regulatory Authority of a country in the European Union with respect to the mutual recognition or any other national approval procedure.

1.100 "**Drug Approval Filing**" means the submission to a Regulatory Authority of a Drug Approval Application.

1.101 "**Effective Date**" means the effective date of this Agreement as set forth in the preamble hereto.

1.102 "**EMA**" means the European Medicines Agency and any successor agency(ies) or authority having substantially the same function.

1.103 "**EURIBOR**" means Euro Interbank Offered Rate, unweighted average rate, calculation according to the act/360 method having a maturity of one (1) month published by Bloomberg at 11 a.m. CET on the first Frankfurt business day of every month.

1.104 "**European Union**" or "**E.U.**" means the economic, scientific, and political organization of member states known as the European Union, as its membership may be altered from time to time, and any successor thereto.

1.105 "**Excess Discovery Costs**" has the meaning set forth in Section 3.1.6(iii)(3).

1.106 "**Excess POC Cost Portion**" means (i) with respect to AbbVie, […***…] percent ([…***…]%), and (ii) with respect to Galapagos, […***…] percent ([…***…]%).

1.107 "**Excess POC Costs**" has the meaning set forth in Section 3.2.7(iii)(3).

1.108 "**Excess Post-POC Costs**" has the meaning set forth in Section 3.3.6(iii)(3).

1.109 "**Exchange Rate**" has the meaning set forth in Section 6.12.

1.110 "**Exclusive Negotiation Period**" has the meaning set forth in Section 5.3.2(iv).

1.111 "**Existing Patents**" has the meaning set forth in Section 10.2.1.

1.112 "**Existing Potentiator Molecules**" means all CFTR potentiator molecules Controlled by Galapagos as of the Effective Date, including the CFTR potentiator molecules claimed in the Existing Potentiator Patents.

1.113 "**Existing Potentiator Patents**" means the patent applications set forth on Schedule 1.113.

1.114 "**Exploit**" or "**Exploitation**" means to make, have made, import, use, sell, or offer for sale, including to discover, research, develop, commercialize, register, modify, enhance, improve, manufacture, have manufactured, hold or keep (whether for disposal or otherwise), formulate, optimize, have used, export, transport, distribute, promote, market, have sold or otherwise dispose of.

1.115 "**FCPA**" has the meaning set forth in Section 4.4.2.

1.116 "**FDA**" means the United States Food and Drug Administration and any successor agency(ies) or authority having substantially the same function.

1.117 "**FFDCA**" means the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 *et seq.*, as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).

1.118 "**Field**" means the treatment, diagnosis, prediction, detection or prevention of any disease, disorder, state, condition or malady in humans or animals.

1.119 "**First Commercial Sale**" means, with respect to a Product and a country, the first sale for monetary value for use or consumption by the end user of such Product in such country after Regulatory Approval for such Product has been obtained in such country. Sales prior to receipt of Regulatory Approval for such Product, such as so-called "treatment IND sales," "named patient sales," and "compassionate use sales," shall not be construed as a First Commercial Sale.

1.120 "**FTE**" means the equivalent of the work of one (1) employee full time for one (1) Calendar Year (consisting of at least a total of […***…] ([…***…]) hours per Calendar Year) of work directly related to Discovery Activities or the Development, Commercialization or Manufacturing of a Molecule or Product. Any person who devotes less than […***…] ([…***…]) hours per Calendar Year (or such other number as may be agreed by the JRC or JDC, as applicable) shall be treated as an FTE on a pro rata basis based upon the actual number of hours worked divided by […***…] ([…***…]).

1.121 "**FTE Costs**" means, with respect to a Party for any period, the applicable FTE Rate multiplied by the applicable number of FTEs of such Party performing Development, Commercialization or Manufacturing activities during such period in accordance with the applicable Development Plan and Co-Promotion Plan.

1.122 "**FTE Rate**" means […***…] Dollars ($[…***…]) per Calendar Year. The FTE Rates applicable to activities undertaken by either Party are subject to adjustments effective on January 1 of each Calendar Year, based on the applicable employment cost index published by the United States Department of Labor, Bureau of Labor Statistics for the third quarter of the preceding Calendar Year.

1.123 "**Galapagos**" has the meaning set forth in the preamble hereto.

1.124 "**Galapagos Corporate Names**" means the Trademarks and logos identified on Schedule 1.124 and such other names and logos as Galapagos may designate in writing from time to time.

1.125 "**Galapagos Indemnitees**" had the meaning set forth in Section 11.1.

1.126 "**Galapagos IP Costs**" means […***…].

1.127 "**Galapagos Know-How**" means all Information that is (i) Controlled by Galapagos or any of its Affiliates as of the Effective Date or at any time during the Term, (ii) not generally known, and (iii) reasonably necessary or useful for the performance of Discovery Activities or the Exploitation of any Molecule or any Product, but (iv) excluding any Joint Know-How and any inventions covered by the claims of published Galapagos Patents or Joint Patents.

1.128 "**Galapagos Patents**" means all the Patents that are (i) Controlled by Galapagos or any of its Affiliates as of the Effective Date or at any time during the Term, and (ii) reasonably necessary or useful (or, with respect to Patent applications, would be reasonably necessary or useful if such Patent applications were to issue as Patents) for the performance of Discovery Activities or the Exploitation of any Molecule or any Product, but (iii) excluding any Joint Patents. The Galapagos Patents include the Existing Patents.

1.129 "**Galapagos Territory**" means China and South Korea.

1.130 "**Galapagos Territory Commercialization Plan**" has the meaning set forth in Section 4.2.

1.131 "**Galapagos Territory Development Plan**" has the meaning set forth in Section 3.5.1.

1.132 "**Generic Competition**" has the meaning set forth in Section 6.5.4(i).

1.133 "**Generic Product**" means, with respect to a Product, any product that (i) is sold by a Third Party that is not a licensee or Sublicensee of AbbVie or its Affiliates, or any of their licensees or Sublicensees, under a Drug Approval Application granted by a Regulatory Authority to a Third Party, (ii) contains the same active ingredient(s) as the Product, and (iii) is approved in reliance, in whole or in part, on the prior approval (or on safety or efficacy data submitted in support of the prior approval) of such Product as determined by the applicable Regulatory Authority, including any product authorized for sale (a) in the U.S. pursuant to Section 505(b)(2) or Section 505(j) of the FFDCA (21 U.S.C. 355(b)(2) and 21 U.S.C. 355(j), respectively), (b) in the E.U. pursuant to a provision of Articles 10, 10a or 10b of Parliament and Council Directive 2001/83/EC as amended (including an application under Article 6.1 of Parliament and Council Regulation (EC) No 726/2004 that relies for its content on any such provision), or (c) in any other country or jurisdiction pursuant to all equivalents of such provisions, including any amendments and successor statutes with respect to the subsections (a) through (c) thereto. A Product licensed or produced by AbbVie (i.e., an authorized generic product) will not constitute a Generic Product.

1.134 "**Good Manufacturing Practice**" or "**GMP**" means the current good manufacturing practices applicable from time to time to the Manufacturing of a Molecule or Product or any intermediate thereof pursuant to Applicable Law.

1.135 "**Grantback Option**" has the meaning set forth in Section 12.6.1(iii).

1.136 "**Grantback Option to the Terminated Territory**" has the meaning set forth in Section 12.7.2.

1.137 "**Improvement**" means any modification, variation, or revision to a molecule, compound, product, or technology or any discovery, technology, device, process or formulation related to such molecule, compound, product or technology, whether or not patented or patentable, including any enhancement in the efficiency, operation, Manufacture (including any Manufacturing Process), ingredients, preparation, presentation, formulation, means of delivery, packaging or dosage of such molecule, compound, product or technology, any discovery or development of any new or expanded indications for such molecule, compound, product or technology, or any discovery or development that improves the stability, safety or efficacy of such compound, product or technology.

1.138 "**IMS**" has the meaning set forth in Section 6.5.4(i).

1.139 "**IND**" means an application filed with a Regulatory Authority for authorization to commence human Clinical Studies, including (i) an Investigational New Drug Application as defined in the FFDCA or any successor application or procedure filed with the FDA, (ii) any equivalent of a United States IND in other countries or regulatory jurisdictions, and (iii) all supplements, amendments, variations, extensions and renewals thereof that may be filed with respect to the foregoing.

1.140 "**IND Acceptance Belgium**" means, with respect to a Product, an IND for such Product has been accepted by the applicable Regulatory Authority in Belgium.

1.141 "**IND Acceptance U.S.**" means, with respect to a Product, an IND for such Product in the U.S. has not been rejected (placed on clinical hold) by the FDA within thirty (30) days after submission thereof.

1.142 "**Indemnification Claim Notice**" has the meaning set forth in Section 11.4.

1.143 "**Indemnified Party**" has the meaning set forth in Section 11.4.

1.144 "**Indirect Taxes**" has the meaning set forth in Section 6.13.2.

1.145 "**Information**" means knowledge of a technical, scientific, business, or other nature, including know-how, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, data, results and other material, Regulatory Data, and other biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and information, including study designs and protocols, reagents (e.g., plasmids, proteins, cell lines, assays, and compounds) and biological methodology; in each case (whether confidential, proprietary, patented or patentable, of commercial advantage or not) in written, electronic or any other form now known or hereafter developed.

1.146 "**Initial AbbVie FTEs**" has the meaning set forth in Section 3.1.5(i).

1.147 "**Initial AbbVie FTE Costs**" has the meaning set forth in Section 3.1.5(i).

1.148 "**Initial FTE Costs**" has the meaning set forth in Section 3.1.5(i).

1.149 "**Initial Galapagos FTEs**" has the meaning set forth in Section 3.1.5(i).

1.150 "**Initial Galapagos FTE Costs**" has the meaning set forth in Section 3.1.5(i).

1.151 "**Intellectual Property**" has the meaning set forth in Section 12.5.1.

1.152 "**Joint Commercialization Committee**" or "**JCC**" has the meaning set forth in Section 2.4.1.

1.153 "**Joint Committees**" means collectively the JSC, JRC, JDC and JCC.

1.154 "**Joint Development Committee**" or "**JDC**" has the meaning set forth in Section 2.3.1.

1.155 "**Joint Know-How**" has the meaning set forth in Section 7.1.1.

1.156 "**Joint Patents**" has the meaning set forth in Section 7.1.1.

1.157 "**Joint Research Committee**" or "**JRC**" has the meaning set forth in Section 2.2.1.

1.158 "**Joint Steering Committee**" or "**JSC**" has the meaning set forth in Section 2.1.1.

1.159 "**Knowledge**" means […***…] of the chief executive officer, chief financial officer, any vice president involved in the subject matter of this Agreement, including the vice president for research, the vice president for product development, the vice president for clinical development, and the vice president for intellectual property, the head of regulatory affairs, the senior patent counsel, the general counsel, the chief medical officer, and the chief scientific officer of a Party, or any personnel holding positions equivalent to such job titles (but only to the extent such positions exist at such Party).

1.160 "**Last Agreed Discovery Cap**" has the meaning set forth in Section 3.1.6(iii)(3).

1.161 "**Last Agreed POC Cap**" has the meaning set forth in Section 3.2.7(iii)(3).

1.162 "**Last Agreed Post-POC Cap**" has the meaning set forth in Section 3.3.6(iii)(3).

1.163 "**Losses**" has the meaning set forth in Section 11.1.

1.164 "**MAA**" has the meaning set forth in the definition of Drug Approval Application.

1.165 "**Major Regulatory Filing**" has the meaning set forth in Section 3.12.1(iv).

1.166 "**Manufacture**" and "**Manufacturing**" means all activities related to the synthesis, making, production, processing, purifying, formulating, filling, finishing, packaging, labeling, shipping, and holding of any Molecule or Product, or any intermediate thereof, including quality assurance and quality control.

1.167 "**Manufacturing Cost**" with respect to a Molecule or Product (or related placebo) has the meaning set forth on Schedule 1.167.

1.168 "**Manufacturing Process**" has the meaning set forth in Section 4.8.2.

1.169 "**Manufacturing Technology Transfer**" has the meaning set forth in Section 4.8.2.

1.170 "**Markings**" has the meaning set forth in Section 4.7.

1.171 "**Medical Affairs Activities**" means, with respect to any country or other jurisdiction in the Territory, the coordination of medical information requests and field based medical scientific liaisons with respect to Molecules or Products, including activities of medical scientific liaisons and the provision of medical information services with respect to a Molecule or Product.

1.172 "**Medical Affairs Costs**" means those FTE Costs (charged in accordance with Section 6.7) incurred and the direct out-of-pocket costs, including costs for independent contractors engaged as permitted under this Agreement, recorded by a Party or any of its Affiliates in accordance with Accounting Standards after the Effective Date and during the Term of and pursuant to this Agreement; *provided*, that such costs are specifically identifiable or reasonably allocable to Medical Affairs Activities with respect to any Co-Promotion Product sold in the Co-Promotion Territory.

1.173 "**Merging Party**" has the meaning set forth in Section 5.9.2.

1.174 "**Molecules**" means Corrector Molecules and Potentiator Molecules.

1.175 "**Mono Product**" has the meaning set forth in the definition of "Net Sales."

1.176 "**Monthly Average Exchange Rate**" has the meaning set forth in Section 6.12.

1.177 "**Multi-Active Combination Product**" means a Combination Product that contains one (1) or more active ingredients in addition to the Corrector Molecule(s) and Potentiator Molecule.

1.178 "**Multi-Active Potentiator Product**" means a Potentiator Product that contains one (1) or more active ingredients in addition to the Potentiator Molecule.

1.179 "**Multi-Active Product**" means a Multi-Active Combination Product or a Multi-Active Potentiator Product

1.180 "**NDA**" has the meaning set forth in the definition of Drug Approval Application.

1.181 "**Net Profits**" and, with correlative meaning, "**Net Losses**", means, […***…].

1.182 "**Net Sales**" means, […***…].

1.183 "**Neutral**" has the meaning set forth in Schedule 13.7.2.

1.184 "**Non-Breaching Party**" has the meaning set forth in Section 12.2.

1.185 "**Non-Funding Discovery Party**" has the meaning set forth in Section 3.1.6(iii)(3).

1.186 "**Non-Funding POC Party**" has the meaning set forth in Section 3.2.7(iii)(3).

1.187 "**Non-Funding Post-POC Party**" has the meaning set forth in Section 3.3.6(iii)(3).

1.188 "**Non-Merging Party**" has the meaning set forth in Section 5.9.2.

1.189 "**Non-Performing Party**" has the meaning set forth in Section 3.14.

1.190 "**Owned Patents**" has the meaning set forth in Section 10.2.3.

1.191 "**Party**" and "**Parties**" has the meaning set forth in the preamble hereto.

1.192 "**Patent Costs**" means those FTE Costs of in-house legal counsel and related personnel (charged in accordance with Section 6.7) incurred and the direct out-of-pocket costs (including the reasonable fees and expenses paid to outside counsel and other Third Parties, and filing and maintenance fees paid to governmental authorities) recorded as an expense by a Party or any of its Affiliates in accordance with Accounting Standards after the Effective Date, during the Term of and pursuant to this Agreement, (i) in connection with the prosecution and maintenance of rights, including costs of patent interference, opposition, reissue, or re-examination proceedings and filing and registration fees with respect to the Galapagos Patents, Joint Patents or AbbVie Patents, in each case to the extent that they claim the composition of matter, article of manufacture, method of use or method of manufacture of a Co-Promotion Product in the Co-Promotion Territory, and (ii) the costs of litigation (enforcement or defense) or other proceedings, under the Galapagos Patents, Joint Patents and AbbVie Patents, in each case only to the extent related to a Co-Promotion Product in the Co-Promotion Territory and not reimbursed by a Third Party.

1.193 "**Patents**" means (i) all national, regional and international patent applications, including provisional patent applications, and all applications claiming priority therefrom, including divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications, (ii) any and all national patents issued or granted from the foregoing patent applications, including utility patents, utility models, petty patents and design patents and certificates of invention, (iii) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((i) and (ii)), and (iv) any similar rights, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing patent applications and patents.

1.194 "**Payment Date**" means, with respect to a Required AbbVie Payment, the date on which AbbVie is required to make such Required AbbVie Payment to Galapagos pursuant to Sections 6.2, 6.3, 6.4, or 6.5.

1.195 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.196 "**Phase 0**" means an exploratory, first-in-human trial conducted in accordance with the FDA 2006 Guidance on Exploratory Investigational New Drug Studies (or the equivalent in any country or other jurisdiction outside of the United States) and designed to expedite the development of therapeutic or imaging agents by establishing very early on whether the agent behaves in human subjects as was anticipated from preclinical studies.

1.197 "**Phase 1**" means a human clinical trial of a Molecule or Product, the principal purpose of which is a preliminary determination of safety, tolerability, pharmacological activity or pharmacokinetics in healthy individuals or patients or similar clinical study prescribed by the Regulatory Authorities, including the trials referred to in 21 C.F.R. §312.21(a), as amended.

1.198 "**Phase 2**" means a human clinical trial of a Molecule or Product, the principal purpose of which is a determination of safety and efficacy in the target patient population, which is prospectively designed to generate sufficient data that may permit commencement of pivotal clinical trials, or a similar clinical study prescribed by the Regulatory Authorities, from time to time, pursuant to Applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(b), as amended.

1.199 "**Phase 3**" means a human clinical trial of a Molecule or Product on a sufficient number of subjects in an indicated patient population that is designed to establish that such Molecule or Product is safe and efficacious for its intended use and to determine the benefit/risk relationship, warnings, precautions, and adverse reactions that are associated with such product in the dosage range to be prescribed, which trial is intended to support marketing approval of such Molecule or Product, including all tests and studies that are required by the FDA from time to time, pursuant to Applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(c), as amended.

1.200 "**Phase 4 Costs**" means those FTE Costs (charged in accordance with Section 6.7) (i) incurred and the direct out-of-pocket costs recorded as an expense in accordance with Accounting Standards by or on behalf of a Party or any of its Affiliates after the Effective Date, during the Term of and pursuant to this Agreement, and (ii) specifically identifiable or reasonably allocable to Phase 4 Studies, wherever Conducted, of a Co-Promotion Product in support of Commercialization of such Co-Promotion Product in the Co-Promotion Territory. Subject to the foregoing, Phase 4 Costs shall include (i) costs in connection with the preparation for, or Conduct of, Phase 4 Studies, data collection and analysis and report writing, and clinical laboratory work, (ii) related Regulatory Expenses, and (iii) related Manufacturing Costs; *provided*, that such Phase 4 Costs shall not be counted more than once as an Allowable Expense.

1.201 "**Phase 4 Study**" means a post-marketing human clinical study for a Product with respect to any indication as to which Regulatory Approval has been received or for a use that is the subject of an investigator-initiated study program.

1.202 "**PMDA**" means Japan's Pharmaceuticals and Medical Devices Agency and any successor agency(ies) or authority having substantially the same function.

1.203 "**POC Budget**" means each of the Potentiator POC Budget and the Corrector/Combination Product POC Budget.

1.204 "**POC Cost Cap**" means, with respect to a POC Development Plan, the aggregate amount of the POC Budget (excluding amounts budgeted for CMC Costs) initially approved by the JDC in accordance with Section 2.3.2 as part of such POC Development Plan, together with any increase thereto agreed by the Parties in accordance with Section 3.2.7.

1.205 "**POC Development Plans**" means the Potentiator POC Development Plan and the Corrector/Combination Product POC Development Plan.

1.206 "**POC Increase Funding Date**" has the meaning set forth in Section 3.2.7(iii)(2).

1.207 "**POC Reimbursement Credit**" has the meaning set forth in Section 3.2.7(iii)(5).

1.208 "**POC Reimbursement Payment**" has the meaning set forth in Section 3.2.7(iii)(6).

1.209 "**POC Reimbursement Premium Percentage**" has the meaning set forth in Section 3.2.7(iii)(10).

1.210 "**Post-POC Development Budget**" means each of the Potentiator Post-POC Development Budget and the Corrector/Combination Product Post-POC Development Budget.

1.211 "**Post-POC Development Cost Cap**" means, with respect to a Post-POC Development Plan, the aggregate amount of the Post-POC Development Budget (excluding amounts budgeted for CMC Costs) initially approved by the JDC in accordance with Section 2.3.2 as part of such Post-POC Development Plan, together with any increase thereto agreed to by the Parties in accordance with Section 3.3.6.

1.212 "**Post-POC Development Cost Portion**" means (i) with respect to AbbVie, […***…] percent ([…***…]%), and (ii) with respect to Galapagos, […***…] percent ([…***…]%).

1.213 "**Post-POC Development Plans**" means the Potentiator Post-POC Development Plan and the Corrector/Combination Product Post-POC Development Plan.

1.214 "**Post-POC Increase Funding Date**" has the meaning set forth in Section 3.3.6(iii)(2).

1.215 "**Post-POC Reimbursement Credit**" has the meaning set forth in Section 3.3.6(iii)(5).

1.216 "**Post-POC Reimbursement Payment**" has the meaning set forth in Section 3.3.6(iii)(6).

1.217 "**Post-POC Reimbursement Premium Percentage**" has the meaning set forth in Section 3.3.6(iii)(10).

1.218 "**Potentiator IND Success Criteria**" means the success criteria with respect to Potentiator Molecules set forth on Schedule 1.218, as the same may be amended from time to time by the JRC pursuant to Section 2.2.2.

1.219 […***…].

1.220 "**Potentiator Molecule**" means (i) the Existing Potentiator Molecules, and (ii) any CFTR potentiator molecule resulting from the Discovery Collaboration that may act by increasing the probability of open configuration of the CFTR protein leading to an increase in chloride transport activity.

1.221 "**Potentiator POC Budget**" has the meaning set forth in Section 3.2.1.

1.222 "**Potentiator POC Development Plan**" has the meaning set forth in Section 3.2.1.

1.223 "**Potentiator POC Failure**" means the failure of a Potentiator Product Developed under the Potentiator POC Development Plan, after completion of all Development activities thereunder (or such earlier time as the Parties may otherwise agree), to either (i) satisfy the Potentiator POC Success Criteria, or (ii) be elected by AbbVie for continued Development in accordance Section 3.3.1(b).

1.224 "**Potentiator POC Success Criteria**" means the success criteria with respect to Potentiator Products set forth on Schedule 1.224, as the same may be amended from time to time by the JDC pursuant to Section 2.3.2.

1.225 […***…].

1.226 "**Potentiator POC Success Deadline**" means the date by which a Potentiator Product must be determined to have satisfied the Potentiator POC Success Criteria, which date shall be set forth in the Potentiator POC Development Plan.

1.227 "**Potentiator Post-POC Development Budget**" has the meaning set forth in Section 3.3.1.

1.228 "**Potentiator Post-POC Development Failure**" means the failure of (i) the Development activities under the Potentiator Post-POC Development Plan, after completion thereof (or such earlier time as the Parties may otherwise agree), to support the filing of a Drug Approval Application for a Potentiator Product in the United States, as determined by the JDC, or (ii) a Potentiator Product Developed under the Potentiator Post-POC Development Plan to receive Regulatory Approval in the United States within […***…] ([…***…]) months (or such later date as the JDC may agree) after the filing of the Drug Approval Application therefor with respect to such country.

1.229 "**Potentiator Post-POC Development Plan**" has the meaning set forth in Section 3.3.1.

1.230 "**Potentiator Product**" means a pharmaceutical product that contains a Potentiator Molecule as an active ingredient (but does not also contain a Corrector Molecule as an active ingredient), including in any and all finished forms, presentations, delivery systems, strengths, dosages and formulations. For clarity, a Back-Up Potentiator Product is a Potentiator Product.

1.231 "**Potentiator Standard**" has the meaning set forth in Section 3.1.2(ii).

1.232 "**Product**" means (i) each Potentiator Product, and (ii) each Combination Product.

1.233 "**Product Information**" has the meaning set forth in Section 9.1.

1.234 "**Product Labeling**" means, with respect to a Product in a country or other jurisdiction in the Territory, (i) the Regulatory Authority-approved full prescribing information for such Product for such country or other jurisdiction, including any required patient information, and (ii) all labels and other written, printed, or graphic matter upon a container, wrapper, or any package insert utilized with or for such Product in such country or other jurisdiction.

1.235 "**Product Patent**" means each AbbVie Patent, Galapagos Patent or Joint Patent that claims the composition of matter, article of manufacture, method of use or method of manufacture of any Molecule or Product, including the Existing Potentiator Patents.

1.236 "**Product Trademarks**" means the Trademark(s) to be used by AbbVie, Galapagos, their respective Affiliates or their or their Affiliates' Sublicensees, for the Development or Commercialization of Products in the Territory and any registrations thereof or any pending applications relating thereto in the Territory (excluding, in any event, any trademarks, service marks, names or logos that include any corporate name or logo of the Parties or their Affiliates).

1.237 "**Proposed Future Third Party In-Licensed Rights**" has the meaning set forth in Section 5.8.

1.238 "**Proposed Terms**" has the meaning set forth in Section 13.7.3.

1.239 "**Quarterly Discovery Incurrence Date**" has the meaning set forth in Section 3.1.6(iii)(4).

1.240 "**Quarterly POC Incurrence Date**" has the meaning set forth in Section 3.2.7(iii)(4).

1.241 "**Quarterly Post-POC Incurrence Date**" has the meaning set forth in Section 3.3.6(iii)(4).

1.242 "**Regulatory Approval**" means, with respect to a Product and a country or other jurisdiction in the Territory, any and all approvals (including approval of Drug Approval Applications), licenses, registrations, or authorizations of any Regulatory Authority necessary to Commercialize such Product in such country or other jurisdiction, including, where applicable, (i) pricing or reimbursement approval in such country or other jurisdiction, (ii) pre- and post-approval marketing authorizations (including any prerequisite Manufacturing approval or authorization related thereto), and (iii) approval of Product Labeling.

1.243 "**Regulatory Authority**" means any applicable supra-national, federal, national, regional, state, provincial, or local governmental or regulatory authority, agency, department,

bureau, commission, council, or other entities (e.g., the FDA, EMA and PMDA) regulating or otherwise exercising authority with respect to activities contemplated in this Agreement, including the Exploitation of Molecules or Products in the Territory.

1.244 "**Regulatory Data**" has the meaning set forth in Section 3.12.4(i).

1.245 "**Regulatory Documentation**" means all (i) applications (including all INDs and Drug Approval Applications and other Major Regulatory Filings), registrations, licenses, authorizations, and approvals (including Regulatory Approvals), and (ii) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all regulatory drug lists, advertising and promotion documents, adverse event files, and complaint files, in each case ((i) and (ii)) relating to a Molecule or Product.

1.246 "**Regulatory Exclusivity**" means, with respect to any country or other jurisdiction in the Territory, an additional market protection, other than Patent protection, granted by a Regulatory Authority in such country or other jurisdiction which confers an exclusive Commercialization period during which AbbVie or its Affiliates or Sublicensees have the exclusive right to market and sell a Molecule or Product in such country or other jurisdiction through a regulatory exclusivity right (e.g., new chemical entity exclusivity, new use or indication exclusivity, new formulation exclusivity, orphan drug exclusivity, pediatric exclusivity, or any applicable data exclusivity).

1.247 "**Regulatory Expenses**" means those FTE Costs (charged in accordance with Section 6.7) (i) incurred and the direct out-of-pocket costs (including filing, user, maintenance and other fees paid to Regulatory Authorities) recorded as an expense in accordance with Accounting Standards by or on behalf of AbbVie or any of its Affiliates after the Effective Date, during the Term of and pursuant to this Agreement, and (ii) specifically identifiable or reasonably allocable to the preparation of regulatory submissions for, and the obtaining and maintenance of Regulatory Approval of, any Co-Promotion Product in the Co-Promotion Territory, including compliance with Regulatory Approvals and requirements of such Regulatory Authorities, adverse event recordation and reporting and regulatory affairs activities, in each case in the Co-Promotion Territory; *provided*, that such FTE Costs shall not be counted more than once as an Allowable Expense.

1.248 "**Reimbursement Credit**" means a Discovery Reimbursement Credit, a POC Reimbursement Credit or a Post-POC Reimbursement Credit.

1.249 "**Reimbursement Payment**" means a Discovery Reimbursement Payment, a POC Reimbursement Payment or a Post-POC Reimbursement Payment.

1.250 "**Required AbbVie Payment**" means each payment payable by AbbVie to Galapagos pursuant to Sections 6.2, 6.3, 6.4, or 6.5.

1.251 "**Royalty Term**" means, with respect to each Product and each country or other jurisdiction in the Royalty Territory, the period beginning on the date of the First Commercial Sale of such Product in such country or other jurisdiction, and ending on the latest to occur of

(i) the expiration, invalidation or abandonment date of the last Galapagos Patent or Joint Patent that includes a Valid Claim that covers the Manufacture, use or sale of such Product that is sold in such country or other jurisdiction, or (ii) the […***…] ([…***…]) anniversary of the First Commercial Sale of such Product in such country or other jurisdiction, or (iii) the expiration of Regulatory Exclusivity for such Product in such country or other jurisdiction.

1.252 "**Royalty Territory**" means all countries and jurisdictions in the AbbVie Territory, except the Co-Promotion Territory.

1.253 "**Sales and Marketing Costs**" means […***…].

1.254 "**Seller**" has the meaning set forth in the definition of "Net Sales."

1.255 "**Senior Officer**" means, (i) with respect to Galapagos, its Chief Executive Officer or his/her designee, and (ii) with respect to AbbVie, (a) for Development and Manufacturing matters, its Chief Scientific Officer or its equivalent position or his/her designee, as applicable, and (b) for Commercialization matters, its Executive Vice President-Commercial Operations or his/her designee.

1.256 "**Step-In Party**" has the meaning set forth in Section 3.14.

1.257 "**Sublicensee**" means a Person, other than an Affiliate, that is granted (i) a sublicense by AbbVie under the grants in Section 5.1 as permitted in Section 5.3.1, or (ii) a sublicense by Galapagos under the grants in Section 5.2.1 as permitted in Section 5.3.2.

1.258 "**Support Memorandum**" has the meaning set forth in Section 13.7.3.

1.259 "**Term**" has the meaning set forth in Section 12.1.1.

1.260 "**Terminated Territory**" means each country or jurisdiction with respect to which this Agreement is terminated pursuant to Section 12.2.2 or pursuant to Section 12.3, or, if this Agreement is terminated in its entirety, the entire Territory.

1.261 "**Territory**" means the entire world, excluding any Terminated Territories from and after the date of termination thereof.

1.262 "**Third Party**" means any Person other than Galapagos, AbbVie and their respective Affiliates.

1.263 "**Third Party Claims**" has the meaning set forth in Section 11.1.

1.264 "**Third Party Infringement**" has the meaning set forth in Section 7.3.1.

1.265 "**Third Party In-License Agreement**" means (i) each agreement listed on Schedule 10.2.4, and (ii) any agreement between Galapagos and a Third Party under which AbbVie is granted a sublicense or other right under this Agreement as provided in Section 5.8.

1.266 "**Third Party Payments**" means all upfront payments, milestone payments, royalties, and other amounts paid to a Third Party pursuant to Third Party In-License Agreements or pursuant to an agreement with a Third Party that AbbVie, its Affiliate(s) or Sublicensees enter into pursuant to and in accordance with Section 7.6 in order to obtain a license or right under a Patent or intellectual property right owned or controlled by such Third Party in order to Exploit a Molecule or Product.

1.267 "**Third Party Provider**" has the meaning set forth in Section 3.10.

1.268 "**Total Discovery Reimbursement Balance**" has the meaning set forth in Section 3.1.6(iii)(4).

1.269 "**Total POC Reimbursement Balance**" has the meaning set forth in Section 3.2.7(iii)(4).

1.270 "**Total Post-POC Reimbursement Balance**" has the meaning set forth in Section 3.3.6(iii)(4).

1.271 "**Total Quarterly Discovery Obligation**" has the meaning set forth in Section 3.1.6(iii)(4).

1.272 "**Total Quarterly POC Obligation**" has the meaning set forth in Section 3.2.7(iii)(4).

1.273 "**Total Quarterly Post-POC Obligation**" has the meaning set forth in Section 3.3.6(iii)(4).

1.274 "**Trademark**" means any word, name, symbol, color, designation or device or any combination thereof that functions as a source identifier, including any trademark, trade dress, brand mark, service mark, trade name, brand name, logo, business symbol or domain names, whether or not registered.

1.275 "**Trademark Costs**" means (i) those FTE Costs of in-house legal counsel and related personnel (charged in accordance with Section 6.7) (a) incurred and the direct out-of-pocket costs (including the reasonable fees and expenses paid to outside counsel and other Third Parties, and filing and maintenance fees paid to governmental authorities) recorded as an expense by a Party or any of its Affiliates in accordance with Accounting Standards after the Effective Date, during the Term of and pursuant to this Agreement, and (b) in connection with the prosecution and maintenance of rights, including filing and registration fees with respect to the Trademark(s) for the Co-Promotion Product in the Co-Promotion Territory, and (ii) the costs of litigation (enforcement or defense) or other proceedings, under the Trademark(s) for the Co-Promotion Product in the Co-Promotion Territory, only to the extent not reimbursed by a Third Party.

1.276 "**Transition Agreement**" has the meaning set forth in Section 12.8.

1.277 "**Unilateral Discovery Party**" has the meaning set forth in Section 3.1.6(iii).

1.278 "**Unilateral Discovery Period**" has the meaning set forth in Section 3.1.6(iii)(2).

1.279 "**Unilateral POC Party**" has the meaning set forth in Section 3.2.7(iii).

1.280 "**Unilateral POC Period**" has the meaning set forth in Section 3.2.7(iii)(2).

1.281 "**Unilateral Post-POC Party**" has the meaning set forth in Section 3.3.6(iii).

1.282 "**Unilateral Post-POC Period**" has the meaning set forth in Section 3.3.6(iii)(2).

1.283 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

1.284 "**Valid Claim**" means a claim of any issued Patent which has not expired, irretrievably lapsed, been abandoned, revoked, dedicated to the public, or disclaimed; or adjudged invalid or unenforceable as a result of a holding, finding, or decision of invalidity, unenforceability, or non-patentability by a court, governmental agency, national or regional patent office, or other appropriate body that has competent jurisdiction, such holding, finding, or decision being final and unappealable or unappealed within the time allowed for appeal.

1.285 "**Voting Stock**" has the meaning set forth in the definition of "**Change in Control**."

1.286 "**Withholding Party**" has the meaning set forth in Section 6.13.1.

1.287 "**Working Group**" has the meaning set forth in Section 2.8.

ARTICLE 2
COLLABORATION MANAGEMENT

2.1 Joint Steering Committee.

2.1.1 Formation. As soon as practical after the Effective Date, but no later than thirty (30) days thereafter, the Parties shall establish a joint steering committee (the "**Joint Steering Committee**" or "**JSC**"), which shall (i) manage and oversee the Development, Commercialization, and other Exploitation of the Molecules and Products in the Territory, (ii) resolve disputes that may arise in the JRC, the JDC or the JCC in accordance with Section 2.5.3, (iii) coordinate the Parties' activities under this Agreement, including oversight of the JRC, the JDC and the JCC, and (iv) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement. The JSC shall consist of three (3) representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the applicable Party with respect to the issues falling within the jurisdiction of the JSC. From time to time, each Party may substitute one (1) or more of its representatives to the JSC on written notice to the other Party. The JSC shall be chaired on an annual rotating basis by a representative of either AbbVie or Galapagos, as applicable, on the Joint Steering Committee, with […***…] providing the first such chairperson. The chairperson shall appoint a secretary of the Joint Steering Committee, who shall be a representative of the other Party and who shall serve for the same annual term as such chairperson.

2.2 Joint Research Committee.

2.2.1 Formation. As soon as practical after the Effective Date, but no later than thirty (30) days, the Parties shall establish a joint research committee (the "**Joint Research Committee**" or "**JRC**"). The JRC shall consist of three (3) representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the applicable Party with respect to the issues falling within the jurisdiction of the JRC. From time to time, each Party may substitute one (1) or more of its representatives to the JRC on written notice to the other Party. The JRC shall be chaired on an annual rotating basis by a representative of either AbbVie or Galapagos, as applicable, on the JRC, with […***…] providing the first such chairperson.

2.2.2 Specific Responsibilities. The JRC shall manage, coordinate and oversee the performance of the Discovery Activities by the Parties. In particular, the JRC shall:

(i) periodically (no less often than quarterly) review and serve as a forum for discussing the Discovery Work Plan, and review and approve amendments thereto, including any amendments to the Discovery Budget;

(ii) consider, review and approve any amendments to the Potentiator IND Success Criteria and the Corrector IND Success Criteria, or the inclusion therein of a new Potentiator Standard or Combination Standard, as applicable;

(iii) oversee the conduct of Discovery Activities under the Discovery Work Plan;

(iv) consider and approve any modifications to the length of the Discovery Term;

(v) determine whether any Potentiator Molecule satisfies the Potentiator IND Success Criteria;

(vi) determine whether any Corrector Molecule satisfies the Corrector IND Success Criteria;

(vii) serve as a forum for discussion of results obtained from the Discovery Collaboration;

(viii) establish secure access methods (such as secure databases) or other processes for each Party to exchange and access Discovery Activity-related Information as contemplated under this Agreement;

(ix) discuss, and to the extent provided in Section 3.10, approve, the selection of all Third Party Providers engaged to support the Discovery Activities and review the performance of all such Third Party Providers; and

(x) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

2.3 Joint Development Committee.

2.3.1 Formation. Not later than […***…] ([…***…]) months prior to the anticipated filing of the first IND for a Molecule, the Parties shall establish a joint development committee (the "**Joint Development Committee**" or "**JDC**"). The JDC shall consist of three (3) representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the Parties with respect to the issues falling within the jurisdiction of the JDC. From time to time, each Party may substitute one (1) or more of its representatives to the JDC on written notice to the other Party. The JDC shall be chaired on an annual rotating basis by a representative of either AbbVie or Galapagos, as applicable, on the JDC, with […***…] providing the first such chairperson.

2.3.2 Specific Responsibilities. The JDC shall manage, coordinate and oversee the Parties' activities under the Potentiator POC Development Plan, the Corrector/Combination Product POC Development Plan, the Post-POC Development Plans, and the Galapagos Territory Development Plan. In particular, the JDC shall:

(i) as applicable, develop and approve each of the Potentiator POC Development Plan, the Corrector/Combination Product POC Development Plan, and each Post-POC Development Plan, in accordance with the terms hereof;

(ii) periodically (no less often than semi-annually) review and serve as a forum for discussing, as applicable, the Potentiator POC Development Plan, the Corrector/Combination Product POC Development Plan, and the Post-POC Development Plans, and review and approve amendments thereto, including any amendments to the POC Budgets and Post-POC Development Budgets;

(iii) consider, review and approve any amendments to the Potentiator POC Success Criteria and the Corrector/Combination Product POC Success Criteria, or the inclusion therein of a new Potentiator Standard or Combination Standard, as applicable;

(iv) determine whether any Potentiator Product satisfies the Potentiator POC Success Criteria;

(v) determine whether any Combination Product satisfies the Corrector/Combination Product POC Success Criteria;

(vi) oversee the conduct of Development activities, as applicable, under the Potentiator POC Development Plan, the Corrector/Combination Product POC Development Plan, and the Post-POC Development Plans;

(vii) serve as a forum for discussing strategies for obtaining Regulatory Approvals for the Products in the Territory;

(viii) determine whether the Development activities under a Post-POC Development Plan support the filing of a Drug Approval Application for the applicable Product in any country or jurisdiction in the Territory and whether Drug Approval Filings with respect to any Product shall be made in any country or jurisdiction in the Territory;

(ix) determine the occurrence of Corrector Post-POC Development Failure or Potentiator Post-POC Development Failure;

(x) review and approve the initial Galapagos Territory Development Plan;

(xi) periodically (no less often than semi-annually) review and serve as a forum for discussing the Galapagos Territory Development Plan, and review and approve amendments thereto;

(xii) establish secure access methods (such as secure databases) or other processes for each Party to exchange and access Regulatory Documentation and other Development-related Information as contemplated under this Agreement;

(xiii) discuss, and to the extent provided in Section 3.10, approve, the selection of all Third Party Providers engaged to support the Development activities and review the performance of all such Third Party Providers; and

(xiv) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

2.4 Joint Commercialization Committee.

2.4.1 Formation. At least […***…] ([…***…]) months prior to the anticipated filing of the first Drug Approval Application with the applicable Regulatory Authority in any country in the Co-Promotion Territory (or with the EMA with respect to the Centralized Approval Procedure), the Parties shall establish a joint commercialization committee (the "**Joint Commercialization Committee**" or "**JCC**"). The JCC shall consist of three (3) representatives from each of the Parties, each with the requisite experience and seniority to enable such person to make decisions on behalf of the applicable Party with respect to the issues falling within the jurisdiction of the JCC. From time to time, each Party may substitute one (1) or more of its representatives to the JCC on written notice to the other Party. AbbVie shall select from its representatives the chairperson for the JCC. From time to time, AbbVie may change the representative who will serve as chairperson on written notice to Galapagos.

2.4.2 Specific Responsibilities. The JCC shall develop the strategies for and oversee the Commercialization of the Co-Promotion Products in the Co-Promotion Territory and oversee at a high level all Commercialization activities in the Galapagos Territory with respect to the Products. In particular, the JCC shall:

(i) periodically (no less often than annually) review and serve as a forum for discussing AbbVie's Commercialization activities in the AbbVie Territory and AbbVie's global brand plan for the Products, including marketing and promotional materials, Product messaging, Commercialization budgets and Detailing effort;

(ii) establish a strategy for the Commercialization of the Co-Promotion Products in the Co-Promotion Territory;

(iii) review and approve the initial Co-Promotion Plan;

(iv) periodically (no less often than annually) review and serve as a forum for discussing the Co-Promotion Plan and review and approve amendments thereto;

(v) review and approve the manner in which the Markings are to be presented on promotional materials and Product Labeling for the Co-Promotion Products in the Co-Promotion Territory;

(vi) review and approve the initial Galapagos Territory Commercialization Plan; *provided*, that AbbVie shall ensure that its representatives on the JCC do not unreasonably withhold such approval so long as the initial Galapagos Territory Commercialization Plan is consistent with AbbVie's then-current global brand plan for the Products and the other requirements of this Agreement;

(vii) oversee at a high level all Commercialization activities in the Galapagos Territory with respect to the Products;

(viii) periodically (no less often than annually) review and serve as a forum for discussing the Galapagos Territory Commercialization Plan and its implementation, and review and approve any amendments thereto; *provided*, that AbbVie shall ensure that its representatives on the JCC do not unreasonably withhold such approval so long as such amendment is consistent with AbbVie's then-current global brand plan for the Products and the other requirements of this Agreement;

(ix) review and approve the form and content of all marketing and promotional materials and all Product messaging to be used in the Galapagos Territory with respect to the Products;

(x) review and approve the form and content of all training materials to be used in the Galapagos Territory with respect to the Products;

(xi) discuss the selection of all Distributors and Third Party co-promoters and promoters engaged to support Commercialization activities in the Galapagos Territory and review the performance of all such Third Parties; and

(xii) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

2.5 General Provisions Applicable to Joint Committees.

2.5.1 Meetings and Minutes. The JSC shall meet semi-annually and the JRC, the JDC and the JCC shall meet quarterly, or in each case as otherwise agreed to by the Parties, with the location of such meetings alternating between locations designated by Galapagos and locations designated by AbbVie; […***…]. The chairperson of the applicable Joint Committee shall be responsible for calling meetings on no less than thirty (30) Business Days' notice. Each Party shall make all proposals for agenda items and shall provide all appropriate information with respect to such proposed items at least ten (10) Business Days in advance of the applicable meeting; *provided*, that under exigent circumstances requiring input by a Joint Committee, a Party may provide its agenda items to the other Party within a shorter period of time in advance of the meeting, or may propose that there not be a specific agenda for a particular meeting, so long as the other Party consents to such later addition of such agenda items or the absence of a specific agenda for such meeting. The respective chairperson of each Joint Committee, or in the case of the JSC, the secretary, shall prepare and circulate for review and approval of the Parties minutes of each meeting within thirty (30) days after the meeting. The Parties shall agree on the minutes of each meeting promptly, but in no event later than the next meeting of the Joint Committee. If the Parties cannot agree on the content of the minutes the objecting Party shall append a notice of objection with the specific details of the objection to the proposed minutes.

2.5.2 Procedural Rules. Each Joint Committee shall have the right to adopt such standing rules as shall be necessary for its work, to the extent that such rules are not inconsistent with this Agreement. A quorum of the Joint Committee shall exist whenever there is present at a meeting at least one (1) representative appointed by each Party. Representatives of the Parties on a Joint Committee may attend a meeting either in person or by telephone, video conference or similar means in which each participant can hear what is said by, and be heard by, the other participants. Representation by proxy shall be allowed. Subject to any applicable final decision-making authority of a Party set forth in Section 2.5.3, each Joint Committee shall take action by unanimous agreement of the representatives present at a meeting at which a quorum exists, with each Party having a single vote irrespective of the number of representatives of such Party in attendance, or by a written resolution signed by at least one (1) representative appointed by each Party. Employees or consultants of either Party that are not representatives of the Parties on a Joint Committee may attend meetings of such Joint Committee; *provided*, that such attendees (i) shall not vote or otherwise participate in the decision-making process of the Joint Committee, and (ii) are bound by obligations of confidentiality and non-disclosure equivalent to those set forth in Article 9.

2.5.3 Joint Committee Dispute Resolution. If the JRC, the JDC or the JCC cannot, or does not, reach unanimous agreement on an issue at a meeting or within a period of […***…] ([…***…]) Business Days thereafter or such other period as the Parties may agree, then the dispute shall be referred to the JSC for resolution and a special meeting of the JSC may be called for such purpose. If the JSC cannot, or does not, reach unanimous agreement on an issue, including any dispute arising from the JRC, JDC or JCC, at a meeting or within a period of […***…] ([…***…]) Business Days thereafter or such other period as the Parties may agree, then the dispute shall first be referred to the Senior Officers of the Parties, who shall confer in good faith on the resolution of the issue. Any final decision mutually agreed to by the Senior

Officers shall be conclusive and binding on the Parties. If the Senior Officers are not able to agree on the resolution of any such issue within […***…] ([…***…]) days after such issue was first referred to them, then:

(i) if such dispute relates to any proposed amendment to the Potentiator IND Success Criteria, the Corrector IND Success Criteria, the Potentiator POC Success Criteria, or the Corrector/Combination Product POC Success Criteria, or the inclusion therein of a new Potentiator Standard or Combination Standard, as applicable, such dispute shall be resolved […***…];

(ii) if such dispute relates to any proposed modification to the length of the Discovery Term, […***…];

(iii) if such dispute relates to any proposed amendment to the Discovery Work Plan (including the Discovery Budget), such dispute shall be finally and definitively resolved by […***…];

(iv) if such dispute relates to the approval of the initial Potentiator POC Development Plan (including the Potentiator POC Budget) or any amendment thereto, such dispute shall be finally and definitively resolved by […***…];

(v) if such dispute relates to the approval of the initial Corrector/Combination Product POC Development Plan (including the Corrector/Combination Product POC Budget) or any amendment thereto, such dispute shall be finally and definitively resolved by […***…];

(vi) if such dispute relates to the approval of the initial Potentiator Post-POC Development Plan (including the Potentiator Post-POC Development Budget) or any amendment thereto, such dispute shall be finally and definitively resolved by […***…];

(vii) if such dispute relates to the approval of the initial Corrector/Combination Product Post-POC Development Plan (including the Corrector/Combination Product Post-POC Development Budget) or any amendment thereto, such dispute shall be finally and definitively resolved by […***…];

(viii) if such dispute relates to the approval of any CMC Amendment, such dispute shall be finally and definitively resolved by […***…];

(ix) if such dispute relates to the approval of the initial Galapagos Territory Development Plan or any amendment thereto, such dispute shall be finally and definitively resolved by […***…];

(x) if such dispute relates to whether any Molecule satisfies the Potentiator IND Success Criteria or the Corrector IND Success Criteria, as applicable, such dispute shall be resolved […***…];

(xi) if such dispute relates to whether any Product satisfies the Potentiator POC Success Criteria or the Corrector/Combination Product POC Success Criteria, as applicable, such dispute shall be resolved […***…];

(xii) if such dispute relates to whether the Development activities under a Post-POC Development Plan support the filing of a Drug Approval Application for the applicable Product in any country or jurisdiction in the AbbVie Territory or whether a Drug Approval Filing with respect to any Product will be made in any country or jurisdiction in the AbbVie Territory, such dispute shall be finally and definitively resolved by […***…];

(xiii) if such dispute relates to whether the Development activities under a Post-POC Development Plan or Galapagos Territory Development Plan support the filing of a Drug Approval Application for the applicable Product in any country or jurisdiction in the Galapagos Territory or whether a Drug Approval Filing with respect to any Product will be made in any country or jurisdiction in the Galapagos Territory, such dispute shall be finally and definitively resolved by […***…];

(xiv) if such dispute relates to any issue originally within the jurisdiction of the JCC (including the contents of the Co-Promotion Plan, the Galapagos Territory Commercialization Plan, or any amendment thereto), then such issue shall be finally and definitively resolved by […***…];

(xv) if such dispute relates to whether to obtain a Third Party license pursuant to Section 7.6, the Party that will negotiate such license, or the terms of such license, then such issue shall be finally and definitively resolved by […***…];

(xvi) if such dispute relates to whether to continue Development of (a) a Back-Up Potentiator Product under the Potentiator Post-POC Development Plan as contemplated by Section 3.7.1(ii)(3) or (b) a Back-Up Combination Product under the Corrector/Combination Product Post-POC Development Plan as contemplated by Section 3.7.2(ii)(3), in each case ((a) and (b)) such issue shall be finally and definitively resolved by […***…]; and

(xvii) if such dispute relates to whether a new country shall be designated as an Approved Country, […***…].

Except as otherwise expressly set forth in this Agreement, disputes arising between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith, and that are outside of the jurisdiction of the Joint Committees, including any alleged breach of this Agreement by a Party, shall be resolved pursuant to Section 13.7.

2.5.4 Limitations on Authority. Each Party shall retain the rights, powers, and discretion granted to it under this Agreement and no such rights, powers, or discretion shall be delegated to or vested in a Joint Committee unless such delegation or vesting of rights is expressly provided for in this Agreement or the Parties expressly so agree in writing. No Joint Committee shall have the power to amend, modify, or waive compliance with this Agreement, which may only be amended or modified as provided in Section 13.9 or compliance with which may only be waived as provided in Section 13.11.

2.5.5 Alliance Manager. Each Party shall appoint a person(s) who shall oversee contact between the Parties for all matters between meetings of each Joint Committee and shall have such other responsibilities as the Parties may agree in writing after the Effective Date (each, an "**Alliance Manager**"). Each Party may replace its Alliance Manager at any time by notice in writing to the other Party.

2.6 Discontinuation of Participation on a Committee. Subject to Section 13.2.2, each Joint Committee shall continue to exist until the first to occur of: (i) the Parties mutually agreeing to disband the Joint Committee; or (ii) Galapagos providing to AbbVie written notice of its intention to disband and no longer participate in such Joint Committee; *provided*, that Galapagos shall not give such written notice prior to the completion of all activities under the Discovery Work Plan, the Potentiator POC Development Plan and the Corrector/Combination Product POC Development Plan. Notwithstanding anything herein to the contrary, once Galapagos has provided such written notice, such Joint Committee shall be terminated and shall have no further rights or obligations under this Agreement, and thereafter any requirement of either Party to provide Information to such Joint Committee shall be deemed a requirement to provide such Information to the other Party and AbbVie shall have the right to solely decide, without consultation with Galapagos, all matters that are subject to the review or approval by such Joint Committee hereunder.

2.7 Interactions Between a Committee and Internal Teams. The Parties recognize that each Party possesses an internal structure (including various committees, teams and review boards) that will be involved in administering such Party's activities under this Agreement. Nothing contained in this Article shall prevent a Party from making routine day-to-day decisions relating to the conduct of those activities for which it has performance or other obligations hereunder, in each case in a manner consistent with the then-current applicable plan and the terms and conditions of this Agreement.

2.8 Working Groups. From time to time, a Joint Committee may establish and delegate duties to sub-committees or directed teams (each, a "**Working Group**") on an "as-needed" basis to oversee particular projects or activities (e.g., joint project team, joint finance group, or joint intellectual property group). Each such Working Group shall be constituted and shall operate as the Joint Committee determines; *provided*, that each Working Group shall have equal representation from each Party, unless otherwise mutually agreed. Working Groups may be established on an ad hoc basis for purposes of a specific project or on such other basis as the Joint Committee may determine. Each Working Group and its activities shall be subject to the oversight, review and approval of, and shall report to, the Joint Committee that formed said Working Group. In no event shall the authority of the Working Group exceed that specified for the Joint Committee that formed the Working Group to this Article. All decisions of a Working Group shall be by unanimous agreement. Any disagreement between the designees of AbbVie and Galapagos on a Working Group shall be referred to the Joint Committee that formed the Working Group for resolution.

2.9 Expenses. Each Party shall be responsible for all travel and related costs and expenses for its members and other representatives to attend meetings of, and otherwise participate on, a Joint Committee or Working Group.

ARTICLE 3
DISCOVERY, DEVELOPMENT AND REGULATORY

3.1 Discovery Work Plan and Discovery Activities.

3.1.1 Goals of the Discovery Collaboration. The Parties shall conduct the Discovery Collaboration with the goal of identifying and delivering (i) at least […***…] ([…***…]) lead Potentiator Molecule (which may be an Existing Potentiator Molecule) and at least […***…] ([…***…]) backup Potentiator Molecule (which may be an Existing Potentiator Molecule), each of which satisfies the Potentiator IND Success Criteria and may be used as a standalone product or in combination with a Corrector Molecule as a Combination Product, and (ii) at least […***…] ([…***…]) lead Corrector Molecules and […***…] ([…***…]) backup Corrector Molecules, each of which satisfies the Corrector IND Success Criteria and may be used in combination with a Potentiator Molecule as a Combination Product.

3.1.2 Discovery Work Plan and Success Criteria.

(i) The Discovery Work Plan in effect as of the Effective Date is attached hereto as Schedule 1.93. Either Party, directly or through its representatives on the JRC, may propose amendments to the Discovery Work Plan from time to time as appropriate, including in light of changed circumstances.

(ii) The Parties agree that, if at any time during the Discovery Term, the standard of care in the Territory for treatment of CF using products containing a CFTR potentiator molecule as its sole active ingredient (the "**Potentiator Standard**") or the standard of care for treatment of CF using combination products containing a CFTR potentiator molecule and CFTR corrector molecule(s) as its sole active ingredients (the "**Combination Standard**") changes from the applicable standard of care previously in effect, then the then-current Potentiator IND Success Criteria or the Corrector IND Success Criteria, as applicable, shall include the new Potentiator Standard or Combination Standard, as applicable. If at any time either Party believes that the Potentiator Standard or Combination Standard has changed and is required to be included in the Potentiator IND Success Criteria or the Corrector IND Success Criteria, as applicable, in accordance with this Section 3.1.2(ii), such Party, through its representatives on the JRC, may propose that the Potentiator IND Success Criteria or Corrector IND Success Criteria, as applicable, include the same. Any and all proposals shall be subject to approval by the JRC as set forth in Section 2.2.2, subject to the dispute resolution procedures set forth in Section 2.5.3.

3.1.3 Discovery Activities. Each Party shall perform the Discovery Activities assigned to such Party in the Discovery Work Plan (including by providing FTEs in accordance with Section 3.1.5(i)), and shall do so in accordance with the Discovery Work Plan (including the budget set forth therein, as amended from time to time in accordance with the terms hereof (the "**Discovery Budget**")) by allocating sufficient time, effort, equipment, and skilled personnel to complete such Discovery Activities successfully and promptly.

3.1.4 Discovery Diligence. Each Party shall use Commercially Reasonable Efforts in undertaking the Discovery Activities assigned to such Party in the Discovery Work

Plan. Without limiting the generality of the foregoing, each Party shall use Commercially Reasonable Efforts to achieve the goals stated in Section 3.1.1(i) by […***…] and to achieve the goals stated in Section 3.1.1(ii) by […***…]. Each Party promptly shall share with the other Party, through the processes established by the JRC, all Information generated and results achieved in conducting or as a result of conducting Discovery Activities, and the JRC shall use such Information and results to determine whether any Potentiator Molecule satisfies the Potentiator IND Success Criteria or whether any Corrector Molecule satisfies the Corrector IND Success Criteria.

3.1.5 Initial Discovery Costs.

(i) Over the course of the Discovery Term, unless otherwise agreed by the Parties, (a) AbbVie shall provide a total of […***…] ([…***…]) FTEs to perform Discovery Activities (the "**Initial AbbVie FTEs**"), with the allocation of the Initial AbbVie FTEs with respect to each Calendar Year during the Discovery Term to be specified in the Discovery Work Plan, and (b) Galapagos shall provide a total of […***…] ([…***…]) FTEs to perform Discovery Activities (the "**Initial Galapagos FTEs**"), with the allocation of the Initial Galapagos FTEs with respect to each Calendar Year during the Discovery Term to be specified in the Discovery Work Plan. AbbVie shall be responsible for and shall bear all FTE Costs with respect to the Initial AbbVie FTEs (the "**Initial AbbVie FTE Costs**") and Galapagos shall be responsible for and shall bear all FTE Costs with respect to the Initial Galapagos FTEs (the "**Initial Galapagos FTE Costs**" and, together with the Initial AbbVie FTE Costs, the "**Initial FTE Costs**").

(ii) In addition to bearing its portion of the Initial FTE Costs as set forth in Section 3.1.5(i), each Party shall be responsible for and shall bear its Discovery Cost Portion of all Development Costs other than Initial FTE Costs incurred by the Parties and their Affiliates in performing the Discovery Activities (which may include FTE Costs) up to the Discovery Additional Cost Cap.

3.1.6 Discovery Cost Increases.

(i) If, by the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Discovery Activities in an amount equal to the Discovery Total Cost Cap in effect on the Effective Date, either or both (a) the Discovery Collaboration has failed to identify or generate at least one (1) Corrector Molecule that either (I) satisfies the Corrector IND Success Criteria, or (II) is elected by AbbVie for continued Development in accordance with Section 3.2.2(i)(b), or (b) the Discovery Collaboration has failed to identify or generate at least one (1) Potentiator Molecule that either (I) satisfies the Potentiator IND Success Criteria, or (II) is elected by AbbVie for continued Development in accordance with Section 3.2.1(b), then in either or both cases ((a) or (b)), unless the Parties otherwise agree, (A) the then-current Discovery Budget and the then-current Discovery Total Cost Cap automatically shall be increased by an amount equal to […***…] percent ([…***…]%) of such then-current Discovery Budget, and (B) each Party shall be responsible for and shall bear its Discovery Cost Portion for all Development Costs incurred by the Parties and their Affiliates in performing Discovery Activities in excess of the Discovery Total Cost Cap in effect on the Effective Date and up to such increased Discovery Total Cost Cap.

(ii) If, by the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Discovery Activities in an amount equal to the then-current Discovery Total Cost Cap as previously increased pursuant to Sections 3.1.6(i) or 3.1.6(ii)(1), either or both (a) the Discovery Collaboration has failed to identify or generate at least one (1) Corrector Molecule that either (I) satisfies the Corrector IND Success Criteria, or (II) is elected by AbbVie for continued Development in accordance Section 3.2.2(i)(b), or (b) the Discovery Collaboration has failed to identify or generate at least one (1) Potentiator Molecule that either (I) satisfies the Potentiator IND Success Criteria, or (II) is elected by AbbVie for continued Development in accordance Section 3.2.1(b), then in either or both cases ((a) or (b)) either Party, through its representatives on the JRC, may propose an increase to the Discovery Budget with respect to Discovery Activities for Corrector Molecules or Potentiator Molecules, as applicable.

(1) If the Parties agree to increase the Discovery Budget with respect to Discovery Activities for Corrector Molecules or Potentiator Molecules, as applicable, by the same amount, the then-current Discovery Total Cost Cap shall be increased by the amount of such agreed increase. If both Parties wish to increase the Discovery Budget with respect to Discovery Activities for Corrector Molecules or Potentiator Molecules, as applicable, but the Senior Officers, pursuant to Section 2.5.3, are not able to agree on the amount of such increase, the Discovery Budget shall be increased by the amount proposed by the Party proposing the smaller increase and the Discovery Total Cost Cap shall be increased by the amount of such smaller increase. In either such case, each Party shall be responsible for and shall bear its Discovery Cost Portion for all Development Costs incurred by the Parties and their Affiliates in performing Discovery Activities in excess of the then-current Discovery Total Cost Cap (as increased from time to time in accordance with this Section 3.1.6) and up to such increased Discovery Total Cost Cap.

(2) If neither Party wishes to increase the Discovery Budget with respect to Discovery Activities for Corrector Molecules or Potentiator Molecules, as applicable, and bear its Discovery Cost Portion of such increased costs, then the Parties shall cease performing Discovery Activities for Corrector Molecules or Potentiator Molecules, as applicable.

(iii) If the Senior Officer of only one (1) of the Parties (the "**Unilateral Discovery Party**") wishes to increase the Discovery Budget with respect to Discovery Activities for Corrector Molecules or Potentiator Molecules, as applicable, as proposed pursuant to Section 3.1.6(ii), then:

(1) The Discovery Budget shall be increased by the amount deemed appropriate by the Unilateral Discovery Party.

(2) During the period (the "**Unilateral Discovery Period**") commencing on the date that is […***…] ([…***…]) days after the date on which such proposed increase was first referred to the Senior Officers pursuant to Section 2.5.3 (such later date, the "**Discovery Increase Funding Date**") and ending on the date when the Non-Funding Discovery Party has fully reimbursed the Total Discovery Reimbursement Balance pursuant to Section 3.1.6(iii)(5), 3.1.6(iii)(6), 3.1.6(iii)(7), as the case may be, the Unilateral Discovery Party shall have final decision-making authority under Section 2.5.3 with respect to all amendments to the Discovery Work Plan, including additional increases to the Discovery Budget.

(3) The Unilateral Discovery Party shall initially be responsible for and shall initially bear all Development Costs in excess of the Discovery Total Cost Cap as last increased pursuant to Sections 3.1.6(i) or 3.1.6(ii)(1) (the "**Last Agreed Discovery Cap**") incurred by the Parties and their Affiliates in performing Discovery Activities ("**Excess Discovery Costs**"), subject to reimbursement by the other Party (the "**Non-Funding Discovery Party**") in accordance with Sections 3.1.6(iii)(5), 3.1.6(iii)(6), or 3.1.6(iii)(7), as applicable.

(4) On the first day immediately following the end of each Calendar Quarter (the "**Quarterly Discovery Incurrence Date**") from and after the Discovery Increase Funding Date, the Non-Funding Discovery Party shall incur a repayment obligation equal to […***…]. The aggregate amount of all Total Quarterly Discovery Obligations incurred with respect to all Calendar Quarters under this Section 3.1.6(iii)(4) is referred to herein as the "**Total Discovery Reimbursement Balance**".

(5) If Galapagos is the Non-Funding Discovery Party, AbbVie shall be entitled to credit against each Required AbbVie Payment that is due after the Discovery Increase Funding Date an amount (a "**Discovery Reimbursement Credit**") equal to […***…]. If the amount of any Discovery Reimbursement Credit is not sufficient to satisfy fully the then-outstanding Total Discovery Reimbursement Balance, such Discovery Reimbursement Credit shall be applied to settle each outstanding Total Quarterly Discovery

Obligation in order, with the oldest outstanding Total Quarterly Discovery Obligation settled first. If the portion of any Discovery Reimbursement Credit applied to settle a particular outstanding Total Quarterly Discovery Obligation is not sufficient to satisfy fully such outstanding Total Quarterly Discovery Obligation, then the amount of such Discovery Reimbursement Credit that is applied as reimbursement of the applicable Base Quarterly Discovery Obligation shall be equal to […***…]. For purposes of clarity, AbbVie shall continue to credit Discovery Reimbursement Credits against Required AbbVie Payments until the Total Discovery Reimbursement Balance is credited in full.

(6) If AbbVie is the Non-Funding Discovery Party, AbbVie shall pay to Galapagos on the Payment Date for each Required AbbVie Payment that is due after the Discovery Increase Funding Date, in addition to such Required AbbVie Payment, an amount (a "**Discovery Reimbursement Payment**") equal to […***…]. If the amount of any Discovery Reimbursement Payment is not sufficient to satisfy fully the then-outstanding Total Discovery Reimbursement Balance, such Discovery Reimbursement Payment shall be applied to settle each outstanding Total Quarterly Discovery Obligation in order, with the oldest outstanding Total Quarterly Discovery Obligation settled first. If the portion of any Discovery Reimbursement Payment applied to settle a particular outstanding Total Quarterly Discovery Obligation is not sufficient to satisfy fully such outstanding Total Quarterly Discovery Obligation, then the amount of such Discovery Reimbursement Payment that is applied as reimbursement of the applicable Base Quarterly Discovery Obligation shall be equal to […***…]. For purposes of clarity, AbbVie shall continue to make Discovery Reimbursement Payments on the applicable Payment Dates until the Total Discovery Reimbursement Balance is paid in full.

(7) The Non-Funding Discovery Party may pay all or any portion of the outstanding Total Discovery Reimbursement Balance to the Unilateral Discovery Party at any time. If any such payment is not sufficient to settle the outstanding Total Discovery Reimbursement Balance in its entirety, such payment shall be applied as set forth in Section 3.1.6(iii)(5) or 3.1.6(iii)(6), as applicable, *mutatis mutandis*.

(8) Nothing in this Section 3.1.6(iii) shall limit or otherwise affect the Non-Funding Discovery Party's obligation to fund Development Costs under the POC Development Plans pursuant to Sections 3.2.6 and 3.2.7 and under the Post-POC Development Plans pursuant to Sections 3.3.5 and 3.3.6.

(9) A sample calculation for determining the Reimbursement Credit or Reimbursement Payment is attached hereto as Schedule 3.1.6(iii).

(10) As used herein, "**Discovery Reimbursement Premium Percentage**" means, […***…].

(iv) For clarity, the provisions of Section 3.1.6(ii) shall apply to each proposed increase in the Discovery Budget, if any, after the implementation of Section 3.1.6(i) and prior to the occurrence of a Discovery Increase Funding Date (i.e., the Discovery Total Cost Cap may be increased multiple times pursuant to Section 3.1.6(ii)(1)). From and after the occurrence of a Discovery Increase Funding Date and during the Unilateral Discovery Period, Section 3.1.6(ii) shall not apply to any proposed increase in the Discovery Budget, and all increases in the Discovery Budget shall be governed by Section 3.1.6(iii).

3.2 POC Development Activities.

3.2.1 Potentiator POC Development Plan. In the event that both (i) either (a) on or before […***…] (or such later date as may be determined by AbbVie, in its sole and absolute discretion), a Potentiator Molecule is determined to have satisfied the Potentiator IND Success Criteria, or (b) AbbVie, in its sole and absolute discretion, elects (by delivering notice of such election to Galapagos not later than […***…] (or such later date as may be determined by AbbVie, in its sole and absolute discretion)) to continue Development of a Potentiator Molecule that does not satisfy the Potentiator IND Success Criteria, and (ii) IND Acceptance Belgium is received for a Potentiator Product containing the Potentiator Molecule designated by AbbVie, then (x) […***…], and (y) the JDC, in accordance with Section 2.3.2, shall develop and approve a plan, including the budget therefor (the "**Potentiator POC Budget**"), setting forth the Development activities (including CMC Development activities) to be conducted in connection with the Phase 1 and Phase 2 proof of concept Clinical Studies for the Potentiator Molecule designated by AbbVie (the "**Potentiator POC Development Plan**"). Each Party shall have the right to propose amendments to the Potentiator POC Development Plan through its representatives on the JDC.

3.2.2 Corrector/Combination POC Development Plan.

(i) In the event that both (a) either (I) on or before […***…] (or such later date as may be determined by AbbVie, in its sole and absolute discretion), a Corrector Molecule is determined to have satisfied the Corrector IND Success Criteria, or (II) AbbVie, in its sole and absolute discretion, elects (by delivering notice of such election to Galapagos not later than […***…] (or such later date as may be determined by AbbVie, in its sole and absolute

discretion)) to continue Development of a Corrector Molecule that does not satisfy the Corrector IND Success Criteria, and (b) either IND Acceptance Belgium or IND Acceptance U.S. is received for a Combination Product containing the Potentiator Molecule and a Corrector Molecule designated by AbbVie (whichever occurs first), then (1) […***…], and (2) subject to clause (ii) below, the JDC in accordance with Section 2.3.2 shall develop and approve a plan, including the budget therefor (the "**Corrector/Combination Product POC Budget**"), setting forth the Development activities (including CMC Development activities) to be conducted in connection with the Phase 1 and Phase 2 proof of concept Clinical Studies for the Corrector Molecule designated by AbbVie and a Combination Product containing the Corrector Molecule and Potentiator Molecule designated by AbbVie (the "**Corrector/Combination Product POC Development Plan**"). Each Party shall have the right to propose amendments to the Corrector/Combination Product POC Development Plan through its representatives on the JDC. For clarity, […***…].

(ii) If a Corrector Molecule is determined to have satisfied the Corrector IND Success Criteria in accordance with Section 3.2.2(i)(a) or AbbVie elects to continue Development of a Corrector Molecule that does not satisfy the Corrector IND Success Criteria in accordance with Section 3.2.2(i)(b), then the JDC may determine to Develop pursuant to the Corrector/Combination Product POC Development Plan a Combination Product that contains a second Corrector Molecule (i.e., a total of two (2) Corrector Molecules), which second Corrector Molecule shall be designated by the JDC, and the JDC shall determine the allocation between the Parties of costs with respect to the Development of such Combination Product under the Corrector/Combination Product POC Development Plan.

3.2.3 POC Success Criteria. The Parties agree that, if at any time during the Term, the Potentiator Standard or the Combination Standard changes, the then-current Potentiator POC Success Criteria or the Corrector/Combination Product Success Criteria, as applicable, shall include the new Potentiator Standard or Combination Standard, as applicable. If at any time either Party believes that the Potentiator Standard or Combination Standard has changed and is required to be included in the Potentiator POC Success Criteria or the Corrector/Combination Product Success Criteria, as applicable, in accordance with this Section 3.2.3, such Party, through its representatives on the JDC, may propose that the Potentiator POC Success Criteria or the Corrector/Combination Product Success Criteria, as applicable, include the same. Any and all such proposals shall be subject to approval by the JDC as set forth in Section 2.3.2, subject to the dispute resolution procedures set forth in Section 2.5.3.

3.2.4 POC Development Activities. Each Party shall perform the Development activities assigned to such Party (if any) in each POC Development Plan, and shall do so in accordance with such POC Development Plan (including the applicable POC Budget) by allocating sufficient time, effort, equipment, and skilled personnel to complete such Development activities successfully and promptly. Without limiting the generality of the foregoing, unless otherwise agreed by AbbVie in writing, Galapagos shall be required to incur:

(i) Development Costs up to the initial POC Cost Cap under the Potentiator POC Development Plan in performing activities under the Potentiator POC Development Plan (if any); *provided*, that if prior to the time that Galapagos has incurred such minimum Development Costs both (a) all of the Development activities set forth in the

Potentiator POC Development Plan have been completed in accordance with the terms thereof, and (b) a Potentiator Product Developed under the Potentiator POC Development Plan is determined to have satisfied the Potentiator POC Success Criteria, then Galapagos shall not be required to incur any additional Development Costs to reach such minimum; and

(ii) Development Costs up to the initial POC Cost Cap under the Corrector/Combination POC Development Plan in performing activities under the Corrector/Combination Product POC Development Plan (if any); *provided*, that if prior to the time that Galapagos has incurred such minimum Development Costs both (a) all of the Development activities set forth in the Corrector/Combination Product POC Development Plan have been completed in accordance with the terms thereof, and (b) a Combination Product Developed under the Corrector/Combination Product POC Development Plan is determined to have satisfied the Corrector/Combination Product POC Success Criteria, then Galapagos shall not be required to incur any additional Development Costs to reach such minimum.

3.2.5 POC Development Diligence. Galapagos shall use Commercially Reasonable Efforts in undertaking the Development activities under each POC Development Plan (if any). Without limiting the generality of the foregoing, Galapagos shall use Commercially Reasonable Efforts to achieve the Potentiator POC Success Criteria by the Potentiator POC Success Deadline and the Corrector/Combination Product POC Success Criteria by the Corrector/Combination Product POC Success Deadline. Galapagos promptly shall share with AbbVie, through the processes established by the JDC, all Information generated and results achieved in conducting or as a result of conducting Development activities under each POC Development Plan, and the JDC shall use such Information and results to determine whether any Potentiator Product satisfies the Potentiator POC Success Criteria or whether any Combination Product satisfies the Corrector/Combination Product POC Success Criteria.

3.2.6 Initial POC Development Costs. Subject to Section 3.2.2(ii), Galapagos shall be solely responsible for and shall bear all Development Costs incurred by the Parties and their Affiliates in connection with the performance of the Development activities set forth in each POC Development Plan up to the applicable POC Cost Cap.

3.2.7 POC Cost Increases.

(i) If, by the date on which Galapagos has incurred aggregate Development Costs in performing Development activities under either (or both) POC Development Plan(s) in an amount equal to the initial POC Cost Cap thereunder, either or both (a) all Development activities under such POC Development Plan have not been completed in accordance therewith, or (b) the applicable Product Developed under such POC Development Plan has not then been determined to have satisfied the applicable POC Success Criteria, then in either or both cases ((a) or (b)), unless the Parties otherwise agree, (1) the then-current POC Budget under such POC Development Plan and the then-current POC Cost Cap under such POC Development Plan automatically shall be increased by an amount equal to […***…] percent ([…***…]%) of such then-current POC Budget, and (2) each Party shall be responsible for and shall bear its Excess POC Cost Portion for all Development Costs incurred by the Parties and their Affiliates in performing Development activities under such POC Development Plan in excess of the applicable initial POC Cost Cap and up to such increased POC Cost Cap.

(ii) If, by the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under either (or both) POC Development Plan(s) in an amount equal to the then-current POC Cost Cap thereunder as previously increased pursuant to Sections 3.2.7(i) or 3.2.7(ii)(1), either or both (a) all Development activities under such POC Development Plan have not been completed in accordance therewith, or (b) the applicable Product Developed under such POC Development Plan has not then been determined to have satisfied the applicable POC Success Criteria, then in either or both cases ((a) or (b)) either Party, through its representatives on the JDC, may propose an increase to the POC Budget under such POC Development Plan.

(1) If the Parties agree to increase the applicable POC Budget by the same amount, such POC Budget and the POC Cost Cap thereunder shall be increased by the amount of such agreed increase. If both Parties wish to increase the applicable POC Budget but the Senior Officers, pursuant to Section 2.5.3, are not able to agree on the amount of such increase, the applicable POC Budget shall be increased by the amount proposed by the Party proposing the smaller increase and the applicable POC Cost Cap shall be increased by the amount of such smaller increase. In either such case, each Party shall be responsible for and shall bear its Excess POC Cost Portion for all Development Costs incurred by the Parties and their Affiliates in performing Development activities under the applicable POC Development Plan in excess of the then-current POC Cost Cap (as increased from time to time in accordance with this Section 3.2.7) and up to such applicable increased POC Cost Cap.

(2) If neither Party wishes to increase the applicable POC Budget and bear its Excess POC Cost Portion of such increased costs, then the Parties shall cease all Development activities under the applicable POC Development Plan; *provided*, that Galapagos shall not have the right to cease Conducting and funding any Clinical Study initiated under a POC Development Plan once it has been commenced.

(iii) If the Senior Officer of only one (1) of the Parties (the "**Unilateral POC Party**") wishes to increase the applicable POC Budget as proposed pursuant to Section 3.2.7(ii), then:

(1) The applicable POC Budget shall be increased by the amount deemed appropriate by the Unilateral POC Party.

(2) During the period (the "**Unilateral POC Period**") commencing on the date that is […***…] ([…***…])

days after the date on which such proposed increase was first referred to the Senior Officers pursuant to Section 2.5.3 (such later date, the "**POC Increase Funding Date**") and ending on the date when the Non-Funding POC Party has fully reimbursed the Total POC Reimbursement Balance pursuant to Section 3.2.7(iii)(5), 3.2.7(iii)(6), or 3.2.7(iii)(7), as the case may be, the Unilateral POC Party shall have final decision-making authority under Section 2.5.3 with respect to all amendments to the applicable POC Development Plan, including additional increases to the applicable POC Budget.

(3) The Unilateral POC Party shall initially be responsible for and shall initially bear all Development Costs in excess of the applicable POC Cost Cap as last increased pursuant to Sections 3.2.7(i) or 3.2.7(ii)(1) (the "**Last Agreed POC Cap**") incurred by the Parties and their Affiliates in performing Development activities under the applicable POC Development Plan ("**Excess POC Costs**"), subject to reimbursement by the other Party (the "**Non-Funding POC Party**") in accordance with Sections 3.2.7(iii)(5), 3.2.7(iii)(6), or 3.2.7(iii)(7), as applicable.

(4) On the first day immediately following the end of each Calendar Quarter (the "**Quarterly POC Incurrence Date**") from and after the POC Increase Funding Date, the Non-Funding POC Party shall incur a repayment obligation equal to […***…]. The aggregate amount of all Total Quarterly POC Obligations incurred with respect to all Calendar Quarters under this Section 3.2.7(iii)(4) is referred to herein as the "**Total POC Reimbursement Balance**".

(5) If Galapagos is the Non-Funding POC Party, AbbVie shall be entitled to credit against each Required AbbVie Payment that is due after the POC Increase Funding Date an amount (a "**POC Reimbursement Credit**") equal to […***…]. If the amount of any POC Reimbursement Credit is not sufficient to satisfy fully the then-outstanding Total POC Reimbursement Balance, such POC Reimbursement Credit shall be applied to settle each outstanding Total Quarterly POC Obligation in order, with the oldest outstanding Total Quarterly POC Obligation settled first. If the portion of any POC Reimbursement Credit applied to settle a particular outstanding Total Quarterly POC Obligation is not sufficient to satisfy fully such outstanding Total Quarterly POC Obligation, then the amount of such POC

Reimbursement Credit that is applied as reimbursement of the applicable Base Quarterly POC Obligation shall be equal to […***…]. For purposes of clarity, AbbVie shall continue to credit POC Reimbursement Credits against Required AbbVie Payments until the Total POC Reimbursement Balance is credited in full.

(6) If AbbVie is the Non-Funding POC Party, AbbVie shall pay to Galapagos on the Payment Date for each Required AbbVie Payment that is due after the POC Increase Funding Date, in addition to such Required AbbVie Payment, an amount (a "**POC Reimbursement Payment**") equal to […***…]. If the amount of any POC Reimbursement Payment is not sufficient to satisfy fully the then-outstanding Total POC Reimbursement Balance, such POC Reimbursement Payment shall be applied to settle each outstanding Total Quarterly POC Obligation in order, with the oldest outstanding Total Quarterly POC Obligation settled first. If the portion of any POC Reimbursement Payment applied to settle a particular outstanding Total Quarterly POC Obligation is not sufficient to satisfy fully such outstanding Total Quarterly POC Obligation, then the amount of such POC Reimbursement Payment that is applied as reimbursement of the applicable Base Quarterly POC Obligation shall be equal to […***…]. For purposes of clarity, AbbVie shall continue to make POC Reimbursement Payments on the applicable Payment Dates until the Total POC Reimbursement Balance is paid in full.

(7) The Non-Funding POC Party may pay all or any portion of the outstanding Total POC Reimbursement Balance to the Unilateral POC Party at any time. If any such payment is not sufficient to settle the outstanding Total POC Reimbursement Balance in its entirety, such payment shall be applied as set forth in Section 3.2.7(iii)(5) or 3.2.7(iii)(6), as applicable, *mutatis mutandis*.

(8) Nothing in this Section 3.2.7(iii) shall limit or otherwise affect the Non-Funding POC Party's obligation to fund Development Costs under the Discovery Work Plan pursuant to Sections 3.1.5 and 3.1.6 and under the Post-POC Development Plans pursuant to Sections 3.3.5 and 3.3.6.

(9) A sample calculation for determining the Reimbursement Credit or Reimbursement Payment is attached hereto as Schedule 3.1.6(iii).

(10) As used herein, "**POC Reimbursement Premium Percentage**" means […***…].

(iv) For clarity, the provisions of Section 3.2.7(ii) shall apply to each proposed increase in the applicable POC Budget, if any, after the implementation of Section 3.2.7(i) and prior to the occurrence of a POC Increase Funding Date with respect the applicable POC Development Plan (i.e., the applicable POC Cost Cap may be increased multiple times pursuant to Section 3.2.7(ii)(1)). From and after the occurrence of a POC Increase Funding Date with respect the applicable POC Development Plan and during the applicable Unilateral POC Period, Section 3.2.7(ii) shall not apply to any proposed increase in the applicable POC Budget, and all increases in the applicable POC Budget shall be governed by Section 3.2.7(iii).

3.3 Post-POC Development Activities.

3.3.1 Potentiator Post-POC Development Plan. In the event that (i) on or before the Potentiator POC Success Deadline (or such later date as may be determined by AbbVie, in its sole and absolute discretion), a Potentiator Product Developed under the Potentiator POC Development Plan is determined to have satisfied the Potentiator POC Success Criteria, or (ii) AbbVie, in its sole and absolute discretion, elects (by delivering notice of such election to Galapagos not later than […***…] ([…***…]) days after the Potentiator POC Success Deadline (or such later date as may be determined by AbbVie, in its sole and absolute discretion)) to continue Development of a Potentiator Product Developed under the Potentiator POC Development Plan that does not satisfy the Potentiator POC Success Criteria, then (a) […***…], and (b) the JDC, in accordance with Section 2.3.2, shall develop and approve a plan, including the budget therefor (the "**Potentiator Post-POC Development Budget**"), setting forth the Development activities (including CMC Development activities) to be conducted in connection with Phase 3 Clinical Studies for such Potentiator Product (the "**Potentiator Post-POC Development Plan**"). Each Party shall have the right to propose amendments to the Potentiator Post-POC Development Plan through its representatives on the JDC. Any and all such amendments shall be subject to approval by the JDC as set forth in Section 2.3.2.

3.3.2 Corrector/Combination Product Post-POC Development Plan. In the event that (i) on or before the Corrector/Combination Product Success Deadline (or such later date as may be determined by AbbVie, in its sole and absolute discretion), a Combination Product Developed under the Corrector/Combination Product POC Development Plan is determined to have satisfied the Corrector/Combination Product POC Success Criteria, or (ii) AbbVie, in its sole and absolute discretion, elects (by delivering notice of such election to Galapagos not later than […***…] ([…***…]) days after the Corrector/Combination Product POC Success Deadline (or such later date as may be determined by AbbVie, in its sole and absolute discretion)) to continue Development of a Combination Product Developed under the Corrector/Combination Product POC Development Plan that does not satisfy the Corrector/Combination Product POC Success Criteria, then (a) […***…], and (b) the JDC, in accordance with Section 2.3.2, shall develop and approve a plan, including the budget therefor

(the "**Corrector/Combination Product Post-POC Development Budget**"), setting forth the Development activities (including CMC Development activities) to be conducted in connection with Phase 3 Clinical Studies for such Combination Product (the "**Corrector/Combination Product Post-POC Development Plan**"). For clarity, AbbVie may elect to proceed with the Development of a Combination Product under this Section 3.3.2 even if AbbVie elects not to proceed with the Development of the Potentiator Product pursuant to Section 3.3.1 or this Agreement is terminated with respect to the Potentiator Product in one (1) or more countries or jurisdictions. Each Party shall have the right to propose amendments to the Corrector/Combination Product Post-POC Development Plan through its representatives on the JDC. Any and all such amendments shall be subject to approval by the JDC as set forth in Section 2.3.2.

3.3.3 Post-POC Development Activities. Each Party shall perform the Development activities assigned to such Party in each Post-POC Development Plan (if any), and shall do so in accordance with such Post-POC Development Plan (including the applicable Post-POC Development Budget) by allocating sufficient time, effort, equipment, and skilled personnel to complete such activities successfully and promptly.

3.3.4 Post-POC Development Diligence. Each Party shall use Commercially Reasonable Efforts in undertaking the Development activities assigned to such Party in each Post-POC Development Plan (if any).

3.3.5 Post-POC Development Costs. Each Party shall be responsible for and shall bear its Post-POC Development Cost Portion of all Development Costs incurred by the Parties and their Affiliates in performing Development activities under each Post-POC Development Plan up to the applicable Post-POC Development Cost Cap.

3.3.6 Post-POC Development Cost Increases.

(i) If, by the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under either (or both) Post-POC Development Plan(s) in an amount equal to the initial Post-POC Development Cost Cap thereunder, either or both (a) all Development activities under such Post-POC Development Plan have not been completed in accordance therewith, or (b) the Development activities under such Post-POC Development Plan do not support the filing of a Drug Approval Application for the Product Developed under such Post-POC Development Plan in any one (1) or more of the United States, France, Italy, Spain, the United Kingdom and Germany, as determined by the JDC, then in either or both cases ((a) or (b)), unless the Parties otherwise agree, (1) the then-current Post-POC Development Budget under such Post-POC Development Plan and the then-current Post-POC Development Cost Cap under such Post-POC Development Plan automatically shall be increased by an amount equal to […***…] percent ([…***…]%) of such then-current Post-POC Development Budget, and (2) each Party shall be responsible for and shall bear its Post-POC Development Cost Portion for all Development Costs incurred by the Parties and their Affiliates in performing Development activities under such Post-POC Development Plan in excess of the applicable initial Post-POC Development Cost Cap and up to such increased Post-POC Development Cost Cap.

(ii) If, by the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under either (or both) Post-POC Development Plan(s) in an amount equal to the then-current Post-POC Development Cost Cap thereunder as previously increased pursuant to Sections 3.3.6(i) or 3.3.6(ii)(1), either or both (a) all Development activities under such Post-POC Development Plan have not been completed in accordance therewith, or (b) the Development activities under such Post-POC Development Plan do not support the filing of a Drug Approval Application for the Product Developed under such Post-POC Development Plan in any one (1) or more of the United States, France, Italy, Spain, the United Kingdom and Germany, as determined by the JDC, then in either or both cases ((a) or (b)) either Party, through its representatives on the JDC, may propose an increase to the Post-POC Development Budget under such Post-POC Development Plan.

(1) If the Parties agree to increase the applicable Post-POC Development Budget by the same amount, such Post-POC Development Budget and the Post-POC Development Cost Cap thereunder shall be increased by the amount of such agreed increase. If both Parties wish to increase the applicable Post-POC Development Budget but the Senior Officers, pursuant to Section 2.5.3, are not able to agree on the amount of such increase, the applicable Post-POC Development Budget shall be increased by the amount proposed by the Party proposing the smaller increase and the applicable Post-POC Development Cost Cap shall be increased by the amount of such smaller increase. In either such case, each Party shall be responsible for and shall bear its Post-POC Development Cost Portion for all Development Costs incurred by the Parties and their Affiliates in performing Development activities under the applicable Post-POC Development Plan in excess of the then-current Post-POC Development Cost Cap (as increased from time to time in accordance with this Section 3.3.6) and up to such applicable increased Post-POC Development Cost Cap.

(2) If neither Party wishes to increase the applicable Post-POC Development Budget and bear its Post-POC Development Cost Portion of such increased costs, then the Parties shall cease all Development activities under the applicable Post-POC Development Plan; *provided*, that neither Party shall have the right to cease Conducting or funding any Clinical Study initiated under a Post-POC Development Plan once it has been commenced.

(iii) If the Senior Officer of only one (1) of the Parties (the "**Unilateral Post-POC Party**") wishes to increase the applicable Post-POC Development Budget as proposed pursuant to Section 3.3.6(ii), then:

(1) The applicable Post-POC Development Budget shall be increased by the amount deemed appropriate by the Unilateral Post-POC Party.

(2) During the period (the "**Unilateral Post-POC Period**") commencing on the date that is […***…] ([…***…]) days after the date on which such proposed increase was first referred to the Senior Officers pursuant to Section 2.5.3 (such later date, the "**Post-POC Increase Funding Date**") and ending on the date when the Non-Funding Post-POC Party has fully reimbursed the Total Post-POC Reimbursement Balance pursuant to Section 3.3.6(iii)(5), 3.3.6(iii)(6), or 3.3.6(iii)(7), as the case may be, the Unilateral Post-POC Party shall have final decision-making authority under Section 2.5.3 with respect to all amendments to the applicable Post-POC Development Plan, including additional increases to the applicable Post-POC Development Budget.

(3) The Unilateral Post-POC Party shall initially be responsible for and shall initially bear all Development Costs in excess of the applicable Post-POC Development Cost Cap as last increased pursuant to Sections 3.3.6(i) or 3.3.6(ii)(1) (the "**Last Agreed Post-POC Cap**") incurred by the Parties and their Affiliates in performing Development activities under the applicable Post-POC Development Plan ("**Excess Post-POC Costs**"), subject to reimbursement by the other Party (the "**Non-Funding Post-POC Party**") in accordance with Sections 3.3.6(iii)(5), 3.3.6(iii)(6), or 3.3.6(iii)(7), as applicable.

(4) On the first day immediately following the end of each Calendar Quarter (the "**Quarterly Post-POC Incurrence Date**") from and after the Post-POC Increase Funding Date, the Non-Funding Post-POC Party shall incur a repayment obligation equal to […***…]. The aggregate amount of all Total Quarterly Post-POC Obligations incurred with respect to all Calendar Quarters under this Section 3.3.6(iii)(4) is referred to herein as the "**Total Post-POC Reimbursement Balance**".

(5) If Galapagos is the Non-Funding Post-POC Party, AbbVie shall be entitled to credit against each Required AbbVie Payment that is due after the Post-POC Increase Funding Date an amount (a "**Post-POC Reimbursement Credit**") equal to […***…]. If the amount of any Post-POC Reimbursement Credit is not sufficient to satisfy fully the

then-outstanding Total Post-POC Reimbursement Balance, such Post-POC Reimbursement Credit shall be applied to settle each outstanding Total Quarterly Post-POC Obligation in order, with the oldest outstanding Total Quarterly Post-POC Obligation settled first. If the portion of any Post-POC Reimbursement Credit applied to settle a particular outstanding Total Quarterly Post-POC Obligation is not sufficient to satisfy fully such outstanding Total Quarterly Post-POC Obligation, then the amount of such Post-POC Reimbursement Credit that is applied as reimbursement of the applicable Base Quarterly Post-POC Obligation shall be equal to […***…]. For purposes of clarity, AbbVie shall continue to credit Post-POC Reimbursement Credits against Required AbbVie Payments until the Total Post-POC Reimbursement Balance is credited in full.

(6) If AbbVie is the Non-Funding Post-POC Party, AbbVie shall pay to Galapagos on the Payment Date for each Required AbbVie Payment that is due after the Post-POC Increase Funding Date, in addition to such Required AbbVie Payment, an amount (a "**Post-POC Reimbursement Payment**") equal to […***…]. If the amount of any Post-POC Reimbursement Payment is not sufficient to satisfy fully the then-outstanding Total Post-POC Reimbursement Balance, such Post-POC Reimbursement Payment shall be applied to settle each outstanding Total Quarterly Post-POC Obligation in order, with the oldest outstanding Total Quarterly Post-POC Obligation settled first. If the portion of any Post-POC Reimbursement Payment applied to settle a particular outstanding Total Quarterly Post-POC Obligation is not sufficient to satisfy fully such outstanding Total Quarterly Post-POC Obligation, then the amount of such Post-POC Reimbursement Payment that is applied as reimbursement of the applicable Base Quarterly Post-POC Obligation shall be equal to […***…]. For purposes of clarity, AbbVie shall continue to make Post-POC Reimbursement Payments on the applicable Payment Dates until the Total Post-POC Reimbursement Balance is paid in full.

(7) The Non-Funding Post-POC Party may pay all or any portion of the outstanding Total Post-POC Reimbursement Balance to the Unilateral Post-POC Party at any time. If any such payment is not sufficient to settle the outstanding Total Post-POC Reimbursement Balance in its entirety, such payment shall be applied as set forth in Section 3.3.6(iii)(5) or 3.3.6(iii)(6), as applicable, *mutatis mutandis*.

(8) Nothing in this Section 3.3.6(iii) shall limit or otherwise affect the Non-Funding Post-POC Party's obligation to fund Development Costs under the Discovery Work Plan pursuant to Sections 3.1.5 and 3.1.6 and under the POC Development Plans pursuant to Sections 3.2.6 and 3.2.7.

(9) A sample calculation for determining the Reimbursement Credit or Reimbursement Payment is attached hereto as Schedule 3.1.6(iii).

(10) As used herein, "**Post-POC Reimbursement Premium Percentage**" means, […***…].

(iv) For clarity, the provisions of Section 3.3.6(ii) shall apply to each proposed increase in the applicable Post-POC Development Budget, if any, after the implementation of Section 3.3.6(i) and prior to the occurrence of a Post-POC Increase Funding Date with respect the applicable Post-POC Development Plan (i.e., the applicable Post-POC Development Cost Cap may be increased multiple times pursuant to Section 3.3.6(ii)(1)). From and after the occurrence of a Post-POC Increase Funding Date with respect the applicable Post-POC Development Plan and during the applicable Unilateral Post-POC Period, Section 3.3.6(ii) shall not apply to any proposed increase in the applicable Post-POC Development Budget, and all increases in the applicable Post-POC Development Budget shall be governed by Section 3.3.6(iii).

3.3.7 Post Launch Development.

(i) Notwithstanding anything herein to the contrary, from and after the date of the First Commercial Sale of any Potentiator Product in any country in the AbbVie Territory, AbbVie shall have the right, but not the obligation, to Develop, at its expense:

(1) additional indications for, formulations or dosage strengths of, or other Improvements to, such Potentiator Product; or

(2) additional or follow-on Potentiator Products that contain a Potentiator Molecule that is different from the Potentiator Molecule contained in such initial Potentiator Product;

it being understood, for clarity, that the products mentioned in clauses (1) and (2) above shall be Potentiator Products.

(ii) Notwithstanding anything herein to the contrary, from an after the date of the First Commercial Sale of any Combination Product in any country in the AbbVie Territory, AbbVie shall have the right, but not the obligation, to Develop, at its expense:

(1) additional indications for, formulations or dosage strengths of, or other Improvements to, such Combination Product; or

(2) additional or follow-on Combination Products that contain a Potentiator Molecule or Corrector Molecule that is different from the Potentiator Molecule or Corrector Molecule contained in such initial Combination Product;

it being understood, for clarity, that the products mentioned in clauses (1) and (2) above shall be Combination Products.

3.4 CMC Costs.

3.4.1 Galapagos shall be responsible for and shall bear the first […***…] Dollars ($[…***…]) of CMC Costs incurred on an aggregated basis by the Parties from the Effective Date through the completion of the POC Development Plans. AbbVie shall be responsible for and shall bear all CMC Costs incurred by the Parties from the Effective Date through the completion of the POC Development Plans in excess of the first […***…] Dollars ($[…***…]) of CMC Costs paid by Galapagos.

3.4.2 Galapagos shall be responsible for and shall bear the first […***…] Dollars ($[…***…]) of CMC Costs incurred on an aggregated basis by the Parties under both Post-POC Development Plans. AbbVie shall be responsible for and shall bear all CMC Costs incurred by the Parties in the aggregate under the Post-POC Development Plans in excess of the first […***…] Dollars ($[…***…]).

3.5 Galapagos Territory Development.

3.5.1 If Galapagos reasonably believes that any Clinical Study in addition to the Clinical Studies conducted under the POC Development Plans and Post-POC Development Plans is necessary as a condition or in support of obtaining or maintaining a Regulatory Approval in any country in the Galapagos Territory, Galapagos shall prepare and provide to the JDC for its consideration a comprehensive development plan (including a protocol) therefor (the "**Galapagos Territory Development Plan**"). The Galapagos Territory Development Plan and all amendments thereto shall be subject to approval by the JDC (subject to Section 2.5.3).

3.5.2 Galapagos shall be responsible for and shall bear all costs incurred in connection with conducting all activities under the approved Galapagos Territory Development Plan.

3.5.3 Galapagos shall not, and Galapagos shall cause its Affiliates not to, Conduct any Clinical Study, or perform any other research or development activities with respect to the Molecules and Products in or for the Galapagos Territory, except pursuant to and in accordance with the Galapagos Territory Development Plan.

3.6 Design and Performance of Development Activities Generally. All Development activities included in any Development Plan, including any Clinical Studies, shall

be designed and implemented so as to support the filing of Drug Approval Applications and the obtaining of Regulatory Approvals for the applicable Product. Subject to Section 3.3.7, the Parties shall engage in Development activities for the Molecules and Products only in accordance with the terms and conditions of this Agreement and the applicable Development Plan.

3.7 Development of Back-Up Molecules.

3.7.1 Potentiator Product.

(i) In the event that a Potentiator POC Failure occurs during the Term, promptly after such occurrence the Parties shall discuss through their representatives on the JDC whether to Develop a Potentiator Product that contains a Potentiator Molecule that was not previously Developed under the Potentiator POC Development Plan (a "**Back-Up Potentiator Product**").

(1) Unless the Parties otherwise agree in the JDC, if such Potentiator POC Failure occurs before the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Potentiator POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then (a) the Potentiator POC Development Plan shall be amended in accordance with the terms hereof to provide for Development thereunder of the Back-Up Potentiator Product designated by AbbVie, and (b) the Parties shall Develop such Back-Up Potentiator Product under such amended Potentiator POC Development Plan in accordance with Section 3.2 (including Section 3.2.7) and the other applicable terms of this Agreement.

(2) Unless the Parties otherwise agree in the JDC, if such Potentiator POC Failure occurs on or after the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Potentiator POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then either Party may propose, pursuant to Section 3.2.7(ii), an amendment to the Potentiator POC Development Plan to provide for Development thereunder of the Back-Up Potentiator Product (which shall be designated by AbbVie unless Galapagos is the Unilateral POC Party). If the Potentiator POC Development Plan is so amended, the Parties shall Develop such Back-Up Potentiator Product under such amended Potentiator POC Development Plan in accordance with Section 3.2 (including Section 3.2.7(ii)) and the other applicable terms of this Agreement.

(ii) In the event that a Potentiator Post-POC Development Failure occurs during the Term, promptly after such occurrence the Parties shall discuss through their representatives on the JDC whether to Develop a Back-Up Potentiator Product.

(1) Unless the Parties otherwise agree in the JDC, if such Potentiator Post-POC Development Failure occurs before the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Potentiator POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then (a) the Potentiator POC Development Plan shall be amended in accordance with the terms hereof to provide for Development thereunder of the Back-Up Potentiator Product designated by AbbVie and (b) the Parties shall Develop such Back-Up Potentiator Product under such amended Potentiator POC Development Plan in accordance with Section 3.2 (including Section 3.2.7) and the other applicable terms of this Agreement.

(2) Unless the Parties otherwise agree in the JDC, if such Potentiator Post-POC Development Failure occurs on or after the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Potentiator POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then either Party may propose, pursuant to Section 3.2.7(ii), an amendment to the Potentiator POC Development Plan to provide for Development thereunder of the Back-Up Potentiator Product (which shall be designated by AbbVie unless Galapagos is the Unilateral POC Party). If the Potentiator POC Development Plan is so amended, the Parties shall Develop such Back-Up Potentiator Product under such amended Potentiator POC Development Plan in accordance with Section 3.2 (including Section 3.2.7(ii)) and the other applicable terms of this Agreement.

(3) After completion of Development activities with respect to the Back-Up Potentiator Product under the Potentiator POC Development Plan as amended in accordance with Sections 3.7.1(ii)(1) or 3.7.1(ii)(2), the JDC shall determine whether to continue Development of such Back-Up Potentiator Product under the Potentiator Post-POC Development Plan.

(a) If the JDC determines to continue Development of such Back-Up Potentiator Product under the Potentiator Post-POC Development Plan and such

Development would commence before the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Potentiator Post-POC Development Plan in an amount equal to the applicable Last Agreed Post-POC Cap, then (1) the Potentiator Post-POC Development Plan shall be amended in accordance with the terms hereof to provide for Development thereunder of such Back-Up Potentiator Product and (2) the Parties shall Develop such Back-Up Potentiator Product under such amended Potentiator Post-POC Development Plan in accordance with Section 3.3 (including Section 3.3.6) and the other applicable terms of this Agreement.

(b) If the JDC determines to continue Development of such Back-Up Potentiator Product under the Potentiator Post-POC Development Plan and such Development would commence on or after the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Potentiator Post-POC Development Plan in an amount equal to the applicable Last Agreed Post-POC Cap, then either Party may propose, pursuant to Section 3.3.6(ii), an amendment to the Potentiator POC Development Plan to provide for Development thereunder of such Back-Up Potentiator Product. If the Potentiator Post-POC Development Plan is so amended, the Parties shall Develop such Back-Up Potentiator Product under such amended Potentiator Post- POC Development Plan in accordance with Section 3.3 (including Section 3.3.6(ii)) and the other applicable terms of this Agreement.

3.7.2 Corrector/Combination Product.

(i) In the event that a Corrector POC Failure occurs during the Term, promptly after such occurrence the Parties shall discuss through their representatives on the JDC whether to Develop a Combination Product that contains one (1) or more Molecules that were not previously Developed under the Corrector/Combination Product POC Development Plan (a "**Back-Up Combination Product**").

(1) Unless the Parties otherwise agree in the JDC, if such Corrector POC Failure occurs before the date on which the Parties and their Affiliates have incurred aggregate

Development Costs in performing Development activities under the Corrector/Combination Product POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then (a) the Corrector/Combination Product POC Development Plan shall be amended in accordance with the terms hereof to provide for Development thereunder of the Back-Up Combination Product containing the Molecules designated by AbbVie, and (b) the Parties shall Develop such Back-Up Combination Product under such amended Corrector/Combination Product POC Development Plan in accordance with Section 3.2 (including Section 3.2.7) and the other applicable terms of this Agreement.

(2) Unless the Parties otherwise agree in the JDC, if such Corrector POC Failure occurs on or after the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Corrector/Combination Product POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then either Party may propose, pursuant to Section 3.2.7(ii), an amendment to the Corrector/Combination Product POC Development Plan to provide for Development thereunder of the Back-Up Combination Product (the Molecules of which shall be designated by AbbVie unless Galapagos is the Unilateral POC Party). If the Corrector/Combination Product POC Development Plan is so amended, the Parties shall Develop such Back-Up Combination Product under such amended Corrector/Combination Product POC Development Plan in accordance with Section 3.2 (including Section 3.2.7(ii)) and the other applicable terms of this Agreement.

(ii) In the event that a Corrector Post-POC Development Failure occurs during the Term, promptly after such occurrence the Parties shall discuss through their representatives on the JDC whether to Develop a Back-Up Combination Product.

(1) Unless the Parties otherwise agree in the JDC, if such Corrector Post-POC Development Failure occurs before the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Corrector/Combination Product POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then (a) the Corrector/Combination Product POC Development Plan shall be amended in accordance with the terms hereof to provide for Development thereunder of the Back-Up Combination

Product designated by AbbVie, and (b) the Parties shall Develop such Back-Up Combination Product containing the Molecules designated by AbbVie under such amended Corrector POC Development Plan in accordance with Section 3.2 (including Section 3.2.7) and the other applicable terms of this Agreement.

(2) Unless the Parties otherwise agree in the JDC, if such Corrector Post-POC Development Failure occurs on or after the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Corrector/Combination Product POC Development Plan in an amount equal to the applicable Last Agreed POC Cap, then either Party may propose, pursuant to Section 3.2.7(ii), an amendment to the Corrector/Combination Product POC Development Plan to provide for Development thereunder of the Back-Up Combination Product (the Molecules of which shall be designated by AbbVie unless Galapagos is the Unilateral POC Party). If the Corrector/Combination Product POC Development Plan is so amended, the Parties shall Develop such Back-Up Combination Product under such amended Corrector/Combination Product POC Development Plan in accordance with Section 3.2 (including Section 3.2.7(ii)) and the other applicable terms of this Agreement.

(3) After completion of Development activities with respect to the Back-Up Combination Product under the Corrector/Combination Product POC Development Plan as amended in accordance with Sections 3.7.2(ii)(1) or 3.7.2(ii)(2), the JDC shall determine whether to continue Development of such Back-Up Combination Product under the Corrector/Combination Product Post-POC Development Plan.

(a) If the JDC determines to continue Development of such Back-Up Combination Product under the Corrector/Combination Product Post-POC Development Plan and such Development would commence before the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Corrector/ Combination Product Post-POC Development Plan in an amount equal to the applicable Last Agreed Post-POC Cap, then (1) the Corrector/Combination Product Post-POC Development Plan shall be amended in accordance

with the terms hereof to provide for Development thereunder of such Back-Up Combination Product, and (2) the Parties shall Develop such Back-Up Combination Product under such amended Corrector/Combination Product Post-POC Development Plan in accordance with Section 3.3 (including Section 3.3.6) and the other applicable terms of this Agreement.

(b) If the JDC determines to continue Development of such Back-Up Combination Product under the Corrector/Combination Product Post-POC Development Plan and such Development would commence on or after the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Development activities under the Corrector/Combination Product Post-POC Development Plan in an amount equal to the applicable Last Agreed Post-POC Cap, then either Party may propose, pursuant to Section 3.3.6(ii), an amendment to the Corrector/Combination Product Post-POC Development Plan to provide for Development thereunder of such Back-Up Combination Product. If the Corrector/Combination Product Post-POC Development Plan is so amended, the Parties shall Develop such Back-Up Combination Product under such amended Corrector/Combination Product Post-POC Development Plan in accordance with Section 3.3 (including Section 3.3.6(ii)) and the other applicable terms of this Agreement.

3.8 Updates; Amendments. The JRC shall review the Discovery Work Plan at least quarterly and the JDC shall review each of the other Development Plans at least semi-annually for the purpose of considering appropriate amendments thereto. The JRC or the JDC, as applicable, shall manage (or have a Working Group manage) the proposed updating or amending of each Development Plan in a manner designed to have an initial draft for the following Calendar Year prepared by June 30th of the then-current Calendar Year for review and input and to obtain JRC or JDC approval, as applicable, no later than September 30th of the then-current Calendar Year. In addition, either Party, through its representatives on the JRC or the JDC, as applicable, may propose amendments to any Development Plan at any time.

3.9 Pre-Clinical and POC Clinical Supply of Products.

3.9.1 Supply. For all Development activities to be conducted under the Discovery Work Plan or the POC Development Plans, Galapagos shall supply, or cause a Third Party to supply, pre-clinical and clinical requirements of the Molecules and Products and placebo or other comparators for use by the Parties in the Development of Molecules and Products as contemplated in the Discovery Work Plan or the POC Development Plans.

3.9.2 Manufacture. All Molecules, Products and placebo or other comparators supplied to the Parties by or on behalf of Galapagos pursuant to Section 3.9.1 shall be Manufactured in accordance with GMP.

3.10 Subcontracting. Each Party shall have the right to subcontract any of its Discovery Activities or other Development activities to an Affiliate or a Third Party, including contract research organizations and contract manufacturers ("**Third Party Provider**"); *provided*, with respect to a Third Party Provider, that the subcontracting Party furnishes the JRC or JDC, as applicable, with advanced written notice thereof, which notice shall specify the work to be subcontracted, and the JRC or JDC, as applicable, discusses such Third Party Provider; *provided*, *further*, that any proposed Third Party Provider for any material Discovery Activity or other Development activity, including any contract research organization for a Clinical Study or any contract manufacturer of drug substance or drug product, shall require the approval of the JRC or JDC, as applicable. In each case, the subcontracting Party shall obtain a written undertaking from the Third Party Provider that it shall be subject to the applicable terms and conditions of this Agreement, including the intellectual property provisions of Article 7 and confidentiality provisions of Article 9.

3.11 Provision of Technology and Documentation.

3.11.1 Immediately after the Effective Date, Galapagos shall, and shall cause its Affiliates to, without additional compensation, disclose and make available to AbbVie, in whatever form AbbVie may reasonably request, all Galapagos Know-How and any other Information relating, directly or indirectly, to the Existing Potentiator Molecules and the performance by AbbVie of its obligations under the Discovery Work Plan (including all Information related to Manufacturing), to the extent not done so already. Thereafter during the Term, Galapagos shall, and shall cause its Affiliates to, without additional compensation, disclose and make available to AbbVie, in whatever form AbbVie may reasonably request, any Regulatory Documentation, Galapagos Know-How, Joint Know-How or other Information immediately upon the availability thereof.

3.11.2 Galapagos, at its sole cost and expense, shall provide AbbVie with all reasonable assistance required in order to transfer to AbbVie the Regulatory Documentation, Galapagos Know-How, Joint Know-How and other Information required to be produced pursuant to Section 3.11.1 above, in each case in a timely manner, and shall reasonably assist AbbVie with respect to the Exploitation of any Molecules and Products. Without prejudice to the generality of the foregoing, if visits of Galapagos' representatives to AbbVie's facilities are reasonably requested by AbbVie for purposes of transferring the Regulatory Documentation, Galapagos Know-How, Joint Know-How or other Information to AbbVie or for purposes of AbbVie acquiring expertise on the practical application of such Information or assisting on issues arising during such Exploitation, Galapagos shall send appropriate representatives to AbbVie's facilities, which representatives' reasonable travel costs shall be paid by AbbVie.

3.12 Regulatory Matters.

3.12.1 Regulatory Activities for the AbbVie Territory.

(i) Galapagos shall have the sole right and responsibility to prepare, obtain and maintain in its name all INDs necessary to perform its obligations under each POC Development Plan, and to conduct communications with the applicable Regulatory Authorities with respect to such INDs; *provided*, that the form and content of all such INDs and communications shall be subject to the review and approval of AbbVie prior to their submission to the applicable Regulatory Authorities; *provided*, *further*, that (a) […***…], Galapagos shall and does hereby assign to AbbVie (or its designee) all of Galapagos' right, title and interest in and to all INDs with respect to the Potentiator Product and (b) […***…], Galapagos shall and does hereby assign to AbbVie (or its designee) all of Galapagos' right, title and interest in and to all INDs with respect to the Combination Product.

(ii) Commencing upon the assignment of an IND by Galapagos to AbbVie pursuant to Section 3.12.1(i), AbbVie shall have the sole right and responsibility to maintain in its name such IND, and to conduct communications with the applicable Regulatory Authorities with respect to such IND. Without limiting the foregoing, AbbVie shall have the sole right and responsibility to prepare, obtain and maintain in its name all other INDs necessary to perform its obligations under each Post-POC Development Plan, and to conduct communications with the applicable Regulatory Authorities with respect to such INDs.

(iii) AbbVie shall have the sole right (subject to the terms of this Section 3.12) to prepare, obtain, and maintain all Drug Approval Applications (including the setting of the overall regulatory strategy therefor), and to conduct communications with the applicable Regulatory Authorities, for the Molecules and Products in all countries and jurisdictions in the AbbVie Territory. Galapagos shall support AbbVie, as may be reasonably necessary, in obtaining such Regulatory Approvals for the Products, and in the activities in support thereof, including providing necessary documents or other materials required by Applicable Law to obtain such Regulatory Approvals, in each case in accordance with the terms and conditions of this Agreement and the applicable Development Plan.

(iv) AbbVie shall provide Galapagos with an opportunity to review and comment on all major regulatory filings and documents (including INDs, Drug Approval Applications, material labeling supplements, Regulatory Authority meeting requests, and core data sheets) for the Molecules and Products in the U.S. and the European Union (collectively, "**Major Regulatory Filings**"). AbbVie shall provide access to interim drafts of such Major Regulatory Filings to Galapagos via the access methods (such as secure databases) established by the JDC, and Galapagos shall provide its comments on the final drafts of such Major Regulatory Filings or of proposed material actions within […***…] ([…***…]) Business Days ([…***…] ([…***…]) Business Days for Drug Approval Applications), or such other longer period of time mutually agreed to by the Parties. If a Regulatory Authority establishes a response deadline for any such Major Regulatory Filing or material action shorter than such […***…] ([…***…]) Business Day (or […***…] ([…***…]) Business Day) period, the Parties shall work cooperatively to ensure the other Party has a reasonable opportunity for review and comment within such deadlines. AbbVie shall, and shall cause its Affiliates and Sublicensees to, consider in good faith any such comments of Galapagos.

(v) Subject to the immediately following sentence, AbbVie shall provide Galapagos with (a) access to or copies of all material written or electronic correspondence (other than regulatory filings) relating to the Development or Commercialization of Molecules or Products received by AbbVie or its Affiliates or Sublicensees from, or forwarded by AbbVie or its Affiliates or Sublicensees to, the Regulatory Authorities in the U.S. and the European Union, and (b) copies of all meeting minutes and summaries of all meetings, conferences, and discussions held by AbbVie or its Affiliates or Sublicensees with the Regulatory Authorities relating to the Development or Commercialization of Products in the U.S. and the European Union, including copies of all contact reports produced by AbbVie or its Affiliates or Sublicensees, in each case ((a) and (b)) within […***…] ([…***…]) Business Days of its receipt, forwarding or production of the foregoing, as applicable. If such written or electronic correspondence received from any such Regulatory Authority relates to the withdrawal, suspension, or revocation of a Regulatory Approval for a Product, the prohibition or suspension of the supply of a Molecule or Product, or the initiation of any investigation, review, or inquiry by such Regulatory Authority concerning the safety of a Molecule or Product, AbbVie shall notify Galapagos and provide Galapagos with copies of such written or electronic correspondence as soon as practicable.

(vi) AbbVie shall provide Galapagos with prior written notice, to the extent AbbVie has advance knowledge, of any scheduled meeting, conference, or discussion (including any advisory committee meeting) with a Regulatory Authority in the U.S. or the European Union relating to a Product, reasonably promptly after AbbVie or its Affiliate or Sublicensee first receives notice of the scheduling of such meeting, conference, or discussion (or within such shorter period as may be necessary in order to give Galapagos a reasonable opportunity to attend such meeting, conference, or discussion). Galapagos shall have the right to have two (2) of its employees attend as an observer (but not participate in) all such meetings, conferences, and discussions at Galapagos' expense. For clarity, AbbVie shall lead the End of Phase 2 Meeting with the FDA for each Product or seek "Scientific Advice" from the EMA with respect to each Product.

3.12.2 Regulatory Activities for the Galapagos Territory.

(i) Galapagos shall have the sole right and responsibility to prepare, obtain and maintain in its name all INDs necessary to perform its obligations under the Galapagos Territory Development Plan, and to conduct communications with the applicable Regulatory Authorities with respect to such INDs; *provided*, that the form and content of all such INDs and communications shall be subject to the review and approval of AbbVie prior to their submission to the applicable Regulatory Authorities.

(ii) Galapagos shall have the sole right and responsibility to prepare, obtain and maintain in its name all Drug Approval Applications for the Products in the Galapagos Territory and all other related regulatory submissions for the Products in the Galapagos Territory, and to conduct communications with the applicable Regulatory Authorities in the Galapagos Territory with respect to the Products; *provided*, that the form and content of all such Drug Approval Applications, other regulatory submissions and communications shall be subject to the review and approval of AbbVie prior to their submission.

(iii) Subject to the immediately following sentence, Galapagos shall provide AbbVie with (a) access to or copies of all material written or electronic correspondence (other than regulatory filings) relating to the Development or Commercialization of Products for the Galapagos Territory received by Galapagos or its Affiliates from, or forwarded by Galapagos or its Affiliates to, the Regulatory Authorities in the Galapagos Territory, and (b) copies of all meeting minutes and summaries of all meetings, conferences, and discussions held by Galapagos or its Affiliates or with the Regulatory Authorities relating to the Development or Commercialization of Products for the Galapagos Territory, including copies of all contact reports produced by Galapagos or its Affiliates, in each case ((a) and (b)) within […***…] ([…***…]) Business Days of its receipt, forwarding or production of the foregoing, as applicable. If such written or electronic correspondence received from any such Regulatory Authority relates to the withdrawal, suspension, or revocation of a Regulatory Approval for a Product, the prohibition or suspension of the supply of a Molecule or Product, or the initiation of any investigation, review, or inquiry by such Regulatory Authority concerning the safety of a Molecule or Product, Galapagos shall notify AbbVie and provide AbbVie with copies of such written or electronic correspondence as soon as practicable.

(iv) Galapagos shall provide AbbVie with prior written notice of any scheduled meeting, conference, or discussion (including any advisory committee meeting) with a Regulatory Authority in the Galapagos Territory promptly after Galapagos or its Affiliate first receives notice of the scheduling of such meeting, conference, or discussion (or within such shorter period as may be necessary in order to give AbbVie a reasonable opportunity to attend and participate in such meeting, conference, or discussion). AbbVie shall have the right to have such number of its representatives as AbbVie may designate attend and participate in all such meetings, conferences, and discussions. In the event that any Regulatory Authority in the Galapagos Territory requests any unscheduled, ad-hoc meeting, conference or discussion with Galapagos with respect to the Development or Commercialization of Products for the Galapagos Territory, Galapagos shall not participate in such unscheduled, ad-hoc meeting, conference or discussion unless appropriate representatives AbbVie are afforded the opportunity to attend and participate in such unscheduled, ad-hoc meeting, conference or discussion.

(v) Galapagos shall be responsible for and bear all costs for all activities contemplated by this Section 3.12.2, including all filing fees for INDs, Drug Approval Applications, Regulatory Approvals and expenses of Galapagos related to participation in any meetings with the applicable Regulatory Authorities in the Galapagos Territory. For clarity, AbbVie shall be responsible for and bear all costs and expenses of AbbVie related to participation in any meetings with applicable Regulatory Authorities in the Galapagos Territory.

3.12.3 Recalls. AbbVie shall make every reasonable effort to notify Galapagos promptly following its determination that any event, incident, or circumstance has occurred that may result in the need for a recall, market suspension, or market withdrawal of a Product in the AbbVie Territory, and shall include in such notice the reasoning behind such determination, and any supporting facts. AbbVie (or its Sublicensee) shall have the right to make the final determination whether to voluntarily implement any such recall, market suspension, or market withdrawal in the AbbVie Territory. In the event that either Party believes that any event, incident, or circumstance has occurred that may result in the need for a recall, market suspension, or market withdrawal of a Product in the Galapagos Territory (including any

requirement or recommendation by a Regulatory Authority with respect to a recall, market suspension, or market withdrawal), such Party shall immediately so notify the other Party and shall include in such notice the reasoning behind such belief and any supporting facts, and the Parties shall discuss and attempt in good faith to reach agreement as to whether such recall, market suspension or market withdrawal is necessary. In the event that the Parties cannot reach prompt agreement with respect to the need for a recall, market suspension or market withdrawal of a Product in the Galapagos Territory, then such recall, market suspension or market withdrawal shall be implemented. If a recall, market suspension, or market withdrawal of any Product is determined to be required in accordance with this Section 3.12.3, (a) Galapagos (or its Sublicensee) shall implement any such recall, market suspension or market withdrawal in the Galapagos Territory, and (b) AbbVie (or its Sublicensee) shall implement any such recall, market suspension, or market withdrawal in any other country in the Territory, in each case, in compliance with Applicable Law. For all recalls, market suspensions or market withdrawals undertaken pursuant to this Section 3.12.3, the Party responsible for the recall, market suspension, or market withdrawal shall be solely responsible for the execution thereof, and the other Party shall reasonably cooperate in all such recall efforts. Subject to Article 11, (1) if and to the extent that a recall, market suspension, or market withdrawal resulted from a Party's or its Affiliate's breach of its obligations hereunder, or from such Party's or its Affiliate's negligence or willful misconduct, such Party shall bear the expense of such recall, market suspension, or market withdrawal, (2) with respect to any recall, market suspension, or market withdrawal of a Co-Promotion Product in the Co-Promotion Territory other than as described in clause (1) above, the expenses incurred by the Parties as a result of such recall, market suspension, or market withdrawal shall be included in Allowable Expenses hereunder and shared by the Parties pursuant to Section 6.7, (3) with respect to any recall, market suspension, or market withdrawal of a Product in the Galapagos Territory other than as described in clause (1) above, Galapagos shall be responsible for all costs of such recall, market suspension, or market withdrawal, and (4) with respect to any recall, market suspension, or market withdrawal not covered by clause (1), (2) or (3), AbbVie shall be responsible for all costs of such recall, market suspension, or market withdrawal, and the costs of refunds with respect to recalled Product shall be deducted from Net Sales pursuant to Article 6.

3.12.4 Regulatory Documentation and Data.

(i) Each Party shall promptly provide to the other Party copies of or access to all non-clinical data and Clinical Data, and other Information, results, and analyses with respect to any Development activities under a Development Plan (collectively, "**Regulatory Data**"), when and as such Regulatory Data becomes available.

(ii) Galapagos shall support AbbVie, as may be reasonably necessary or appropriate, in obtaining Regulatory Approval for the Molecules and Products in the AbbVie Territory, including providing necessary documents or other materials required by Applicable Law to obtain Regulatory Approvals, in each case in accordance with the terms and conditions of this Agreement and any applicable Development Plan.

(iii) AbbVie shall support Galapagos, as may be reasonably necessary or appropriate, in obtaining Regulatory Approval for the Molecules and Products in the Galapagos Territory, including providing necessary documents or other materials required by Applicable Law to obtain Regulatory Approvals, in each case in accordance with the terms and conditions of this Agreement and the Galapagos Territory Development Plan.

(iv) All Regulatory Documentation (including all Regulatory Approvals and Product Labeling, but excluding INDs as and when held by Galapagos pursuant to Section 3.12.1(i)) relating to the Molecules and Products with respect to the AbbVie Territory shall be owned by, and shall be the sole property and held in the name of, AbbVie or its designated Affiliate, Sublicensee or designee. Galapagos shall and does hereby assign to AbbVie all of its right, title, and interest in and to all such Regulatory Documentation Controlled by Galapagos from time to time during the Term, and Galapagos shall execute and deliver, or cause to be duly executed and delivered, such instruments and shall do and cause to be done such acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary under, or as AbbVie may reasonably request in connection with, or to carry out more effectively the purpose of, or to better assure and confirm unto AbbVie its rights under, this Section 3.12.4(iv).

(v) All Regulatory Documentation (including all Regulatory Approvals and Product Labeling) relating to the Molecules and Products with respect to the Galapagos Territory shall be owned by, and shall be the sole property and held in the name of, Galapagos or its designated Affiliate, or permitted Sublicensee.

3.13 Compliance. Each Party shall perform or cause to be performed, any and all of its Development activities under each Development Plan, including Discovery Activities, in good scientific manner and in compliance with all Applicable Law.

3.14 Step-In Rights. If either Party (the "**Non-Performing Party**") is in material breach of its obligation to perform any Development activities assigned to the Non-Performing Party in a Development Plan (including providing FTEs in accordance with the Discovery Work Plan) and fails to remedy such breach within […***…] ([…***…]) days after written notice thereof from the other Party (the "**Step-In Party**"), the Step-In Party shall have the right, at the Step-In Party's sole election, and without limitation to any other right or remedy available to the Step-In Party, to assume and complete some or all of such Development activities. If the Step-In Party so elects to assume and complete any of the Development activities originally assigned to the Non-Performing Party, to the extent requested by the Step-In Party in writing, the Non-Performing Party shall assign to the Step-In Party any or all Third Party agreements relating to such Development activities (including agreements with contract research organizations, clinical sites and investigators). In such event, with respect to all such activities that involve Clinical Studies, at the Step-In Party's option, the Non-Performing Party shall either (i) end such Clinical Studies with respect to enrolled subjects in an orderly and prompt manner in accordance with Applicable Law, including any required follow up treatment with previously enrolled subjects, or (ii) transfer control to the Step-In Party or its designee of such Clinical Studies and cooperate with the Step-In Party to ensure a smooth and orderly transition thereof that will not involve any disruption of such studies. In the event that the Step-In Party elects in accordance with this Section 3.14 to assume and complete any of the Development activities originally assigned to the Non-Performing Party, the Non-Performing Party shall reimburse the Step-In Party for all Development Costs (including FTE Costs) incurred by the Step-In Party in connection with the performance of such Development activities pursuant to Section 6.10.

3.15 Records.

3.15.1 Each of Galapagos and AbbVie shall, and shall ensure that its Third Party Providers, maintain records in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, and in compliance with Applicable Law, which shall be complete and accurate and shall properly reflect all work done and results achieved in the performance of its designated Development activities, and which shall record only such activities and shall not include or be commingled with records of activities outside the scope of this Agreement. Such records shall be retained by Galapagos or AbbVie, as the case may be, for at least […***…] ([…***…]) years after the termination of this Agreement, or for such longer period as may be required by Applicable Law.

3.15.2 Each Party shall have the right, during normal business hours and upon reasonable notice, to inspect and copy all records of the other Party maintained pursuant to Section 3.15.1. The inspecting Party shall maintain such records and the Information disclosed therein in confidence in accordance with Article 9.

3.15.3 Without limiting Section 7.1, the JDC shall determine what reports shall be generated to track the Development activities, including the content and timing thereof. The Parties shall promptly share all such reports with the JDC.

ARTICLE 4
CO-PROMOTION AND COMMERCIALIZATION

4.1 In General. Subject to applicable terms and conditions of this Agreement, (i) AbbVie (itself or through its Affiliates or Sublicensees) shall have the sole right (subject to co-promotion by Galapagos in the Co-Promotion Territory) to Commercialize the Products in the AbbVie Territory at its own cost and expense (except as otherwise expressly set forth herein, including with respect to the sharing of Net Profits or Net Losses in the Co-Promotion Territory), and (ii) Galapagos (itself or through its Affiliates) shall have the sole right to Commercialize the Products in the Galapagos Territory at its own cost and expense.

4.2 Galapagos Territory Commercialization Plan. At least […***…] ([…***…]) months prior to the anticipated date of the First Commercial Sale of a Product in any country in the Galapagos Territory, Galapagos shall propose to the JCC a comprehensive plan to govern the Commercialization of the Products in the Galapagos Territory (the "**Galapagos Territory Commercialization Plan**"). The Galapagos Territory Commercialization Plan shall include:

4.2.1 the general plans and strategies to be used by Galapagos in Commercialization of the Products in the Galapagos Territory;

4.2.2 key distinctive colors, logos, images, and symbols, and the Product Trademarks, to be used in the Galapagos Territory with the Commercialization of each Product (which shall be generally consistent with those used by AbbVie in the AbbVie Territory) (the "**Brand Elements**");

4.2.3 any Phase 4 Studies to be conducted for the Products in the Galapagos Territory; and

4.2.4 such other Information related to the Commercialization of the Products by Galapagos in the Galapagos Territory as AbbVie may reasonably request.

4.3 Diligence.

4.3.1 AbbVie.

(i) AbbVie shall use Commercially Reasonable Efforts to Commercialize in each of the U.S., France, Italy, Spain, the United Kingdom and Germany each Product for which Regulatory Approval is obtained in such country. AbbVie shall have the right to satisfy its diligence obligations under this Section through its Affiliates or Sublicensees. If at any time Galapagos has a reasonable basis to believe that AbbVie is in material breach of its material obligations under this Section, then Galapagos shall so notify AbbVie, specifying the basis for its belief, and the Parties shall meet within […***…] ([…***…]) days after such notice to discuss in good faith Galapagos' concerns and AbbVie's Commercialization plans with respect to the Products.

(ii) AbbVie shall, and shall ensure that its Affiliates, Distributors and Sublicensees, sell and distribute the Products only in the AbbVie Territory. AbbVie shall not, and shall cause its Affiliates, Distributors and Sublicensees not to, sell or distribute any Product directly or indirectly (a) to any Person outside the AbbVie Territory, or (b) to any Person inside the AbbVie Territory that (1) is reasonably likely to directly or indirectly sell or distribute any Product outside the AbbVie Territory or assist another Person to do any of the foregoing, or (2) has directly or indirectly sold or distributed any Product outside the AbbVie Territory or assisted another Person to do any of the foregoing. If AbbVie or its Affiliates receive any orders for any Product outside the AbbVie Territory, AbbVie shall promptly refer such orders to Galapagos.

4.3.2 Galapagos.

(i) Galapagos shall use commercially reasonable efforts to Commercialize in each country in the Galapagos Territory each Product for which Regulatory Approval is obtained in such country. Galapagos shall have the right to satisfy its diligence obligations under this Section 4.3.2 through its Affiliates or permitted Sublicensees. If at any time AbbVie has a reasonable basis to believe that Galapagos is in material breach of its material obligations under this Section, then AbbVie shall so notify Galapagos, specifying the basis for its belief, and the Parties shall meet within […***…] ([…***…]) days after such notice to discuss in good faith AbbVie's concerns and Galapagos' Commercialization plans with respect to the Products in the Galapagos Territory.

(ii) In Commercializing the Products in the Galapagos Territory, Galapagos shall use only the Brand Elements included in the then-approved Galapagos Territory Commercialization Plan and only the marketing and promotional materials, Product messaging, and training materials approved by the JCC.

(iii) Galapagos shall, and shall ensure that its Affiliates, Distributors and Sublicensees, sell and distribute the Products only in the Galapagos Territory. Galapagos shall not, and shall cause its Affiliates, Distributors and Sublicensees not to, sell or distribute any

Product directly or indirectly (a) to any Person outside the Galapagos Territory, or (b) to any Person inside the Galapagos Territory that (1) is reasonably likely to directly or indirectly sell or distribute any Product outside the Galapagos Territory or assist another Person to do any of the foregoing, or (2) has directly or indirectly sold or distributed any Product outside the Galapagos Territory or assisted another Person to do any of the foregoing. If Galapagos or its Affiliates receive any orders for any Product outside the Galapagos Territory, Galapagos shall promptly refer such orders to AbbVie.

4.4 Statements and Compliance with Applicable Law.

4.4.1 Each Party shall, and shall cause its Affiliates to, comply in all material respects with all Applicable Law with respect to the Commercialization of Products.

4.4.2 Without limiting the foregoing, each Party shall in all respects comply with all Applicable Laws and applicable guidelines concerning the advertising, sales and marketing of prescription drug products in Commercializing Products under this Agreement, including the Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**"), and any applicable local anti-bribery laws. Each Party represents and warrants to other Party that, as of the Effective Date, it and its Affiliates have a system of internal accounting controls in place that are sufficient to provide reasonable assurances of compliance as required by the FCPA. Each Party and its Affiliates shall maintain such controls throughout the Term and shall promptly notify the other Party in writing with respect to any material non-compliance regarding Commercialization of the Products.

4.5 Booking of Sales; Distribution.

4.5.1 AbbVie. AbbVie shall have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehousing, and distribute the Products (including the Co-Promotion Products) in the AbbVie Territory and to perform or cause to be performed all related services. AbbVie shall handle all returns, recalls, or withdrawals, order processing, invoicing, collection, distribution, and inventory management with respect to the Products (including the Co-Promotion Products) in the AbbVie Territory.

4.5.2 Galapagos. Galapagos shall have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehousing, and distribute the Products in the Galapagos Territory and to perform or cause to be performed all related services. Galapagos shall handle all returns, recalls, or withdrawals, order processing, invoicing, collection, distribution, and inventory management with respect to the Products in the Galapagos Territory.

4.6 Product Trademarks.

4.6.1 Subject to Section 4.7, AbbVie shall have the sole right to determine and own the Product Trademarks to be used with respect to the Exploitation of the Products on a worldwide basis, including in the Galapagos Territory.

4.6.2 Each Party covenants that it and its Affiliates shall (i) not use in their respective businesses, any Trademark that is confusingly similar to, misleading or deceptive with

respect to or that dilutes any (or any part) of the Product Trademarks, (ii) not do any act which endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to the Product Trademarks, and (iii) conform (a) to the customary industry standards for the protection of Product Trademarks for products and such guidelines of AbbVie with respect to manner of use (as provided in writing to Galapagos by AbbVie) of the Product Trademarks, and (b) maintain the quality standards of AbbVie with respect to the goods sold and services provided in connection with such Product Trademarks.

4.6.3 Each Party covenants that it and its Affiliates shall not (i) do any act that endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to the Product Trademarks, or (ii) attack, dispute, or contest the validity of or ownership of such Product Trademark anywhere in the Territory or any registrations issued or issuing with respect thereto.

4.7 Markings.

4.7.1 The promotional materials and Product Labeling for the Products used by the Parties and their respective Affiliates in connection with the Products in the Co-Promotion Territory shall contain (i) the Galapagos Corporate Name, and (ii) AbbVie's corporate name and logo (collectively, the "**Markings**"), except to the extent precluded by Applicable Law.

4.7.2 The promotional materials and Product Labeling for the Products used by Galapagos in connection with the Products in the Galapagos Territory shall contain the Galapagos Corporate Name only.

4.7.3 Only if and to the extent required by Applicable Law in any other country or other jurisdiction in the Territory, the promotional materials and Product Labeling for the Products used by AbbVie and its Affiliates in connection with the Products in such country or other jurisdiction shall contain, in addition to AbbVie's corporate name and logo, (i) the Galapagos Corporate Name, and (ii) the logo and corporate name of the manufacturer (if other than AbbVie or an Affiliate). For clarity, no capsule, tablet or other form of drug product shall be required to bear a Galapagos Corporate Name.

4.8 Post-POC and Commercial Supply of Products.

4.8.1 Post-POC and Commercial Supply of Molecules and Products.

(i) AbbVie shall have the sole right and obligation to Manufacture (or have Manufactured) and supply all clinical requirements of the Molecules and Products for Development activities to be conducted under the Post-POC Development Plans and the Galapagos Territory Development Plan and all Molecules and Products for commercial sale in the Territory by (i) AbbVie and its Affiliates and Sublicensees, and (ii) Galapagos and its Affiliates and Sublicensees. With respect to supply of Products by AbbVie to Galapagos for use under the Galapagos Territory Development Plan or for commercial sale in the Galapagos Territory, the Parties shall enter into a supply agreement substantially consistent with AbbVie's standard terms and conditions for supply of products to Third Parties; *provided*, that the purchase price for such Product shall be equal to […***…].

(ii) Not later than […***…] ([…***…]) months after the First Commercial Sale of any Product, AbbVie shall initiate the process to identify, qualify and validate a second source for supply of Molecules and Products, and AbbVie shall use Commercially Reasonable Efforts to complete the qualification and validation of such second source of supply as soon as reasonably practicable; *provided*, that Galapagos shall reimburse AbbVie an amount equal to […***…] percent ([…***…]%) of all reasonable costs incurred by AbbVie in connection with the identification, qualification and validation of such second source of supply not later than […***…] ([…***…]) days after AbbVie provides Galapagos reasonable documentation of the incurrence of such costs. AbbVie shall consider engaging Galapagos to serve as such second source for supply of Molecules and Products. Notwithstanding the foregoing, AbbVie shall use Commercially Reasonable Efforts to maintain at any time as from the First Commercial Sale of any Product a reasonable safety stock of such Product to try to assure the uninterrupted supply of such Product.

4.8.2 Manufacturing Technology Transfer Upon AbbVie's Request. AbbVie shall have the right, upon at least […***…] ([…***…]) days' prior written notice, which notice may not be given prior to the date that is […***…] ([…***…]) days after the Effective Date, to require Galapagos to effect a full transfer to AbbVie or its designee (which designee may be an Affiliate or a Third Party manufacturer, and which Third Party manufacturer may be a backup manufacturer or a second manufacturer of Molecules or Product) of all Galapagos Know-How and Joint Know-How relating to the then-current process for the Manufacture of the Molecules and Products (the "**Manufacturing Process**") and to implement the Manufacturing Process at facilities designated by AbbVie (such transfer and implementation, as more fully described in this Section 4.8.2, the "**Manufacturing Technology Transfer**"). Galapagos shall provide, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to provide (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), all reasonable assistance requested by AbbVie to enable AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) to implement the Manufacturing Process at the facilities designated by AbbVie. If requested by AbbVie, such assistance shall include facilitating the entering into of agreements with applicable Third Party suppliers relating to the Molecules and Products. Without limitation to the foregoing, in connection with each Manufacturing Technology Transfer:

(i) Galapagos shall make available, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to make available (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), to AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) from time to time as AbbVie may request, all Manufacturing-related Galapagos Know-How, Joint Know-How, Information and materials relating to the Manufacturing Process, including methods, processes and testing/characterization Information, and all documentation constituting material support, performance advice, shop practice, standard operating procedures, specifications as to materials to be used and control methods, that are reasonably necessary or useful to enable AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) to use and practice the Manufacturing Process;

(ii) Galapagos shall cause all appropriate employees and representatives of Galapagos and its Affiliates to meet with, and shall use Commercially Reasonable Efforts to cause all appropriate employees and representatives of its Third Party manufacturers to meet with (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), employees or representatives of AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) at the applicable manufacturing facility at mutually convenient times to assist with the working up and use of the Manufacturing Process and with the training of the personnel of AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) to the extent reasonably necessary or useful to enable AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) to use and practice the Manufacturing Process;

(iii) Without limiting the generality of clause (ii) above, Galapagos shall cause all appropriate analytical and quality control laboratory employees and representatives of Galapagos and its Affiliates to meet with, and shall use Commercially Reasonable Efforts to cause all appropriate analytical and quality control employees and representatives of its Third Party manufacturers to meet with (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), employees or representatives of AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) at the applicable manufacturing facility and make available all necessary equipment, at mutually convenient times, to support and execute the transfer of all applicable analytical methods and the validation thereof (including all applicable Galapagos Know-How, Joint Know-How, methods, validation documents and other documentation, materials and sufficient supplies of all primary and other reference standards);

(iv) Galapagos shall take such steps, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to take such steps (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), as are reasonably necessary or useful to assist in reasonable respects AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) in obtaining any necessary licenses, permits or approvals from Regulatory Authorities with respect to the Manufacture of the Molecules and Products at the applicable facilities; and

(v) Galapagos shall provide, and shall use Commercially Reasonable Efforts to cause its Third Party manufacturers to provide (including by using Commercially Reasonable Efforts to negotiate contractual obligations for such Third Party manufacturers to do so under agreements entered into following the Effective Date), such other assistance as AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) may reasonably request to enable AbbVie (or its Affiliate or designated Third Party manufacturer, as applicable) to use and practice the Manufacturing Process and otherwise to Manufacture Molecules and Products.

4.8.3 Subsequent Manufacturing Technology Transfer. Without limiting the foregoing or Section 7.1, if Galapagos makes any Improvement relating to the Manufacture of a Molecule or Product during the Term after the initial technology transfer pursuant to Section

4.8.2, Galapagos shall promptly disclose such Improvement to AbbVie, and shall, at AbbVie's request, perform a technology transfer with respect to such Improvement in the same manner as provided in Section 4.8.2.

4.9 Co-Promotion.

4.9.1 Co-Promotion Option. Without limitation to AbbVie's rights under Section 5.5 outside the Co-Promotion Territory, Galapagos shall have the exclusive right (the "**Co-Promotion Option**") to elect to assume […***…] percent ([…***…]%) of the co-promotion effort in all (but not less than all) countries in the Co-Promotion Territory for all (but not less than all) Products for which Regulatory Approval is received in each such country in the Co-Promotion Territory, if any (the "**Co-Promotion Products**"). AbbVie shall provide Galapagos with at least […***…] ([…***…]) years prior written notice of the anticipated filing date for the first Drug Approval Application for any Co-Promotion Product with the applicable Regulatory Authority in any country in the Co-Promotion Territory (or with the EMA with respect to the Centralized Approval Procedure).

4.9.2 Notice. In order to exercise the Co-Promotion Option, no later than […***…] ([…***…]) months prior to the anticipated filing of the first Drug Approval Application with the applicable Regulatory Authority in any country in the Co-Promotion Territory (or with the EMA with respect to the Centralized Approval Procedure), Galapagos must provide AbbVie with written notice of its election to exercise the Co-Promotion Option with respect to the Co-Promotion Territory. Following delivery of such notice, the Parties shall negotiate the Co-Promotion Agreement reasonably and in good faith and with such diligence as is required to execute and deliver the Co-Promotion Agreement by the date that is […***…] ([…***…]) months following the date of such notice, or such other period as the Parties may agree in writing.

4.9.3 Terms of Co-Promotion Agreement. The terms and conditions of such co-promotion arrangement, including the percentage of the total Details in the Co-Promotion Territory to be provided by Galapagos and AbbVie, shall be set forth in a co-promotion agreement (the "**Co-Promotion Agreement**") to be entered into between the Parties as set forth in this Section 4.9.3. The Co-Promotion Agreement shall include such provisions as are usual and customary in AbbVie's contract sales force agreements, including with respect to diligence obligations of Galapagos and AbbVie, except that (except as provided in Section 4.9.4) AbbVie shall not pay Galapagos any additional consideration for the performance of its co-promotion obligations in excess of the amounts payable pursuant to Article 6. Under the Co-Promotion Agreement, AbbVie shall have the right to make all final decisions with respect to the co-promotion arrangement, including the promotional materials to be used, the training and testing applicable to such sales representatives, and restrictions with respect to the ability of such sales representatives to Detail other products. For purposes of this Agreement, "co-promote" or "co-promotion" means the Detailing of all Co-Promotion Products by Galapagos or its Affiliates under the relevant Regulatory Approval and the Product Trademarks, and shall not mean the sale or distribution of any Co-Promotion Product by Galapagos or its Affiliates. For clarity, all co-promotion of the Co-Promotion Products in the Co-Promotion Territory by Galapagos shall be solely performed by employees of Galapagos or its Affiliates, and Galapagos shall not outsource or subcontract any of its co-promotion rights or obligations hereunder to a Third Party without the prior written consent of AbbVie.

4.9.4 Compensation for Co-Promotion. The Parties shall share, pursuant to Section 6.7, the costs and expenses incurred by the Parties with respect to co-promotion under the Co-Promotion Agreement solely to the extent that such costs and expenses are included in Net Profits/Net Losses; *provided*, that each Party shall bear its own costs with respect to promotion by its internal sales force and such costs shall not be included in the calculation of Sales and Marketing Costs or Allowable Expenses hereunder. AbbVie shall have no other obligation to compensate Galapagos with respect to its co-promotion of the Co-Promotion Products.

4.9.5 Commercialization. The Commercialization of the Co-Promotion Products in the Co-Promotion Territory shall be conducted pursuant to a comprehensive, multi-year plan and budget, which shall include, *inter alia*, […***…] (the "**Co-Promotion Plan**"). At least […***…] ([…***…]) months prior to the anticipated filing of the first Drug Approval Application with the applicable Regulatory Authority in any country in the Co-Promotion Territory (or with the EMA with respect to the Centralized Approval Procedure), or such other period as the Parties may agree in writing, AbbVie shall propose to the JCC the initial Co-Promotion Plan. Such plan shall allocate responsibility for the Commercialization of each Co-Promotion Product in the Co-Promotion Territory, which activities, in the case of Detailing, shall be allocated equally to each Party in each country in the Co-Promotion Territory. Without limiting the foregoing, the Commercialization by the Parties of each Co-Promotion Product in the Co-Promotion Territory shall be conducted pursuant to the Co-Promotion Plan (including, for clarity, the budget set forth therein). The JCC shall review and approve the Co-Promotion Commercialization Plan within […***…] ([…***…]) days after receipt and, thereafter, at least annually, and shall make amendments thereto.

ARTICLE 5
GRANT OF RIGHTS

5.1 Grants to AbbVie. Galapagos (on behalf of itself and its Affiliates) hereby grants to AbbVie:

5.1.1 an exclusive (including with regard to Galapagos and its Affiliates, except as provided in Section 5.6) license (or sublicense as the case may be), with the right to grant sublicenses in accordance with Section 5.3.1, under the Galapagos Patents, the Galapagos Know-How, and Galapagos' interest in the Joint Patents and the Joint Know-How, and a right to reference all Regulatory Documentation Controlled by Galapagos and its Affiliates, in each case to perform Discovery Activities and Exploit the Molecules and the Products in the Field in the Territory; and

5.1.2 subject to Section 7.1.5, a non-exclusive license, with the right to grant sublicenses in accordance with Section 5.3.1, to use the Galapagos Corporate Names solely as required to Exploit the Molecules and the Products in the Field in the Territory and for no other purpose.

5.2 Grants to Galapagos. AbbVie grants to Galapagos:

5.2.1 an exclusive (including with regard to AbbVie and its Affiliates) license (or sublicense as the case may be), with the right to grant sublicenses in accordance with Section 5.3.2, under the AbbVie Patents, the AbbVie Know-How, AbbVie's interest in the Joint Patents and the Joint Know-How, and the rights granted to AbbVie in Section 5.1.1, and a right to reference all Regulatory Documentation Controlled by AbbVie and its Affiliates, solely to:

(i) Develop the Products solely to obtain Regulatory Approval of the Products in the Galapagos Territory pursuant to and in accordance with the Galapagos Territory Development Plan; and

(ii) Commercialize Products in the Field in the Galapagos Territory in accordance with the Galapagos Territory Commercialization Plan and Section 4.3.2;

5.2.2 a non-exclusive, royalty-free license, with the right to grant sublicenses in accordance with Section 5.3.2, under the AbbVie Patents, the AbbVie Know-How and AbbVie's interest in the Joint Patents and the Joint Know-How to Develop Molecules and Products solely for purposes of performing its obligations as set forth in, and subject to, the Discovery Work Plan, the POC Development Plans, and the Post-POC Development Plans; and

5.2.3 a non-exclusive, royalty-free license, with the right to grant sublicenses in accordance with Section 5.3.2, under the AbbVie Patents, the AbbVie Know-How and AbbVie's interest in the Joint Patents and the Joint Know-How, to Manufacture (or have Manufactured) Molecules and Products solely for purposes of performing its obligations as set forth in, and subject to, the Discovery Work Plan, the POC Development Plans, and the Post-POC Development Plans.

5.3 Sublicenses.

5.3.1 AbbVie. AbbVie shall have the right to grant sublicenses (or further rights of reference), through multiple tiers of sublicensees, under the licenses and rights of reference granted in Section 5.1, to its Affiliates and other Persons; *provided*, that any such sublicenses shall be consistent with the terms and conditions of this Agreement.

5.3.2 Galapagos.

(i) **Development Subcontractors.** Galapagos shall have the right to grant sublicenses under the licenses granted in Section 5.2.2 to Third Party Providers solely to the extent necessary to permit such Third Party Providers to perform Discovery Activities and other Development activities subcontracted by Galapagos in accordance with Section 3.10; *provided*, that such Third Party Provider sublicense shall comply with Section 5.3.2(v).

(ii) **Manufacturing Subcontractors.** Galapagos shall have the right to grant sublicenses under the licenses granted in Sections 5.2.3 to Third Party Providers solely for the purposes set forth in such Sections 5.2.3; *provided*, that such Third Party Provider sublicense shall comply with Section 5.3.2(v).

(iii) **Affiliates.** Galapagos shall have the right to grant sublicenses under the licenses granted in Section 5.2.1 to its Affiliates; *provided*, that such Affiliate sublicense shall comply with Section 5.3.2(v).

(iv) **Third Parties.**

(a) If at any time Galapagos wishes to grant a sublicense under the licenses granted in Section 5.2.1 to any Person other than an Affiliate, Galapagos shall notify AbbVie thereof. Not later than […***…] ([…***…]) days after receipt of such notice from Galapagos, AbbVie shall notify Galapagos whether AbbVie (or its Affiliate) wishes to take such sublicense. If AbbVie does not notify Galapagos within such […***…] ([…***…]) day response period that AbbVie (or its Affiliate) wishes to take such sublicense, then Galapagos shall be free to negotiate and enter into a sublicense under the licenses granted in Section 5.2.1 with any Third Party on such terms as Galapagos may determine; *provided*, that such Third Party sublicense shall comply with Section 5.3.2(v). For clarity, prior to providing notice to AbbVie under this Section 5.3.2(iv), and during the […***…] ([…***…]) day response period after providing any such notice, Galapagos shall not (1) grant any sublicense under the licenses granted in Section 5.2.1 to any Third Party, or (2) negotiate with any Third Party, directly or indirectly through any Person, or offer to enter into with any Third Party, any sublicense under the licenses granted in Section 5.2.1.

(b) If AbbVie notifies Galapagos within such […***…] ([…***…]) day response period that AbbVie wishes to take a sublicense under the licenses granted in Section 5.2.1, then during the period of […***…] ([…***…]) days commencing on the date of delivery of such notice by AbbVie, or such longer period as the Parties may agree (the "**Exclusive Negotiation Period**"), AbbVie (or its Affiliate) and Galapagos shall negotiate in good faith the terms and conditions on which AbbVie (or its Affiliate) and Galapagos shall enter into such sublicense. For clarity, during the Exclusive Negotiation Period Galapagos shall not (1) grant any sublicense under the licenses granted in Section 5.2.1 to any Third Party, or (2) negotiate with any Third Party, directly or indirectly through any Person, or offer to enter into with any Third Party, any sublicense under the licenses granted in Section 5.2.1.

(c) If AbbVie (or its Affiliate) and Galapagos do not execute and deliver such a sublicense prior to the end of the Exclusive Negotiation Period, then Galapagos shall be free to negotiate and enter into a sublicense under the licenses granted in Section 5.2.1 with any Third Party; *provided*, that Galapagos shall not enter such Third Party sublicense on terms and conditions that, taken as a whole, are equal to, or less favorable to Galapagos than, the terms and conditions last proposed by AbbVie (or its Affiliate) to Galapagos during the Exclusive Negotiation Period; *provided*, *further*, that such Third Party sublicense shall comply with Section 5.3.2(v). Galapagos promptly shall provide to AbbVie a complete and accurate copy of each Third Party sublicense entered into by Galapagos, subject to reasonable protection of the applicable Third Party's proprietary information; *provided*, that in no event may Galapagos redact any of the financial terms of any Third Party sublicense provided to AbbVie.

(v) Galapagos shall cause each Sublicensee permitted under this Section 5.3.2 to comply with the terms of the applicable permitted sublicense and to comply with the applicable terms and conditions of this Agreement. The grant of any such sublicense shall not relieve Galapagos of its obligations under this Agreement, except to the extent they are satisfactorily performed by such Sublicensee. Any such permitted sublicenses shall be consistent with and subject to the terms and conditions of this Agreement.

5.4 Distributorships.

5.4.1 AbbVie shall have the right, in its sole discretion, to appoint its Affiliates, and AbbVie and its Affiliates shall have the right, in their sole discretion, to appoint any Third Party, to Commercialize the Products in any country in the AbbVie Territory (with or without packaging rights) in circumstances where the Person purchases its requirements of Products from AbbVie or its Affiliates. The term "packaging rights" in this Section 5.4.1 means the right for the Distributor to package Products supplied in unpackaged bulk form into individual ready-for-sale packs.

5.4.2 Galapagos shall have the right to appoint its Affiliates, and Galapagos and its Affiliates shall have the right to appoint any Third Party, to Commercialize the Products in any country in the Galapagos Territory in circumstances where the Person purchases its requirements of Products from Galapagos or its Affiliates; *provided*, that Galapagos furnishes the JCC with advanced written notice thereof, which notice shall specify the work to be subcontracted, and the JCC discusses the qualifications of such Distributor.

5.4.3 Where a Party or its Affiliate(s) appoint(s) a Person to distribute, market, and sell the Products in circumstances where the Person purchases its requirements of Products from such Party or its Affiliates and such Person is not an Affiliate of such Party, that Person shall be a "**Distributor**" for purposes of this Agreement.

5.5 Co-Promotion Rights.

5.5.1 Subject to Galapagos' exclusive co-promotion rights pursuant to Section 4.9, AbbVie and its Affiliates shall have the right, in their sole discretion, to co-promote the Products with any Third Party, or to appoint one (1) or more Third Parties to promote the Products without AbbVie in all or any part of the AbbVie Territory.

5.5.2 Galapagos and its Affiliates shall have the right to co-promote the Products with any Third Party, or to appoint one (1) or more Third Parties to promote the Products without Galapagos in all or any part of the Galapagos Territory; *provided*, that Galapagos furnishes the JCC with advanced written notice thereof, which notice shall specify the work to be subcontracted, and the JCC discusses the qualifications of such Third Party.

5.6 Retention of Rights.

5.6.1 Notwithstanding the exclusive licenses granted to AbbVie pursuant to Section 5.1, Galapagos retains the right to practice under the Galapagos Patents, the Galapagos Know-How, and Galapagos' interests in the Joint Patents, Joint Know-How, Regulatory Approvals and any other Regulatory Documentation to perform its obligations under this Agreement (including Development, Detailing a Co-Promotion Product, and the making or having made and supply of Molecules and Products to AbbVie, as applicable). Except as expressly provided herein, Galapagos grants no other right or license, including any rights or licenses to the Galapagos Patents, the Galapagos Know-How, the Galapagos Corporate Names, the Joint Patents, the Joint Know-How, or any other Patent or intellectual property rights not otherwise expressly granted herein.

5.6.2 Except as expressly provided herein, AbbVie grants no other right or license, including any rights or licenses to the AbbVie Patents, the AbbVie Know-How, the Joint Patents, the Joint Know-How, the Regulatory Documentation, or any other Patent or intellectual property rights not otherwise expressly granted herein.

5.7 Confirmatory Patent License. Galapagos shall, if requested to do so by AbbVie, immediately enter into confirmatory license agreements in the form or substantially the form reasonably requested by AbbVie for purposes of recording the licenses granted under this Agreement with such patent offices in the Territory as AbbVie considers appropriate; *provided*, that in no case shall Galapagos be required to execute such license agreements if the legal effect thereof would be to transfer ownership of Galapagos Patents licensed thereunder to AbbVie (in which event Galapagos and AbbVie would mutually agree on an alternate solution to address the need for a confirmatory license without materially damaging the interests of either Party). Until the execution of any such confirmatory licenses (or alternate solution), so far as may be legally possible, Galapagos and AbbVie shall have the same rights in respect of the Galapagos Patents and be under the same obligations to each other in all respects as if the said confirmatory licenses (or alternate solution) had been executed.

5.8 Third Party In-License Agreements. During the Term, neither Galapagos nor any of its Affiliates shall, without AbbVie's prior written consent, enter into any agreement with a Third Party related to Information, Regulatory Documentation, Patents, or other intellectual

property rights affecting Molecules or Products, and Galapagos shall consult with AbbVie and seek AbbVie's comments on all draft proposals exchanged between Galapagos and the prospective licensor with respect to any such license. If Galapagos or any of its Affiliates are a party to a license, sublicense or other agreement for additional rights, with the right to sublicense, under Patents or Information to make, use, sell, offer to sell or import Molecules or Products, or as permitted in the aforementioned sentence, then Galapagos shall inform AbbVie and shall provide AbbVie with a copy (which may be redacted in pertinent part) of such license, sublicense, or other agreement ("**Proposed Future Third Party In-Licensed Rights**"). If AbbVie notifies Galapagos in writing that it wishes to be bound by or assume the rights and obligations of the Proposed Future Third Party In-Licensed Rights as they apply to AbbVie and this Agreement, then the Proposed Future Third Party In-Licensed Rights shall automatically be included in the Galapagos Patents or Galapagos Know-How (as applicable) hereunder and AbbVie agrees to abide by all applicable terms and conditions of such license, sublicense or other agreement, as it relates to AbbVie and this Agreement. If AbbVie declines to be bound by or assume the rights and obligations of the Proposed Future Third Party In-Licensed Rights as they apply to AbbVie and this Agreement, AbbVie may in its discretion negotiate and conclude a separate agreement with the applicable licensor.

5.9 Exclusivity with Respect to the Territory.

5.9.1 During the Term, neither Party shall, and each Party shall cause its Affiliates not to, (i) directly or indirectly, develop, commercialize or otherwise Exploit any […***…] in any country in the Territory, or (ii) license, authorize, appoint, or otherwise enable any Third Party to directly or indirectly develop, commercialize or otherwise Exploit any […***…] in any country in the Territory, in each case ((i) and (ii)) except for Molecules and Products in accordance with the terms of this Agreement.

5.9.2 […***…]

5.9.3 […***…]

ARTICLE 6
PAYMENTS AND RECORDS

6.1 Upfront Payment. No later than […***…] ([…***…]) days following the Effective Date, as initial consideration for entering into the collaboration with Galapagos and the rights granted by Galapagos to AbbVie pursuant to this Agreement, including those set forth in particular in Section 5.1 of this Agreement, AbbVie shall pay Galapagos a non-refundable, one-time, upfront amount equal to Forty-Five Million Dollars ($45,000,000.00). This payment does as such not require any performance of activities and shall be non-creditable against any other payments due hereunder.

6.2 Development Milestones. As further consideration for the rights granted by Galapagos to AbbVie hereunder and subject to the terms and conditions set forth in this Agreement, AbbVie shall pay to Galapagos a milestone payment within […***…] ([…***…]) days after the achievement of each of the following milestones, calculated as follows:

6.2.1 Upon […***…], Ten Million Dollars ($10,000,000.00) (the "[…***…]");

6.2.2 Upon […***…], […***…] Dollars ($[…***…]) (the "[…***…]");

6.2.3 Upon […***…], […***…] Dollars ($[…***…]) (the "[…***…]");

6.2.4 Upon […***…], […***…] Dollars ($[…***…]) (the "[…***…]"); and

6.2.5 Upon […***…], […***…] Dollars ($[…***…]) (the "[…***…]").

6.2.6 Each milestone payment in this Section 6.2 shall be non-refundable, non-creditable and payable only once upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone for a different Molecule. For clarity, the maximum aggregate amount payable by AbbVie pursuant to this Section 6.2 is […***…] Dollars ($[…***…]).

6.3 Regulatory Milestones. As further consideration of the rights granted by Galapagos to AbbVie hereunder and subject to the terms and conditions set forth in this Agreement, AbbVie shall pay to Galapagos a milestone payment within […***…] ([…***…]) days after the achievement of each of the following milestones, calculated as follows:

6.3.1 Upon […***…], […***…] Dollars ($[…***…]);

6.3.2 Upon […***…], […***…] Dollars ($[…***…]);

6.3.3 Upon […***…], […***…] Dollars ($[…***…]);

6.3.4 Upon […***…], […***…] Dollars ($[…***…]);

6.3.5 Upon […***…], […***…] Dollars ($[…***…]); and

6.3.6 Upon […***…], […***…] Dollars ($[…***…]).

6.3.7 Each milestone payment in this Section 6.3 shall be non-refundable, non-creditable and payable only once upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone, whether for the same or a different Product. For clarity, the maximum aggregate amount payable by AbbVie pursuant to this Section 6.3 is […***…] Dollars ($[…***…]).

6.4 Sales-Based Milestones.

6.4.1 As further consideration of the license rights granted by Galapagos to AbbVie hereunder, subject to Section 6.4.2, if the Net Sales of the Products in the Royalty Territory in a given Calendar Year exceed a threshold (each, an "**Annual Net Sales Milestone Threshold**") set forth in the left-hand column of the table immediately below (the "**Annual Net Sales-Based Milestone Table**"), AbbVie shall pay to Galapagos a milestone payment (each, an

"**Annual Net Sales-Based Milestone Payment**") in the corresponding amount set forth in the right-hand column of the Annual Net Sales-Based Milestone Table. If in a given Calendar Year more than one (1) Annual Net Sales Milestone Threshold is exceeded, AbbVie shall pay to Galapagos a separate Annual Net Sales-Based Milestone Payment with respect to each Annual Net Sales Milestone Threshold that is exceeded in such Calendar Year. Each such milestone payment shall be due within […***…] ([…***…]) days of the first achievement of such milestone (each, an "**Annual Net Sales-Based Milestone Payment Date**").

Threshold Annual Net Sales Levels	Payment Amount
[…***…] Dollars ($[…***…])	$[…***…]
[…***…] Dollars ($[…***…])	$[…***…]

6.4.2 Notwithstanding anything contained in Section 6.4.1, each milestone payment in this Section 6.4 shall be payable only once upon the first achievement of such milestone, and no amounts shall be due for subsequent or repeated achievements of such milestone in subsequent Calendar Years. For clarity, the maximum aggregate amount payable by AbbVie pursuant to this Section 6.4 is […***…] Dollars ($[…***…]).

6.5 Royalties.

6.5.1 Royalty Rates. As further consideration for the rights granted to AbbVie hereunder, subject to Sections 6.5.2 and 6.5.4, commencing upon the First Commercial Sale of a Product in the Royalty Territory, AbbVie shall pay to Galapagos a royalty on aggregate Net Sales of the Products sold in the Royalty Territory (excluding Net Sales of each such Product sold in any country or other jurisdiction in the Royalty Territory for which the Royalty Term for such Product sold in such country or other jurisdiction has expired) during each Calendar Year at the following rates:

Net Sales of the Products in the Royalty Territory in a Calendar Year	Royalty Rate
[…***…]	[…***…]
[…***…]	[…***…]
[…***…]	[…***…]

6.5.2 Exclusion of Net Sales. Notwithstanding the foregoing, all Net Sales attributable to sales of the Co-Promotion Products in the Co-Promotion Territory shall be excluded from aggregate Net Sales for purposes of this Section 6.5 and such sales shall not be subject to a royalty under this Section 6.5. With respect to each Product in each country or other jurisdiction in the Royalty Territory, from and after the expiration of the Royalty Term for such Product that is sold in such country or other jurisdiction, Net Sales of such Product in such country or other jurisdiction shall be excluded for purposes of calculating the Net Sales thresholds and ceilings set forth in this Section 6.5.

6.5.3 Royalty Term. AbbVie shall have no obligation to pay any royalty with respect to Net Sales of any Product in any country or other jurisdiction after the Royalty Term for such Product that is sold in such country or other jurisdiction has expired.

6.5.4 Reductions. Notwithstanding the foregoing:

(i) If in any country or other jurisdiction in the Royalty Territory during the Royalty Term for a Product there is Generic Competition resulting in […***…];

(ii) If a court or a governmental agency of competent jurisdiction requires AbbVie or any of its Affiliates or Sublicensees to grant a compulsory license to a Third Party permitting such Third Party to make and sell a Product in a country or other jurisdiction in the Royalty Territory, then, for the purposes of calculating the royalties payable with respect to such Product under Section 6.5.1, […***…];

(iii) If, and in such case from and after the date on which, a Product is Exploited in a country or other jurisdiction and the making, using, offer for sale, or sale of such Product sold in such country or other jurisdiction is not covered by a Valid Claim of a Galapagos Patent or a Product Patent, then the royalty rates set forth in Section 6.5.1 with respect to such sales of Product in such country or other jurisdiction (for purposes of calculations under Section 6.5.1), each shall be reduced by […***…] percent ([…***…]%); and

(iv) AbbVie shall have the right to deduct costs in accordance with Sections 7.2.1 and 7.4.

In no case shall any deductions allowable under this Section 6.5.4, alone or cumulatively, reduce the royalties paid to Galapagos by more than […***…] percent ([…***…]%) of the royalties due under Section 6.5.1.

6.6 Royalty Payments and Reports. AbbVie shall calculate all amounts payable to Galapagos pursuant to Section 6.5 at the end of each Calendar Quarter, which amounts shall be converted to Dollars in accordance with Section 6.12. AbbVie shall pay to Galapagos the royalty amounts due with respect to a given Calendar Quarter within […***…] ([…***…]) days after the end of such Calendar Quarter. Each payment of royalties due to Galapagos shall be accompanied by a statement of the amount of Net Sales of each Product in each country or other jurisdiction of the Royalty Territory during the applicable Calendar Quarter (including such amounts expressed in local currency and as converted to Dollars) and a calculation of the amount of royalty payment due on such Net Sales for such Calendar Quarter.

6.7 Profit or Loss in the Co-Promotion Territory. If Galapagos exercises the Co-Promotion Option, the terms and conditions of this Section 6.7 shall govern each Party's rights and obligations with respect to Net Profits and Net Losses relating to the Co-Promotion Products in the Co-Promotion Territory. Subject to Sections 4.9 and 6.8, (i) Galapagos shall receive […***…] percent ([…***…]%) of all Net Profits, and bear […***…] percent ([…***…]%) of all Net Losses, as applicable, with respect to the Co-Promotion Products in the Co-Promotion Territory, and (ii) AbbVie shall receive […***…] percent ([…***…]%) of all Net Profits, and bear […***…] percent ([…***…]%) of all Net Losses, as applicable, with respect to the Co-Promotion Products in the Co-Promotion Territory. Galapagos shall bear its share of the Net Profits and Net Losses with respect to the Co-Promotion Products regardless of the date of its exercise of the Co-Promotion Option.

6.8 Calculation and Payment of Net Profit or Net Loss Share.

6.8.1 Reports and Payments in General. Upon initiation of the co-promotion with respect to a Co-Promotion Product, each Party shall report to the other Party, within […***…] ([…***…]) days after the end of each Calendar Quarter following such initiation, with regard to Net Sales and Allowable Expenses incurred by such Party for such Co-Promotion Product during such Calendar Quarter in the Co-Promotion Territory in a manner sufficient to enable the other Party to comply with its reporting requirements; *provided*, that in the case of the first Calendar Quarter for which such report is due, each Party shall additionally report all Allowable Expenses incurred by such Party prior to such Calendar Quarter with respect to such Co-Promotion Product. Such report shall specify in reasonable detail all deductions allowed in the calculation of such Net Sales and all expenses included in Allowable Expenses. Within […***…] ([…***…]) days after the end of each Calendar Quarter (or for the last Calendar Quarter in a Calendar Year, […***…] ([…***…]) days after the end of such Calendar Quarter), the Parties shall reconcile all Net Sales and Allowable Expenses to ascertain whether there is a Net Profit or Net Loss and payments shall be made as set forth in subsections (i) and (ii) below, as applicable.

(i) If there is a Net Profit for such Calendar Quarter, then AbbVie shall reimburse Galapagos for Allowable Expenses incurred by Galapagos in such Calendar Quarter and shall pay to Galapagos, an amount equal to […***…] percent ([…***…]%) of the Net Profit for such Calendar Quarter within […***…] ([…***…]) days after the end of each Calendar Quarter; or

(ii) If there is a Net Loss for such Calendar Quarter, then the Party that has borne less than its share of the Allowable Expenses in such Calendar Quarter shall make a reconciling payment to the other Party within […***…] ([…***…]) days after the end of each Calendar Quarter to assure that each Party bears its share of such Allowable Expenses during such Calendar Quarter.

A sample calculation for determining the Net Profits and Net Losses is attached hereto as Schedule 6.8.1.

6.8.2 Last Calendar Quarter. No separate payment shall be made for the last Calendar Quarter in any Calendar Year. Instead, at the end of each such Calendar Year, a final reconciliation shall be conducted by comparing the share of Net Profits or Net Losses to which a Party is otherwise entitled for such Calendar Year pursuant to Sections 6.7 and 6.8.1 against the sum of all amounts (if any) previously paid or retained by such Party for prior Calendar Quarters during such Calendar Year, and the Parties shall make reconciling payments to one another no later than […***…] ([…***…]) days after the end of such Calendar Quarter, if and as necessary to ensure that each Party receives for such Calendar Year its share of Net Profits and bears its share of Net Losses in accordance with Section 6.7.

6.9 FTE Records and Calculations. Each Party shall calculate and maintain records of FTE effort incurred by it in the same manner as is used for other products developed by such Party, unless instructed by the JSC to employ other procedures, in which case such other procedures shall be applied equally to both Parties.

6.10 Reconciliation of Development Costs, CMC Costs and Galapagos IP Costs. With respect to (i) Development Costs incurred in connection with Discovery Activities and activities performed under the Development Plans (or any Development activities performed by the Step-In Party pursuant to Section 3.14), (ii) CMC Costs incurred by the Parties and (iii) Galapagos IP Costs incurred by AbbVie, such costs initially shall be borne by the Party incurring the cost or expense and thereafter shall be subject to reimbursement in accordance with the cost-sharing or reimbursement allocations set forth in Sections 3.1.5, 3.1.6, 3.2.6, 3.2.7, 3.3.5, 3.3.6, 3.4, 3.14, or 7.9, as applicable. Each Party shall report to the other Party, within […***…] ([…***…]) days after the end of each Calendar Quarter, Development Costs, CMC Costs and Galapagos IP Costs incurred by such Party during such Calendar Quarter. Such report shall specify in reasonable detail all amounts included in such Development Cost, CMC Costs and Galapagos IP Costs during such Calendar Quarter. Each such report shall enable the receiving Party to compare the reported costs against the applicable Development Plan, as applicable, on both a quarterly basis and a cumulative basis for each activity. The Parties shall seek to resolve any questions related to such accounting statements within […***…] ([…***…]) days following receipt by each Party of the other Party's report hereunder. Within […***…] ([…***…]) days after the end of each Calendar Quarter or, for the last Calendar Quarter of any Calendar Year, within […***…] ([…***…]) days after the end of such Calendar Year, the Party that has paid less than its share of Development Costs, CMC Costs and Galapagos IP Costs during such Calendar Quarter, or the Non-Performing Party, shall make reconciling payments to the other Party to achieve the appropriate allocation or reimbursement of such costs provided for in Sections 3.1.5, 3.1.6, 3.2.6, 3.2.7, 3.3.5, 3.3.6, 3.4, 3.14, or 7.9, as applicable.

6.11 Third Party Payments.

6.11.1 Galapagos shall reimburse AbbVie an amount equal to […***…] percent ([…***…]%) of all Third Party Payments made by AbbVie with respect to the AbbVie Territory not later than […***…] ([…***…]) days after AbbVie provides Galapagos reasonable documentation of such payments.

6.11.2 […***…] Third Party Payments with respect to the Galapagos Territory.

6.12 Mode of Payment; Offsets. All payments to either Party under this Agreement shall be made by electronic transfer of Dollars in the requisite amount to such bank account as the receiving Party may from time to time designate by notice to the paying Party. For the purpose of calculating any sums due under, or otherwise reimbursable pursuant to, this Agreement (including the calculation of Net Sales expressed in currencies other than Dollars), a Party shall convert any amount expressed in a foreign currency into Dollar equivalents using its, its Affiliate's or its Sublicensee's, standard conversion methodology consistent with Accounting Standards. Such standard conversion methodology shall be based upon the Monthly Average Exchange Rate. "**Monthly Average Exchange Rate**" means the simple average of prior month-end Exchange Rate and current month-end Exchange Rate based on 9:00 AM Central Time Bloomberg screen on the penultimate Business Day of the corresponding month, and "**Exchange Rate**" means, with respect to a Business Day, the spot bid rate for X currencies and spot ask rate for non-X currencies for the conversion of the applicable country's or other jurisdiction's currency to Dollars as reported at 9:00 AM Central Time Bloomberg screen on the penultimate Business Day. AbbVie shall have the right to offset any expense that is owed by Galapagos, if any, but not paid for more than […***…] ([…***…]) days after its due date against any payments owed by AbbVie, if any, under this Agreement.

6.13 Taxes.

6.13.1 Withholding Taxes. Where any sum due to be paid to either Party hereunder is subject to any withholding or similar tax, the Parties shall use their Commercially Reasonable Efforts to do all such acts and things and to sign all such documents as will enable them to take advantage of any applicable double taxation agreement or treaty. If there is no applicable double taxation agreement or treaty, or if an applicable double taxation agreement or treaty reduces but does not eliminate such withholding or similar tax, the payor shall remit such withholding or similar tax to the appropriate government authority, deduct the amount paid from the amount due to payee and secure and send to payee the best available evidence of the payment of such withholding or similar tax. If withholding or similar taxes are paid to a government authority, each Party will provide the other Party such assistance as is reasonably required to obtain a refund of the withheld or similar taxes, or obtain a credit with respect to such taxes paid. In the event that a government authority retroactively determines that a payment made by a Party to the other Party pursuant to this Agreement should have been subject to withholding or similar (or to additional withholding or similar) taxes, and such Party (the "**Withholding Party**") remits such withholding or similar taxes to the government authority, the Withholding Party will have the right (i) to offset such amount, including any interest and penalties that may be imposed thereon (except to the extent any such interest or penalties result from the negligence of the

Withholding Party), against future payment obligations of the Withholding Party under this Agreement, (ii) to invoice the other Party for such amount (which shall be payable by the other Party within […***…] ([…***…]) days of its receipt of such invoice), or (iii) to pursue reimbursement by any other available remedy.

6.13.2 Indirect Taxes. All payments are exclusive of value added taxes, sales taxes, consumption taxes and other similar taxes (the "**Indirect Taxes**"). If any Indirect Taxes are chargeable in respect of any payments, the paying Party shall pay such Indirect Taxes at the applicable rate in respect of such payments following receipt, where applicable, of an Indirect Taxes invoice in the appropriate form issued by the receiving Party in respect of those payments. The Parties shall issue invoices for all amounts payable under this Agreement consistent with Indirect Tax requirements and irrespective of whether the sums may be netted for settlement purposes. If the Indirect Taxes originally paid or otherwise borne by the paying Party are in whole or in part subsequently determined not to have been chargeable, all necessary steps will be taken by the receiving Party to receive a refund of these undue Indirect Taxes from the applicable governmental authority or other fiscal authority and any amount of undue Indirect Taxes repaid by such authority to the receiving Party will be transferred to the paying Party within […***…] ([…***…]) days of receipt.

6.14 No Other Compensation. Each Party hereby agrees that the terms of this Agreement fully define all consideration, compensation and benefits, monetary or otherwise, to be paid, granted or delivered by one (1) Party to the other Party in connection with the transactions contemplated herein and the Co-Promotion Agreement. Neither Party previously has paid or entered into any other commitment to pay, whether orally or in writing, any of the other Party's employees, directly or indirectly, any consideration, compensation or benefits, monetary or otherwise, in connection with the transactions contemplated herein.

6.15 Interest on Late Payments. If any payment due to either Party under this Agreement is not paid when due, then such paying Party shall pay interest thereon (before and after any judgment) at an annual rate (but with interest accruing on a daily basis) of […***…] ([…***…]) basis points above EURIBOR, such interest to run from the date on which payment of such sum became due until payment thereof in full together with such interest.

6.16 Financial Records. Each Party shall, and shall cause its Affiliates to, keep complete and accurate books and records pertaining to Net Sales of Products, Net Profits and Net Losses with respect to all Co-Promotion Products during the Term, in each case, including Allowable Expenses, as applicable, Development of the Molecules and Products, including books and records of actual expenditures with respect to the budgets set forth in each Development Plan, CMC Costs, Galapagos IP Costs, Third Party Payments, and any other amounts to be shared hereunder in sufficient detail to calculate all amounts payable hereunder and to verify compliance with its obligations under this Agreement. Such books and records shall be retained by such Party and its Affiliates until the later of (i) […***…] ([…***…]) years after the end of the period to which such books and records pertain, and (ii) the expiration of the applicable tax statute of limitations (or any extensions thereof), or for such longer period as may be required by Applicable Law.

6.17 Audit. At the request of the other Party, each Party shall, and shall cause its Affiliates to, permit an independent public accounting firm of internationally recognized standing designated by the other Party and reasonably acceptable to the audited Party, at reasonable times during normal business hours and upon reasonable notice, to audit the books and records maintained pursuant to Section 6.16 to ensure the accuracy of all reports and payments made hereunder. Such examinations may not (i) be conducted for any Calendar Quarter more than […***…] ([…***…]) years after the end of such quarter, (ii) be conducted more than once in any twelve (12)-month period (unless a previous audit during such twelve (12)-month period revealed an underpayment with respect to such period), or (iii) be repeated for any Calendar Quarter. The accounting firm shall disclose only whether the reports are correct or not, and the specific details concerning any discrepancies. No other information shall be shared. Except as provided below, the cost of this audit shall be borne by the auditing Party, unless the audit reveals a variance of more than […***…] percent ([…***…]%) from the reported amounts, in which case the audited Party shall bear the cost of the audit. Unless disputed pursuant to Section 6.18 below, if such audit concludes that (x) additional amounts were owed by the audited Party, the audited Party shall pay the additional amounts, with interest from the date originally due, or (y) excess payments were made by the audited Party, the auditing Party shall reimburse such excess payments, in either case ((x) or (y)), within […***…] ([…***…]) days after the date on which such audit is completed by the auditing Party.

6.18 Audit Dispute. In the event of a dispute with respect to any audit under Section 6.17, Galapagos and AbbVie shall work in good faith to resolve the disagreement. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within […***…] ([…***…]) days, the dispute shall be submitted for resolution to a certified public accounting firm jointly selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "Audit Arbitrator"). AbbVie and Galapagos shall enter into an engagement letter with the Audit Arbitrator and shall provide all books and records necessary to permit the Audit Arbitrator to reach its conclusion. The decision of the Audit Arbitrator shall be final and the costs of such arbitration as well as the initial audit shall be borne between the Parties in such manner as the Audit Arbitrator shall determine. Not later than […***…] ([…***…]) days after such decision and in accordance with such decision, the audited Party shall pay the additional amounts or the auditing Party shall reimburse the excess payments, as applicable.

6.19 Confidentiality. The receiving Party shall treat all information subject to review under this Article 6 in accordance with the confidentiality provisions of Article 9 and the Parties shall cause the Audit Arbitrator to enter into a reasonably acceptable confidentiality agreement with the audited Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement.

6.20 Order of Reimbursement Credits/Payments.

6.20.1 In the event that a Required AbbVie Payment is subject to more than one (1) type of Reimbursement Credit and such Required AbbVie Payment is not sufficient to satisfy all such Reimbursement Credits, then (i) the Discovery Reimbursement Credit (if any) shall be applied fully first, (ii) the POC Reimbursement Credit (if any) shall be applied fully second, and (iii) the Post-POC Reimbursement Credit (if any) shall be applied last. In no event shall AbbVie be entitled to take aggregate Reimbursement Credits against a Required AbbVie Payment in an amount greater than such Required AbbVie Payment.

6.20.2 In the event that a Required AbbVie Payment is subject to more than one (1) type of Reimbursement Payment and the amount of such Required AbbVie Payment is not equal to or greater than the aggregate amount of all such Reimbursement Payments, then (i) the Discovery Reimbursement Payment (if any) shall be paid fully first, (ii) the POC Reimbursement Payment (if any) shall be paid fully second, and (iii) the Post-POC Reimbursement Payment (if any) shall be paid last. In no event shall AbbVie be required to pay aggregate Reimbursement Payments with respect to a Required AbbVie Payment in an amount greater than such Required AbbVie Payment.

6.20.3 In the event that a Required AbbVie Payment is subject to both (i) one (1) or more Reimbursement Credits and (ii) one (1) or more Reimbursement Payments, then the aggregate amount of such Reimbursement Credits and the aggregate amount of such Reimbursement Payments shall be offset against each other, and (a) if the aggregate amount of such Reimbursement Credits exceeds the aggregate amount of such Reimbursement Payments, AbbVie shall not make any Reimbursement Payment with respect to such Required AbbVie Payment and only such excess amount shall be applied as a Reimbursement Credit against such Required AbbVie Payment in accordance with Section 6.20.1, or (b) if the aggregate amount of such Reimbursement Payments exceeds the aggregate amount of such Reimbursement Credits, AbbVie shall not take any Reimbursement Credit against such Required AbbVie Payment and only such excess amount shall be paid as Reimbursement Payment in addition to such Required AbbVie Payment in accordance with Section 6.20.2.

6.20.4 For clarity, the Total Discovery Reimbursement Balance, Total POC Reimbursement Balance, or Total Post-POC Reimbursement Balance, as applicable, shall only be settled through:

(i) crediting as Reimbursement Credits against Required AbbVie Payments pursuant to Sections 3.1.6(iii)(5), 3.2.7(iii)(5), or 3.3.6(iii)(5), as applicable; or

(ii) payment as Reimbursement Payments in addition to Required AbbVie Payments pursuant to Sections 3.1.6(iii)(6), 3.2.7(iii)(6), or 3.3.6(iii)(6), as applicable; or

(iii) voluntary reimbursement payments pursuant to Sections 3.1.6(iii)(7), 3.2.7(iii)(7), or 3.3.6(iii)(7), as applicable,

and the Parties shall not be required to make any other payments in connection with any such Total Discovery Reimbursement Balance, Total POC Reimbursement Balance, or Total Post-POC Reimbursement Balance.

ARTICLE 7
INTELLECTUAL PROPERTY

7.1 Ownership of Intellectual Property.

7.1.1 Ownership of Joint Know-How and Joint Patents. As between the Parties, the Parties shall each own an equal, undivided interest in any and all (i) Information that is discovered or developed, and inventions, whether or not patentable, conceived or made, by or on behalf of either Party or its Affiliates, sublicensees or subcontractors, whether solely or jointly with or on behalf of the other Party or its Affiliates, sublicensees or subcontractors, in connection with the work or activities conducted under or in connection with this Agreement, including Discovery Activities and other Development activities and Commercialization activities (the "**Joint Know-How**"), and (ii) Patents claiming such Joint Know-How (the "**Joint Patents**"). Each Party shall promptly disclose to the other Party in writing, and shall cause its Affiliates, licensees and sublicensees to so disclose, the development, making, conception or reduction to practice of any Joint Know-How or Joint Patents. Subject to the licenses and rights of reference granted under Sections 5.1 and 5.2, each Party shall have the right to Exploit the Joint Know-How and Joint Patents without a duty of seeking consent or accounting to the other Party.

7.1.2 Ownership of Other Know-How and Patents. Subject to Section 7.1.1 and the rights granted in Sections 5.1 and 5.2, as between the Parties, (i) AbbVie shall own all right, title, and interest in and to any and all AbbVie Know-How and AbbVie Patents, (ii) Galapagos shall own all right, title and interest in and to any and all Galapagos Know-How and Galapagos Patents, and (iii) each Party shall own and retain all right, title, and interest in and to any and all Information, inventions, Patents, and other intellectual property rights that are Controlled (other than pursuant to the license grants set forth in Sections 5.1 and 5.2) by such Party, its Affiliates or its licensees or sublicensees.

7.1.3 United States Law. The determination of whether inventions are conceived or made by or on behalf of a Party for the purpose of allocating proprietary rights therein, shall, for purposes of this Agreement, be made in accordance with Applicable Law in the United States as such law exists as of the Effective Date irrespective of where such conception, or making occurs.

7.1.4 Assignment Obligation. Each Party shall cause all Persons who perform Development activities, Manufacturing activities, or Commercialization activities for such Party under this Agreement to be under an obligation to assign (or, if such Party is unable to cause such Person to agree to such assignment obligation despite such Party's using commercially reasonable efforts to negotiate such assignment obligation, provide a license under) their rights in any Information and inventions to such Party, except where Applicable Law requires otherwise and except in the case of governmental, not-for-profit and public institutions which have standard policies against such an assignment (in which case a suitable license, or right to obtain such a license, shall be obtained).

7.1.5 Ownership of Galapagos Corporate Names. As between the Parties, Galapagos shall retain all right, title and interest in and to Galapagos Corporate Names.

7.2 Maintenance and Prosecution of Patents.

7.2.1 Patent Prosecution and Maintenance of Galapagos Patents Other Than Product Patents. In consultation with AbbVie, Galapagos shall have the right, but not the obligation, through the use of internal or outside counsel reasonably acceptable to AbbVie, to

prepare, file, prosecute, and maintain the Galapagos Patents (excluding any Galapagos Patents that are Product Patents, the prosecution and maintenance of which shall be governed by Section 7.2.2) worldwide, at Galapagos' sole cost and expense. Galapagos shall keep AbbVie fully informed of all steps with regard to the preparation, filing, prosecution, and maintenance of all such Galapagos Patents in the Territory, including by providing AbbVie with a copy of material communications to and from any patent authority regarding such Galapagos Patents, and by providing AbbVie drafts of any material filings or responses to be made to such patent authorities sufficiently in advance of submitting such filings or responses so as to allow for a reasonable opportunity for AbbVie to review and comment thereon. Galapagos shall consider in good faith the requests and suggestions of AbbVie with respect to such Galapagos drafts and with respect to strategies for filing and prosecuting the Galapagos Patents in the Territory. Notwithstanding the foregoing, Galapagos shall promptly inform AbbVie of any adversarial patent office proceeding or *sua sponte* filing, including a request for, or filing of or declaration of, any interference, opposition, Third Party observation, derivation proceeding, post-grant review, supplementary examination, reissue or *inter parte* or *ex parte* reexamination relating to a Galapagos Patent in the Territory. The Parties shall thereafter consult and cooperate to determine a course of action with respect to any such proceeding in the Territory and Galapagos shall consider in good faith all comments, requests and suggestions provided by AbbVie. Galapagos shall not initiate any such adversarial patent office proceeding relating to a Galapagos Patent in the Territory without first consulting AbbVie. If Galapagos decides not to prepare, file, prosecute, or maintain a Galapagos Patent in a country or other jurisdiction in the Territory, Galapagos shall provide reasonable prior written notice to AbbVie of such intention (which notice shall, in any event, be given no later than […***…] ([…***…]) days (or the earliest reasonable date if the applicable deadline is shorter than […***…] ([…***…]) days) prior to the next deadline for any action that may be taken with respect to such Galapagos Patent in such country or other jurisdiction), AbbVie shall thereupon have the option, in its sole discretion, to assume the control and direction of the preparation, filing, prosecution, and maintenance of such Galapagos Patent at its expense in such country or other jurisdiction (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9); *provided*, that AbbVie shall have the right to offset up to […***…] percent ([…***…]%) of such expense borne by AbbVie against any amounts owed to Galapagos under this Agreement in a given Calendar Quarter from sales-based milestones due to Galapagos pursuant to Section 6.4.1 and royalties due to Galapagos pursuant to Section 6.5.1 for such Calendar Quarter, with any balance then remaining to be carried over to subsequent Calendar Quarters and applied against such sales-based milestones and royalties due with respect to such subsequent Calendar Quarters, up to a maximum amount for each Calendar Quarter of […***…] percent ([…***…]%) of the amounts owed in respect of such subsequent Calendar Quarter. Upon AbbVie's written acceptance of such option, AbbVie shall assume the responsibility and control for the preparation, filing, prosecution, and maintenance of such specific Galapagos Patent. Galapagos shall reasonably cooperate with AbbVie in such country or other jurisdiction as provided under Section 7.2.3.

7.2.2 Patent Prosecution and Maintenance of AbbVie Patents, Product Patents and Joint Patents. AbbVie shall have the right, but not the obligation, to prepare, file, prosecute, and maintain the AbbVie Patents, the Joint Patents and any Galapagos Patents that are Product Patents worldwide, at AbbVie's sole cost and expense (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall

be reimbursed by Galapagos in accordance with Section 7.9). AbbVie shall keep Galapagos fully informed of all steps with regard to the preparation, filing, prosecution, and maintenance of the AbbVie Patents, Joint Patents and Product Patents, including by providing Galapagos with a copy of material communications to and from any patent authority in the Territory regarding such AbbVie Patents, Joint Patents or Product Patents, and by providing Galapagos drafts of any material filings or responses to be made to such patent authorities in the Territory sufficiently in advance of submitting such filings or responses so as to allow for a reasonable opportunity for Galapagos to review and comment thereon. AbbVie shall consider in good faith the requests and suggestions of Galapagos with respect to such AbbVie drafts and with respect to strategies for filing and prosecuting the AbbVie Patents, Joint Patents and Product Patents in the Territory. If AbbVie decides not to prepare, file, prosecute, or maintain an AbbVie Patent, Joint Patent or Product Patent in a country or other jurisdiction in the Territory, AbbVie shall provide reasonable prior written notice to Galapagos of such intention (which notice shall, in any event, be given no later than […***…] ([…***…]) days prior to the next deadline for any action that may be taken with respect to such AbbVie Patent, Joint Patent or Product Patent in such country or other jurisdiction, or the earliest reasonable date if the applicable deadline is shorter than […***…] ([…***…]) days), and Galapagos shall thereupon have the option, in its sole discretion, to assume the control and direction of the preparation, filing, prosecution, and maintenance of such AbbVie Patent, Joint Patent or Product Patent at its expense in such country or other jurisdiction. Upon Galapagos' written acceptance of such option, Galapagos shall assume the responsibility and control for the preparation, filing, prosecution, and maintenance of such specific AbbVie Patent, Joint Patent or Product Patent. In such event, AbbVie shall reasonably cooperate with Galapagos in such country or other jurisdiction as provided under Section 7.2.3.

7.2.3 Cooperation. The Parties agree to cooperate fully in the preparation, filing, prosecution, and maintenance of the Galapagos Patents, the AbbVie Patents and the Joint Patents in the Territory under this Agreement. Cooperation shall include:

(i) executing all papers and instruments, or requiring its employees or contractors to execute such papers and instruments, so as to (a) effectuate the ownership of intellectual property set forth in Section 7.1.1, (b) enable the other Party to apply for and to prosecute Patent applications in the Territory, and (c) obtain and maintain any Patent extensions, supplementary protection certificates, and the like with respect to the Galapagos Patents, AbbVie Patents and Joint Patents in the Territory, in each case ((a), (b), and (c)) to the extent provided for in this Agreement;

(ii) consistent with this Agreement, assisting in any license registration processes with applicable governmental authorities that may be available in the Territory for the protection of a Party's interests in this Agreement; and

(iii) promptly informing the other Party of any matters coming to such Party's attention that may materially affect the preparation, filing, prosecution, or maintenance of any such Galapagos Patents, AbbVie Patents or Joint Patents in the Territory.

7.2.4 Patent Term Extension and Supplementary Protection Certificate.

(i) Except as provided in Section 7.2.4(ii), AbbVie shall be responsible for making decisions regarding patent term extensions, including supplementary protection certificates and any other extensions that are now or become available in the future, wherever applicable, for Galapagos Patents, AbbVie Patents and Joint Patents in any country or other jurisdiction; *provided*, that any Dispute with respect thereto shall be finally and definitively resolved by AbbVie.

(ii) AbbVie shall have the responsibility of applying for any extension or supplementary protection certificate with respect to the Galapagos Patents, the AbbVie Patents and the Joint Patents in the Territory. AbbVie shall keep Galapagos fully informed of its efforts to obtain such extension or supplementary protection certificate. Galapagos shall provide prompt and reasonable assistance, as requested by AbbVie, including by taking such action as patent holder as is required under any Applicable Law to obtain such patent extension or supplementary protection certificate.

(iii) AbbVie shall pay all expenses in regard to obtaining the extension or supplementary protection certificate in the Territory (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9).

7.2.5 Common Ownership Under Joint Research Agreements. Notwithstanding anything to the contrary in this Article 7, neither Party shall have the right to make an election under the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. 103(c)(2)-(c)(3) (the "**CREATE Act**") or 35 U.S.C. 102(c), as applicable, when exercising its rights under this Article 7 without the prior written consent of the other Party. With respect to any such permitted election, the Parties shall coordinate their activities with respect to any submissions, filings, or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in the CREATE Act or 35 U.S.C. 100(h), as applicable.

7.2.6 Patent Listings. AbbVie shall have the sole right to make all filings with Regulatory Authorities in the AbbVie Territory with respect to Galapagos Patents, AbbVie Patents and Joint Patents, including as required or allowed (i) in the United States, in the FDA's Orange Book, and (ii) outside the United States, under the national implementations of Article 10.1(a)(iii) of Directive 2001/EC/83 or other international equivalents. Galapagos shall (a) provide to AbbVie a correct and complete list of Galapagos Patents covering any Product, or otherwise necessary or reasonably useful, to enable AbbVie to make such filings with Regulatory Authorities in the Territory with respect to such Patents, and (b) cooperate with AbbVie's reasonable requests in connection therewith or with any Joint Patents, including meeting any submission deadlines, in each case ((a) and (b)), to the extent required or permitted by Applicable Law. All filings with Regulatory Authorities in the Galapagos Territory with respect to Galapagos Patents, AbbVie Patents and Joint Patents shall be subject to the review and approval of AbbVie.

7.3 Enforcement of Patents.

7.3.1 Enforcement of Galapagos Patents and Joint Patents. Each Party shall promptly notify the other Party in writing of any alleged or threatened infringement of the Galapagos Patents or the Joint Patents by a Third Party in the Territory of which such Party becomes aware (including alleged or threatened infringement based on the development, commercialization, or an application to market any Product in the Territory) (the "**Third Party Infringement**"). AbbVie shall have the first right, but not the obligation, to abate any Third Party Infringement in the Territory (the **"AbbVie Prosecuted Infringements**") at its sole expense (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9) by litigation or otherwise and AbbVie shall retain control of the prosecution of such proceeding. If AbbVie prosecutes any AbbVie Prosecuted Infringement, Galapagos shall have the right to join as a party to such claim, suit, or proceeding in the Territory and participate with its own counsel at its own expense; *provided*, that AbbVie shall retain control of the prosecution of such claim, suit, or proceeding. During any such claim, suit, or proceeding, AbbVie shall: (i) provide Galapagos with drafts of all official papers and statements (whether written or oral) prior to their submission in such claim, suit, or proceeding, in sufficient time to allow Galapagos to review, consider and substantively comment thereon; (ii) reasonably consider taking action to incorporate Galapagos' comments on all such official papers and statements; and (iii) allow Galapagos the opportunity to participate in the preparation of witnesses and other participants in such claim, suit, or proceeding. If AbbVie does not take commercially reasonable steps to prosecute an AbbVie Prosecuted Infringement (a) within […***…] ([…***…]) days following the first notice provided above with respect to the AbbVie Prosecuted Infringement, or (b) provided such date occurs after the first such notice of the AbbVie Prosecuted Infringement is provided, […***…] ([…***…]) Business Days before the time limit, if any, set forth in appropriate laws and regulations for filing of such actions, whichever comes first, then Galapagos may prosecute the AbbVie Prosecuted Infringement at its own expense.

7.3.2 Enforcement of AbbVie Patents. Each Party shall promptly notify the other Party in writing of any alleged or threatened infringement of the AbbVie Patents by a Third Party in the Territory of which such Party becomes aware (including alleged or threatened infringement based on the development, commercialization, or an application to market any Product in the Territory). AbbVie shall have the first right, but not the obligation, to abate any such infringement in the Territory at its sole expense (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9) by litigation or otherwise and AbbVie shall retain control of the prosecution of such proceeding. If AbbVie prosecutes any such infringement, Galapagos shall have the right to join as a party to such claim, suit or proceeding in the Territory and participate with its own counsel at its own expense; *provided*, that AbbVie shall retain control of the prosecution of such claim, suit or proceeding. If AbbVie does not take commercially reasonable steps to prosecute the alleged or threatened infringement in the Territory with respect to such AbbVie Patents (i) within […***…] ([…***…]) days following the first notice provided above with respect to such alleged infringement, or (ii) provided such date occurs after the first such notice of infringement is provided, […***…] ([…***…]) Business Days before the time limit, if any, set forth in appropriate laws and regulations for filing of such actions, whichever comes first, then Galapagos may prosecute the alleged or threatened infringement in the Territory at its own expense.

7.3.3 Generic Competition. Notwithstanding the foregoing, if either Party (i) reasonably believes that a Third Party may be filing or preparing or seeking to file a generic or abridged Drug Approval Application that refers or relies on Regulatory Documentation submitted by either Party to any Regulatory Authority, whether or not such filing may infringe the Galapagos Patents, AbbVie Patents or Joint Patents, (ii) receives any notice of certification regarding the Galapagos Patents, AbbVie Patents or Joint Patents pursuant to the U.S. "Drug Price Competition and Patent Term Restoration Act" of 1984 (21 United States Code §355(b)(2)(A)(iv) or (j)(2)(A)(vii)(IV)) ("**ANDA Act**") claiming that any such Patents are invalid or unenforceable or claiming that any such Patents will not be infringed by the Manufacture, use, marketing or sale of a product for which an application under the ANDA Act is filed, or (iii) receives any equivalent or similar certification or notice in any other jurisdiction, it shall (a) notify the other Party in writing identifying the alleged applicant or potential applicant and furnishing the information upon which determination is based, and (b) provide with a copy of any such notice of certification within […***…] ([…***…]) days of the date of receipt and the Parties' rights and obligations with respect to any legal action as a result of such certification shall be as set forth in Sections 7.3.1, 7.3.2, or 7.3.4, as applicable; *provided*, that if AbbVie elects not to bring suit against the Third Party providing notice of such certification within […***…] ([…***…]) days of receipt of such notice, Galapagos shall have the right, but not the obligation, to bring suit against such Third Party and to join AbbVie as a party plaintiff if necessary to bring such a suit, in which event Galapagos shall hold AbbVie harmless from and against any and all costs and expenses of such litigation, including reasonable attorneys' fees and expenses.

7.3.4 Cooperation. The Parties agree to cooperate fully in any infringement action pursuant to this Section 7.3. Where a Party brings such an action, the other Party shall, where necessary, furnish a power of attorney solely for such purpose or shall join in, or be named as a necessary party to, such action. Unless otherwise set forth herein, the Party entitled to bring any patent infringement litigation in accordance with this Section 7.3 shall have the right to settle such claim; *provided*, that neither Party shall have the right to settle any patent infringement litigation under this Section 7.3 in a manner that diminishes or has a material adverse effect on the rights or interest of the other Party, or in a manner that imposes any costs or liability on, or involves any admission by, the other Party, without the express written consent of such other Party. The Party commencing the litigation shall provide the other Party with copies of all pleadings and other documents filed with the court and shall consider reasonable input from the other Party during the course of the proceedings; *provided*, *further*, that AbbVie shall not settle any patent infringement litigation under this Section 7.3 with respect to the Galapagos Territory without the express written consent of Galapagos.

7.3.5 Recovery. Except as otherwise agreed by the Parties by way of a cost-sharing arrangement, any recovery realized as a result of litigation described in Sections 7.3.1, 7.3.2, 7.3.3, or 7.3.4 (whether by way of settlement or otherwise) shall be first, allocated to reimburse the Parties for their costs and expenses in making such recovery (which amounts shall be allocated *pro rata* if insufficient to cover the totality of such expenses). Any remainder after such reimbursement is made shall be retained by the Party that has exercised its right to bring the enforcement action; *provided*, that to the extent that any award or settlement (whether by judgment or otherwise) is attributable to reasonable royalty or loss of sales with respect to a Product in the AbbVie Territory, the Parties shall negotiate in good faith an appropriate

allocation of such remainder to reflect the economic interests of the Parties under this Agreement with respect to such Product; *provided, further*, that to the extent that any award or settlement (whether by judgment or otherwise) is attributable to the Galapagos Territory, such remainder shall be retained by or provided to Galapagos.

7.4 Infringement Claims by Third Parties. If the Manufacture, use or Commercialization of a Molecule or Product in the Territory pursuant to this Agreement results in, or may result in, any claim, suit, or proceeding by a Third Party alleging patent infringement by AbbVie or Galapagos (or their respective Affiliates or Sublicensees), the Party first receiving notice of such claim, suit, or proceeding shall promptly notify the other Party thereof in writing. AbbVie shall defend and control the defense of any such claim, suit, or proceeding at its own expense (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense, to the extent reasonable and reasonably incurred, shall be reimbursed by Galapagos in accordance with Section 7.9), using counsel of its own choice. Galapagos may participate in any such claim, suit, or proceeding with counsel of its choice at its own expense. Without limitation of the foregoing, if AbbVie finds it necessary or desirable to join Galapagos as a party to any such action, Galapagos shall execute all papers and perform such acts as shall be reasonably required at AbbVie's expense. Each Party shall keep the other Party reasonably informed of all material developments in connection with any such claim, suit, or proceeding. Unless otherwise set forth herein, AbbVie shall have the right to settle such claim, including by entering into a license agreement pursuant to Section 7.6; *provided*, that AbbVie shall not settle any litigation under this Section 7.4 in a manner that diminishes or has a material adverse effect on the rights or interest of Galapagos, or in a manner that imposes any costs (except as set forth in the immediately following proviso) or liability on, or involves any admission by, Galapagos, without Galapagos' express written consent; *provided, further*, that entering into an agreement with such Third Party pursuant to Section 7.6 shall not require the consent of Galapagos. Each Party agrees to provide the other Party with copies of all pleadings filed in such action and to allow the other Party reasonable opportunity to participate in the defense of the claims. AbbVie shall be entitled to deduct […***…] percent ([…***…]%) of the reasonable out-of-pocket attorney's fees and court costs borne by AbbVie (and not reimbursed by Galapagos pursuant to Section 7.9) in defending such claim, suit, or proceeding brought by a Third Party alleging that a Molecule, Product or the Manufacturing Process (which Manufacturing Process AbbVie has not modified in any substantial part pertinent to the asserted claims in said proceeding) infringe one (1) or more Patents controlled by the Third Party. Such deduction shall be applied in a given Calendar Quarter from the sales-based milestones due to Galapagos pursuant to Section 6.4.1, and to the extent not exhausted within an […***…] ([…***…]) month period, may be deducted from royalties due to Galapagos pursuant to Section 6.5. Any recoveries by AbbVie of any sanctions awarded to AbbVie and against a party asserting a claim being defended under this Section 7.4 shall be applied as follows: such recovery shall be applied first to (i) reimburse AbbVie for its reasonable out-of-pocket costs of defending such claim, suit, or proceedings to the extent not deducted from sales-based milestones pursuant to the previous sentence, and (ii) reimburse Galapagos for sales-based milestones deductions pursuant to the previous sentence. The balance of any such recoveries shall be retained or provided to AbbVie and included in calculation of Net Sales for the relevant Product, except to the extent such recovery is attributable to the Galapagos Territory, in which event it shall be retained by or provided to Galapagos.

7.5 Invalidity or Unenforceability Defenses or Actions.

7.5.1 Notice. Each Party shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the Galapagos Patents, AbbVie Patents or Joint Patents by a Third Party, in each case in the Territory and of which such Party becomes aware.

7.5.2 Galapagos Patents and Joint Patents. AbbVie shall have the first right, but not the obligation, to defend and control the defense of the validity and enforceability of the Galapagos Patents and Joint Patents at its own expense (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9) in the Territory. Galapagos may participate in any such claim, suit, or proceeding in the Territory with counsel of its choice at its own expense; *provided*, that AbbVie shall retain control of the defense in such claim, suit, or proceeding. If AbbVie elects not to defend or control the defense of the Galapagos Patents or the Joint Patents in a suit brought in the Territory, or otherwise fails to initiate and maintain the defense of any such claim, suit, or proceeding, then Galapagos may conduct and control the defense of any such claim, suit, or proceeding at its own expense.

7.5.3 AbbVie Patents. AbbVie shall have the first right, but not the obligation, to defend and control the defense of the validity and enforceability of the AbbVie Patents at its own expense (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9) in the Territory. Galapagos may participate in any such claim, suit, or proceeding in the Territory related to an AbbVie Patent that is a Product Patent with counsel of its choice at its own expense; *provided*, that AbbVie shall retain control of the defense in such claim, suit, or proceeding. If AbbVie elects not to defend or control the defense of the AbbVie Patents in a suit brought in the Territory, or otherwise fails to initiate and maintain the defense of any such claim, suit, or proceeding, then Galapagos may conduct and control the defense of any such claim, suit, or proceeding, at its own expense; *provided*, that Galapagos shall obtain the written consent of AbbVie prior to settling or compromising such claim, suit or proceeding.

7.5.4 Cooperation. Each Party shall assist and cooperate with the other Party as such other Party may reasonably request from time to time in connection with its activities set forth in this Section 7.5, including by being joined as a party plaintiff in such action or proceeding, providing access to relevant documents and other evidence, and making its employees available at reasonable business hours. In connection with any such defense or claim or counterclaim, the controlling Party shall consider in good faith any comments from the other Party and shall keep the other Party reasonably informed of any steps taken, and shall provide copies of all documents filed, in connection with such defense, claim, or counterclaim. In connection with the activities set forth in this Section 7.5, each Party shall consult with the other as to the strategy for the defense of the Galapagos Patents, AbbVie Patents and Joint Patents.

7.5.5 Costs and Expenses. AbbVie shall be entitled to offset the reasonable attorney's fees and court costs of defending such claim, suit, or proceeding under this Section 7.5 that are borne by AbbVie (and not reimbursed by Galapagos pursuant to Section 7.9) in a given Calendar Quarter (solely to the extent reasonably allocable to Galapagos Patents, Product

Patents, or Joint Patents) against any sales-based milestones due to Galapagos pursuant to Section 6.4.1, up to a maximum amount of […***…] percent ([…***…]%) of the amounts owed with respect to each Calendar Quarter.

7.6 Third Party Licenses. If either Party reasonably believes that the Development, Manufacture, or Commercialization of any Molecule or Product by such Party, any of its Affiliates, or any of its or its Affiliates' Sublicensees, misappropriates trade secrets, or infringes any Patent or other intellectual property right of a Third Party in any country or other jurisdiction in the Territory, such that such Party, any of its Affiliates, or, any of its or its Affiliates' Sublicensees, cannot Exploit such Molecule or Product in such country or other jurisdiction without using said trade secrets or infringing such Patent or other intellectual property right of such Third Party, then the Parties shall discuss, through their representatives on the JSC (or any Working Group thereof appointed by the JSC for such purpose) whether to negotiate and obtain a license from such Third Party as necessary for such Party, any of its Affiliates, or any of its or its Affiliates' Sublicensees, in such country or other jurisdiction. The JSC (or such Working Group) shall determine whether to obtain such a license, which Party shall be responsible for negotiating such license and the terms of such license; *provided*, that the terms of any such license shall permit the Party obtaining such license to grant to the other Party a sublicense thereunder to practice under such license within the Territory as required in accordance with the terms hereof.

7.7 Product Trademarks.

7.7.1 Ownership and Prosecution of Product Trademarks. AbbVie shall own all right, title, and interest to the Product Trademarks in the Territory (including the Galapagos Territory), and shall be responsible for the registration, prosecution, and maintenance thereof. All costs and expenses of registering, prosecuting, and maintaining the Product Trademarks shall be borne solely by AbbVie (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9). Galapagos shall provide all assistance and documents reasonably requested by AbbVie in support of its prosecution, registration, and maintenance of the Product Trademarks.

7.7.2 Enforcement of Product Trademarks. AbbVie shall have the sole right and responsibility for taking such action as AbbVie deems necessary against a Third Party based on any alleged, threatened, or actual infringement, dilution, misappropriation, or other violation of, or unfair trade practices or any other like offense relating to, the Product Trademarks by a Third Party in the Territory. AbbVie shall bear the costs and expenses relating to any enforcement action commenced pursuant to this Section 7.7.2 and any settlements and judgments with respect thereto (except to the extent any such cost or expense is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9). AbbVie shall retain any damages or other amounts collected in connection therewith; *provided*, that to the extent that any such damages or other amounts are attributable to the Galapagos Territory, such damages or other amounts shall be provided to Galapagos.

7.7.3 Third Party Claims. AbbVie shall have the sole right and responsibility for defending against any alleged, threatened, or actual claim by a Third Party that the use or registration of the Product Trademarks in the Territory infringes, dilutes, misappropriates, or otherwise violates any Trademark or other right of that Third Party or constitutes unfair trade practices or any other like offense, or any other claims as may be brought by a Third Party against a Party in connection with the use of the Product Trademarks with respect to a Product in the Territory. AbbVie shall have the right to settle such claim, including by entering into a trademark related license agreement pursuant to Section 7.6; *provided*, that AbbVie shall not settle any litigation under this Section 7.7.3 in a manner that diminishes or has a material adverse effect on the rights or interest of Galapagos, or in a manner that imposes any costs (except as set forth in the immediately following proviso) or liability on, such as e.g. by offering a license to any of Galapagos' trademarks, or involves any admission by, Galapagos, without Galapagos' express written consent; *provided*, *further*, that entering into an agreement with such Third Party pursuant to Section 7.6 shall not require the consent of Galapagos. AbbVie shall bear the costs and expenses relating to any defense commenced pursuant to this Section 7.7.3 and any settlements and judgments with respect thereto (except to the extent any such cost, expense, settlements or judgment is allocable to the Galapagos Territory, in which event such cost or expense shall be reimbursed by Galapagos in accordance with Section 7.9). AbbVie shall retain any damages or other amounts collected in connection therewith; *provided*, that to the extent that any such damages or other amounts are attributable to the Galapagos Territory, such damages or other amounts shall be provided to Galapagos.

7.7.4 Notice and Cooperation. Each Party shall provide to the other Party prompt written notice of any actual or threatened infringement of the Product Trademarks in the Territory and of any actual or threatened claim that the use of the Product Trademarks in the Territory violates the rights of any Third Party. Each Party agrees to cooperate fully with the other Party with respect to any enforcement action or defense commenced pursuant to this Section 7.7.

7.8 Inventor's Remuneration. Each Party shall be solely responsible for any remuneration that may be due such Party's inventors under any applicable inventor remuneration laws.

7.9 Galapagos Territory Costs. […***…].

ARTICLE 8
PHARMACOVIGILANCE AND SAFETY

8.1 Pharmacovigilance. Not later than the commencement of the first Clinical Study by a Party under a Post POC-Development Plan, the Parties shall enter into an agreement to initiate a process for each Party to collect, maintain and exchange safety data with respect to the applicable Molecules and Products (including post-marketing spontaneous reports received by each Party and its Affiliates) in a mutually agreed format in order to monitor the safety of the Products and to meet reporting requirements with any applicable Regulatory Authority. Such safety data exchange agreement shall provide for Galapagos to maintain a safety database with respect to safety data obtained in the Galapagos Territory.

8.2 Global Safety Database.

8.2.1 Galapagos initially shall set up, hold, and maintain in accordance with Applicable Law (at Galapagos' sole cost and expense) a global safety database for each of the applicable Molecules and Products with respect to safety data obtained in connection with activities under the POC Development Plans.

8.2.2 Promptly after payment of each of the […***…], but in any event no later than […***…] ([…***…]) days after any such payment, Galapagos shall transfer to AbbVie, in electronic format, the complete contents of the safety database maintained by Galapagos pursuant to Section 8.2.1 for the applicable Molecules and Products, and thereafter AbbVie shall maintain in accordance with Applicable Law (at AbbVie's sole cost and expense, but subject to the last sentence of this subsection) the global safety database for each of the applicable Molecules and Products. AbbVie's and its Affiliates' costs incurred in connection with receiving, recording, reviewing, communicating, reporting, and responding to adverse events in the Co-Promotion Territory shall be included in Allowable Expenses calculated on an FTE Cost and direct out-of-pocket basis.

ARTICLE 9
CONFIDENTIALITY AND NON-DISCLOSURE

9.1 Product Information. Galapagos recognizes that by reason of, *inter alia*, AbbVie's status as an exclusive licensee pursuant to the grants under Section 5.1, AbbVie has an interest in Galapagos' retention in confidence of certain Information of Galapagos. Accordingly, during the Term, Galapagos shall, and shall cause its Affiliates and its and their respective officers, directors, employees, and agents to, keep completely confidential, and not publish or otherwise disclose, and not use directly or indirectly for any purpose other than to fulfill Galapagos' obligations hereunder any Information Controlled by Galapagos or any of its Affiliates specifically relating to any Molecule or Product, or the Exploitation of any of the foregoing (the "**Product Information**"); except to the extent (i) the Product Information is in the public domain through no fault of Galapagos, its Affiliates or any of its or their respective officers, directors, employees, or agents, (ii) such disclosure or use is expressly permitted under Section 9.3, or (iii) such disclosure or use is otherwise expressly permitted by the terms of this Agreement. For purposes of Section 9.3, AbbVie shall be deemed to be the disclosing Party with respect to Product Information under Section 9.3 and Galapagos shall be deemed to be the receiving Party with respect thereto. For further clarification, (a) without limiting this Section 9.1, to the extent Product Information is disclosed by Galapagos to AbbVie pursuant to this Agreement, such Information shall, subject to the other terms and conditions of this Article 9, also constitute Confidential Information of Galapagos with respect to the use and disclosure of such Information by AbbVie (and Galapagos shall be deemed to be the disclosing Party with respect to Product Information under Section 9.3 and AbbVie shall be deemed to be the receiving Party with respect thereto), but (b) the disclosure by Galapagos to AbbVie of Product Information shall not cause such Information to cease to be subject to the provisions of this Section 9.1 with respect to the use and disclosure of such Confidential Information by Galapagos. If this Agreement is terminated in its entirety or with respect to the Terminated Territory and, as a result of such termination, Galapagos obtains a license with respect to the Terminated Territory pursuant to Sections 12.6 or 12.7, this Section 9.1 shall have no continuing

force or effect with respect to the use or disclosure of such Information solely in connection with the Exploitation of the Molecule or Product for the benefit of the Terminated Territory, but the Product Information, to the extent disclosed by Galapagos to AbbVie hereunder, shall continue to be Confidential Information of Galapagos, subject to the terms of Sections 9.2 and 9.3 for purposes of the surviving provisions of this Agreement.

9.2 Confidentiality Obligations. At all times during the Term and for a period of […***…] ([…***…]) years following termination or expiration hereof in its entirety, each Party shall, and shall cause its Affiliates, or any of its or their respective officers, directors, employees and agents to, keep confidential and not publish or otherwise disclose to a Third Party and not use, directly or indirectly, for any purpose, any Confidential Information furnished or otherwise made known to it, directly or indirectly, by the other Party, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement or is reasonably necessary or useful for the performance of, or the exercise of such Party's rights under, this Agreement. Notwithstanding the foregoing, to the extent the receiving Party can demonstrate by documentation or other competent proof, the confidentiality and non-use obligations under this Section 9.2 with respect to any Confidential Information shall not include any Information that:

9.2.1 has been published by a Third Party or otherwise is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no wrongful act, fault or negligence on the part of the receiving Party;

9.2.2 has been in the receiving Party's possession prior to disclosure by the disclosing Party without any obligation of confidentiality with respect to such Information;

9.2.3 is subsequently received by the receiving Party from a Third Party without restriction and without breach of any agreement between such Third Party and the disclosing Party;

9.2.4 is generally made available to Third Parties by the disclosing Party without restriction on disclosure; or

9.2.5 has been independently developed by or for the receiving Party without reference to, or use or disclosure of, the disclosing Party's Confidential Information.

9.3 Permitted Disclosures. The receiving Party may disclose the disclosing Party's Confidential Information to the extent that such disclosure is:

9.3.1 in the reasonable opinion of the receiving Party's legal counsel, required to be disclosed pursuant to law, regulation or a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial and local governmental body of competent jurisdiction (including by reason of filing with securities regulators, but subject to Section 9.5); *provided*, that the receiving Party shall first have given prompt written notice (and to the extent possible, at least […***…] ([…***…]) Business Days' notice) to the disclosing Party and given the disclosing Party a reasonable opportunity, at its own cost and expense, to take whatever action it deems necessary to protect its Confidential Information (for example, quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such

order be held in confidence by such court or governmental body or, if disclosed, be used only for the purposes for which the order was issued). If no protective order or other remedy is obtained, or the disclosing Party waives compliance with the terms of this Agreement, receiving Party shall furnish only that portion of Confidential Information which the receiving Party is advised by counsel is legally required to be disclosed;

9.3.2 made by or on behalf of the receiving Party to the Regulatory Authorities as required in connection with any filing, application or request for Regulatory Approval in accordance with the terms of this Agreement; *provided*, that reasonable measures shall be taken to assure confidential treatment of such Confidential Information to the extent practicable and consistent with Applicable Law;

9.3.3 made by or on behalf of the receiving Party to a patent authority as may be reasonably necessary or useful for purposes of obtaining, defending or enforcing a Patent in accordance with the terms of this Agreement; *provided*, that reasonable measures shall be taken to assure confidential treatment of such Confidential Information, to the extent such protection is available;

9.3.4 made to its or its Affiliates' financial and legal advisors who have a need to know such disclosing Party's Confidential Information and are either under professional codes of conduct giving rise to expectations of confidentiality and non-use or under written agreements of confidentiality and non-use, in each case, at least as restrictive as those set forth in this Agreement; *provided*, that the receiving Party shall remain responsible for any failure by such financial and legal advisors, to treat such Confidential Information as required under this Article;

9.3.5 made by AbbVie or its Affiliates or Sublicensees to its or their advisors, consultants, clinicians, vendors, service providers, contractors, existing or prospective collaboration partners, licensees, sublicensees, or other Third Parties as may be necessary or useful in connection with the performance of Discovery Activities or the Exploitation of the Molecules and Products, or otherwise in connection with the performance of its obligations or exercise of its rights as contemplated by this Agreement; *provided*, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this Article 9 (with a duration of confidentiality and non-use obligations as appropriate that is no less than […***…] ([…***…]) years from the date of disclosure);

9.3.6 made by Galapagos or its Affiliates or Sublicensees to its or their advisors, consultants, clinicians, vendors, service providers, contractors, existing or prospective collaboration partners, licensees, sublicensees, or other Third Parties as may be necessary or useful in connection with Galapagos' activities contemplated by this Agreement; *provided*, that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information of AbbVie substantially similar to the obligations of confidentiality and non-use of Galapagos pursuant to this Article 9 (with a duration of confidentiality and non-use obligations as appropriate that is no less than […***…] ([…***…]) years from the date of disclosure); or

9.3.7 made by either Party to Third Parties as necessary and reasonable in connection with the exercise of its rights under the last sentence of Section 7.1.1; provided, that such Third Parties shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this Article 9 (with a duration of confidentiality and non-use obligations as appropriate that is no less than […***…] ([…***…]) years from the date of disclosure).

9.3.8 Section 9.3.5 shall apply *mutatis mutandis* to Galapagos with respect to Confidential Information of AbbVie solely to the extent applicable to a Product being developed and commercialized by Galapagos pursuant to the licenses set forth in Sections 12.6.1(iii) and 12.7.2, if and as applicable.

9.4 Use of Name. Except as expressly provided herein, neither Party shall mention or otherwise use the name, logo, or Trademark of the other Party or any of its Affiliates (or any abbreviation or adaptation thereof) in any publication, press release, marketing and promotional material, or other form of publicity without the prior written approval of such other Party in each instance. The restrictions imposed by this Section 9.4 shall not prohibit either Party from making any disclosure identifying the other Party that, in the opinion of the disclosing Party's counsel, is required by Applicable Law; *provided*, that such Party shall submit the proposed disclosure, as well as the specific Applicable Law for which disclosure is required, identifying the other Party in writing to the other Party as far in advance as reasonably practicable (and in no event less than […***…] ([…***…]) Business Days prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon.

9.5 Public Announcements. The Parties have agreed upon the content of a joint press release which shall be issued substantially in the form attached hereto as Schedule 9.5, the release of which the Parties shall coordinate in order to accomplish such release promptly upon execution of this Agreement. Neither Party shall issue any other public announcement, press release, or other public disclosure regarding this Agreement or its subject matter without the other Party's prior written consent, except for any such disclosure that is, in the opinion of the disclosing Party's counsel, required by Applicable Law or the rules of a stock exchange on which the securities of the disclosing Party are listed. If a Party is, in the opinion of its counsel, required by Applicable Law or the rules of a stock exchange on which its securities are listed to make such a public disclosure, such Party shall submit the proposed disclosure, as well as the specific Applicable Law or rule of a stock exchange for which disclosure is required, in writing to the other Party as far in advance as reasonably practicable (and in no event less than […***…] ([…***…]) Business Days prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon. The Party desiring to make any such public disclosure shall consider in good faith any comments provided by the other Party with respect to such disclosure. Notwithstanding the foregoing, AbbVie, its Sublicensees and its and their respective Affiliates shall have the right to publicly announce, make a press release, or make other public disclosures of the research, development and commercial Information (including with respect to regulatory matters) regarding the Products; *provided*, that (i) such disclosure is subject to the provisions of Sections 9.1 through 9.3 with respect to Galapagos' Confidential Information, and (ii) AbbVie shall not use the name of Galapagos (or insignia, or any contraction, abbreviation or adaptation thereof) without Galapagos' prior written consent.

9.6 Publications.

9.6.1 Galapagos shall not publish, present, or otherwise disclose, and shall cause its Affiliates and Third Party Providers and its and their employees and agents not to disclose any material specifically related to the Exploitation of the Molecules and Products without the prior written consent of AbbVie.

9.6.2 AbbVie, its Affiliates and its and their respective Sublicensees shall have the right to publish, present, or otherwise disclose, any material related to the Exploitation of the Molecules and Products; *provided*, *that* (i) such disclosure is subject to the provisions of Sections 9.1 through 9.3 with respect to Galapagos' Confidential Information, and (ii) AbbVie shall not use the name of Galapagos (or insignia, or any contraction, abbreviation or adaptation thereof) without Galapagos' prior written consent.

9.7 Return of Confidential Information. Upon the effective date of the termination of this Agreement for any reason, either Party may request in writing, and the other Party shall either, with respect to Confidential Information (in the event of termination of this Agreement with respect to one (1) or more Terminated Territories but not in its entirety, solely to the extent relating specifically and exclusively to such Terminated Territories) to which such first Party does not retain rights under the surviving provisions of this Agreement: (i) as soon as reasonably practicable, destroy all copies of such Confidential Information in the possession of the other Party and confirm such destruction in writing to the requesting Party, or (ii) as soon as reasonably practicable, deliver to the requesting Party, at the other Party's expense, all copies of such Confidential Information in the possession of the other Party; *provided*, that the other Party shall be permitted to retain one (1) copy of such Confidential Information for the sole purpose of performing any continuing obligations hereunder, as required by Applicable Law, or for archival purposes. Notwithstanding the foregoing, such other Party also shall be permitted to retain such additional copies of or any computer records or files containing such Confidential Information that have been created solely by such Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such other Party's standard archiving and back-up procedures, but not for any other use or purpose.

9.8 Survival. All Confidential Information shall continue to be subject to the terms of this Agreement for the period set forth in Section 9.2.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.1 Mutual Representations and Warranties. Galapagos and AbbVie represent, warrant, and covenant to each other as follows:

10.1.1 Organization. It is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver, and perform this Agreement.

10.1.2 Authorization. The execution and delivery of this Agreement and the performance by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and do not violate (i) such Party's charter documents, bylaws, or

other organizational documents, (ii) in any material respect, any agreement, instrument, or contractual obligation to which such Party is bound, (iii) any requirement of any Applicable Law, or (iv) any order, writ, judgment, injunction, decree, determination, or award of any court or governmental agency presently in effect applicable to such Party.

10.1.3 Binding Agreement. This Agreement is a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms and conditions, subject to the effects of bankruptcy, insolvency, or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance, and general principles of equity (whether enforceability is considered a proceeding at law or equity).

10.1.4 No Inconsistent Obligation. As of the Effective Date, it is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement, or that would impede the diligent and complete fulfillment of its obligations hereunder.

10.1.5 Performance. During the Term, it shall have available all necessary and sufficient means to ensure the performance of the proper execution of its obligations under this Agreement.

10.2 Additional Representations and Warranties of Galapagos. Galapagos further represents, warrants, and covenants to AbbVie as follows:

10.2.1 All Galapagos Patents existing as of the Effective Date (including the Existing Potentiator Patents) are listed on Schedule 10.2.1 (the **"Existing Patents**"). All Existing Patents are subsisting and are not invalid or unenforceable, in whole or in part, are being diligently prosecuted in the respective patent offices in the Territory in accordance with Applicable Law, and have been filed and maintained properly and correctly and all applicable fees have been paid on or before the due date for payment. The Existing Patents represent all Patents within Galapagos' or its Affiliates' Control including claims covering the making, using, and composition of matter of the Molecules or Products, or the Exploitation thereof, as of the Effective Date.

10.2.2 As of the Effective Date, to the best of Galapagos' Knowledge, there are no claims, judgments, or settlements against, or amounts with respect thereto, owed by Galapagos or any of its Affiliates relating to the Existing Patents or the Galapagos Know-How. As of the Effective Date, no claim or litigation has been brought or threatened by any Person alleging, and Galapagos has no Knowledge of any claim, whether or not asserted, that (i) the Existing Patents or the Galapagos Know-How are invalid or unenforceable, or (ii) the Existing Patents or the Galapagos Know-How, or the disclosing, copying, making, assigning, or licensing of the Existing Patents or the Galapagos Know-How, or the Development, Manufacture, Commercialization or other Exploitation of the Molecules or Products as contemplated herein, does or will violate, infringe, misappropriate or otherwise conflict or interfere with, any Patent or other intellectual property or proprietary right of any Third Party. As of the Effective Date, to Galapagos' Knowledge, no Person is infringing or threatening to infringe or misappropriating or threatening to misappropriate the Existing Patents or the Galapagos Know-How.

10.2.3 Galapagos is the sole and exclusive owner of the entire right, title and interest in the Existing Patents listed on Schedule 10.2.1 (the "**Owned Patents**") and the Galapagos Know-How free of any encumbrance, lien, or claim of ownership by any Third Party. Galapagos is entitled to grant the licenses specified herein.

10.2.4 During the Term, neither Galapagos nor any of its Affiliates shall encumber or diminish the rights granted to AbbVie hereunder, with respect to the Galapagos Patents, Galapagos Know-How, Joint Patents or Joint Know-How, including by not (i) committing any acts or permitting the occurrence of any omissions that would cause the breach or termination of any Third Party In-License Agreement, or (ii) amending or otherwise modifying or permitting to be amended or modified, any Third Party In-License Agreement. Galapagos shall promptly provide AbbVie with notice of any alleged, threatened, or actual breach of any Third Party In-License Agreement. All agreements with Third Parties pursuant to which Galapagos or any of its Affiliates licenses any of the Galapagos Patents or Galapagos Know-How as of the Effective Date are listed on Schedule 10.2.4. None of Galapagos, its Affiliates or any Third Party is in breach of any existing Third Party In-License Agreement. Each existing Third Party In-License Agreement is in full force and effect.

10.2.5 To the best of Galapagos' Knowledge, Galapagos has provided or made available to AbbVie, prior to the Effective Date, true, complete, and correct copies of the file wrapper and other documents and materials relating to the prosecution, defense, maintenance, validity, and enforceability of the Owned Patents to the extent requested by AbbVie.

10.2.6 To the best of Galapagos' Knowledge, Galapagos and its Affiliates have presented, or will present prior to the pertinent patent office deadlines, all relevant references, documents, or Information of which it and the inventors are aware to the relevant patent examiner at the pertinent patent office, in connection with the prosecution of the pending patent applications included in the Existing Patents.

10.2.7 To the best of Galapagos' Knowledge, each of the Existing Patents properly identifies each and every inventor of the claims thereof as determined in accordance with the laws of the jurisdiction in which such Existing Patent is issued or such application is pending.

10.2.8 Each Person who, to the best of Galapagos' Knowledge, has or has had any rights in or to any Owned Patents or any Galapagos Know-How, has assigned and has executed an agreement assigning its entire right, title, and interest in and to such Owned Patents and Galapagos Know-How to Galapagos. To the best of Galapagos' Knowledge, no current officer, employee, agent, or consultant of Galapagos or any of its Affiliates is in violation of any term of any assignment or other agreement regarding the protection of Patents or other intellectual property or proprietary Information of Galapagos or such Affiliate or of any employment contract relating to the relationship of any such Person with Galapagos. To the best of Galapagos' Knowledge, each Person who has or has had any rights in or to any know-how sublicensed hereunder, has assigned and has executed an agreement assigning its entire right, title, and interest in and to such Patents and know-how to the licensor of the Third Party In-License Agreement.

10.2.9 To the best of Galapagos' Knowledge, all works of authorship and all other materials subject to copyright protection included in Galapagos Know-How are original and were either created by employees of Galapagos or its Affiliates within the scope of their employment or are otherwise works made for hire, or all right, title, and interest in and to such materials have been legally and fully assigned and transferred to Galapagos or such Affiliate, and all rights in all inventions and discoveries, made, developed, or conceived by any employee or independent contractor of Galapagos or any of its Affiliates during the course of their employment (or other retention) by Galapagos or such Affiliate, and relating to or included in Galapagos Know-How or that are the subject of one (1) or more Existing Patents have been or will be assigned in writing to Galapagos or such Affiliate.

10.2.10 Galapagos has obtained the right (including under any Patents and other intellectual property rights) to use all Information and all other materials (including any formulations and Manufacturing processes and procedures) developed or delivered by any Third Party under any agreements between Galapagos and any such Third Party with respect to the Molecules, and Galapagos has the rights under each such agreement to transfer such Information or other materials to AbbVie and its designees and to grant AbbVie the right to use such know-how or other materials in the Development or Commercialization of the Molecules or Products without restriction.

10.2.11 The Galapagos Know-How has been kept confidential or has been disclosed to Third Parties only under terms of confidentiality. To the best of Galapagos' Knowledge, and its Affiliates, no breach of such confidentiality has been committed by any Third Party.

10.2.12 As of the Effective Date, neither Galapagos nor its Affiliates has made any submission to any Regulatory Authority in the Territory with respect to a Molecule.

10.2.13 To the best of Galapagos' Knowledge, Galapagos and its Affiliates have conducted, and their respective contractors and consultants have conducted, all Development of the Molecules that they have conducted prior to the Effective Date in accordance with Applicable Law. To the best of Galapagos' Knowledge, Galapagos and its Affiliates have employed (and, with respect to such tests and studies that Galapagos will perform, will employ) Persons with appropriate education, knowledge and experience to Conduct and to oversee the Conduct of the pre-clinical and Clinical Studies with respect to the Molecules or Products.

10.2.14 There are no amounts that will be required to be paid to a Third Party as a result of the Development, Manufacture or Commercialization of the Molecules or Products that arise out of any agreement to which Galapagos or any of its Affiliates is a party as of the Effective Date.

10.2.15 As of the Effective Date, neither Galapagos nor any of its Affiliates has any Knowledge of any scientific or technical facts or circumstances that have not been disclosed to AbbVie, and that would adversely affect the scientific, therapeutic, or commercial potential of the Molecules or Products. As of the Effective Date, neither Galapagos nor any of its Affiliates has any Knowledge of anything that has not been disclosed to AbbVie, and that could adversely affect the acceptance, or the subsequent approval, by any Regulatory Authority of any filing, application or request for Regulatory Approval.

10.2.16 As of the Effective Date, neither Galapagos nor any of its employees or agents performing hereunder, have ever been, are currently, or are the subject of a proceeding that could lead to it or such employees or agents becoming, as applicable, a Debarred Entity or Debarred Individual, an Excluded Entity or Excluded Individual or a Convicted Entity or Convicted Individual, or listed on the FDA's Disqualified/Restricted List.

(i) If, during the Term, Galapagos, or any of its employees or agents performing hereunder, become or are the subject of a proceeding that could lead to a Person becoming, as applicable, a Debarred Entity or Debarred Individual, an Excluded Entity or Excluded Individual or a Convicted Entity or Convicted Individual, or added to the FDA's Disqualified/Restricted List, Galapagos shall immediately notify AbbVie, and AbbVie shall have the option, at its sole discretion, to either: (a) prohibit such Person from performing work under this Agreement; or (b) terminate all work being performed or to be performed by Galapagos pursuant to this Agreement. This provision shall survive termination or expiration of this Agreement. For purposes of this Agreement, the following definitions shall apply:

(ii) A "Debarred Individual" is an individual who has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from providing services in any capacity to a Person that has an approved or pending drug or biological product application.

(iii) A "Debarred Entity" is a corporation, partnership or association that has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from submitting or assisting in the submission of any abbreviated drug application, or a subsidiary or affiliate of a Debarred Entity.

(iv) An "Excluded Individual" or "Excluded Entity" is (a) an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to participate in federal health care programs such as Medicare or Medicaid by the Office of the Inspector General (OIG/HHS) of the U.S. Department of Health and Human Services, or (b) is an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to participate in federal procurement and non-procurement programs, including those produced by the U.S. General Services Administration (GSA).

(v) A "Convicted Individual" or "Convicted Entity" is an individual or entity, as applicable, who has been convicted of a criminal offense that falls within the ambit of 21 U.S.C. §335a(a) or 42 U.S.C. §1320a-7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible.

(vi) "FDA's Disqualified/Restricted List" is the list of clinical investigators restricted from receiving investigational drugs, biologics, or devices if the FDA has determined that the investigators have repeatedly or deliberately failed to comply with regulatory requirements for studies or have submitted false information to the study sponsor or the FDA.

10.2.17 Galapagos has obtained from its Affiliates, sublicensees, employees and agents, and from the employees and agents of its Affiliates, sublicensees and agents, who are

or are otherwise participating in the Exploitation of the Molecules or Products or who otherwise have access to any AbbVie Information or other Confidential Information of AbbVie as of the Effective Date, and shall obtain from such Persons during the Term, the licenses and other rights necessary for Galapagos to grant to AbbVie the rights and licenses provided herein and for AbbVie to perform its obligations hereunder, without payments beyond those required by Article 6.

10.2.18 The inventions claimed in the Existing Patents (i) were not conceived or made in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof, (ii) are not a "subject invention" as that term is described in 35 U.S.C. §201(f), and (iii) are not otherwise subject to the provisions of the Bayh-Dole Act.

10.2.19 With respect to supplies of Molecules, Product and placebos Manufactured and supplied by or on behalf of Galapagos for use in Clinical Studies under this Agreement, all such Molecules, Product and placebos: (i) shall be in conformity with the applicable specifications for such Molecules, Product and placebos; (ii) shall be Manufactured in conformance with GMP, all other Applicable Law, this Agreement, and any applicable quality agreement; (iii) shall have been Manufactured in facilities that are in compliance with Applicable Law at the time of such Manufacture (including applicable inspection requirements of FDA and other Regulatory Authorities); (iv) shall not be adulterated or misbranded under the FFDCA, and similar provisions of the laws of other countries as to which Regulatory Approvals have been granted; and (v) may be introduced into interstate commerce pursuant to the FFDCA, and similar provisions of the laws of other countries as to which Regulatory Approvals have been granted.

10.2.20 To the best of Galapagos' Knowledge, the representations and warranties of Galapagos in this Agreement, and the Information and materials furnished to AbbVie in connection with its period of diligence prior to the Effective Date, do not, taken as a whole, (i) contain any untrue statement of a material fact, or (ii) omit to state any material fact necessary to make the statements or facts contained therein, in light of the circumstances under which they were made, not misleading.

10.3 Additional Representations and Warranties of AbbVie. AbbVie further represents, warrants and covenants to Galapagos as follows:

10.3.1 As of the Effective Date, neither AbbVie nor any of its employees or agents performing hereunder, have ever been, are currently, or are the subject of a proceeding that could lead to it or such employees or agents becoming, as applicable, a Debarred Entity or Debarred Individual, an Excluded Entity or Excluded Individual or a Convicted Entity or Convicted Individual, or listed on the FDA's Disqualified/Restricted List.

10.3.2 If, during the Term, AbbVie, or any of its employees or agents performing hereunder, become or are the subject of a proceeding that could lead to a Person becoming, as applicable, a Debarred Entity or Debarred Individual, an Excluded Entity or Excluded Individual or a Convicted Entity or Convicted Individual, or added to the FDA's Disqualified/Restricted List, AbbVie shall immediately notify Galapagos, and Galapagos shall have the option, at its sole discretion, to prohibit such Person from performing work under this Agreement. This provision shall survive termination or expiration of this Agreement.

10.3.3 AbbVie has obtained from its Affiliates, sublicensees, employees and agents, and from the employees and agents of its Affiliates, sublicensees and agents, who are or are otherwise participating in the Exploitation of the Molecules or Products or who otherwise have access to any Galapagos Information or other Confidential Information of Galapagos as of the Effective Date, and shall obtain from such Persons during the Term, the licenses and other rights necessary for AbbVie to grant to Galapagos the rights and licenses provided herein and for Galapagos to perform its obligations hereunder, without payments beyond those required by Article 6.

10.3.4 With respect to supplies of Molecules, Product and placebos Manufactured and supplied by or on behalf of AbbVie for use in connection with Clinical Studies or commercial distribution under this Agreement, all such Molecules, Product and placebos: (i) shall be in conformity with the applicable specifications for such Molecules, Product and placebos; (ii) shall be Manufactured in conformance with GMP, all other Applicable Law, this Agreement, and any applicable quality agreement; (iii) shall have been Manufactured in facilities that are in compliance with Applicable Law at the time of such Manufacture (including applicable inspection requirements of FDA and other Regulatory Authorities); (iv) shall not be adulterated or misbranded under the FFDCA, and similar provisions of the laws of other countries as to which Regulatory Approvals have been granted; and (v) may be introduced into interstate commerce pursuant to the FFDCA, and similar provisions of the laws of other countries as to which Regulatory Approvals have been granted.

10.4 DISCLAIMER OF WARRANTIES. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 11
INDEMNITY

11.1 Indemnification of Galapagos. AbbVie shall indemnify Galapagos, its Affiliates and their respective directors, officers, employees, and agents (the "**Galapagos Indemnitees**") and shall defend and save each of them harmless, from and against any and all losses, damages, liabilities, penalties, costs, and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") in connection with any and all suits, investigations, claims, or demands of Third Parties (collectively, "**Third Party Claims**") incurred by or rendered against the Galapagos Indemnitees arising from or occurring as a result of:

(i) subject to Section 11.3.2, the breach by AbbVie of this Agreement;

(ii) the negligence, reckless conduct or willful misconduct on the part of AbbVie or its Affiliates or their respective directors, officers, employees, agents and Sublicensees in performing its or their obligations under this Agreement;

(iii) the Commercialization of the Products or Molecules anywhere in the AbbVie Territory during the Term;

(iv) the Development, Commercialization, Manufacture, or other Exploitation of any Molecule or Product in any country by AbbVie, its Affiliates or licensees from and after the termination of this Agreement with respect to such country; or

(v) the use of AbbVie's corporate names and logos in connection with the Commercialization of the Molecules or Products in the Territory as permitted under this Agreement;

except in the case of clauses (i) through (v), for those Losses for which Galapagos, in whole or in part, has an obligation to indemnify any AbbVie Indemnitee pursuant to Section 11.2 hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for such Losses.

11.2 Indemnification of AbbVie. Galapagos shall indemnify AbbVie, its Affiliates and their respective directors, officers, employees, and agents (the "**AbbVie Indemnitees**"), and defend and save each of them harmless, from and against any and all Losses in connection with any and all Third Party Claims incurred by or rendered against the AbbVie Indemnitees arising from or occurring as a result of:

(i) subject to Section 11.3.2, the breach by Galapagos of this Agreement;

(ii) the negligence, reckless conduct or willful misconduct on the part of Galapagos or its Affiliates or their respective directors, officers, employees, agents and Sublicensees in performing its or their obligations under this Agreement;

(iii) the use of Galapagos Corporate Names in connection with the Commercialization of the Molecules or Products in the Territory as permitted under this Agreement;

(iv) the Commercialization of the Products or Molecules anywhere in the Galapagos Territory during the Term; or

(v) the Development, Commercialization, Manufacture, or other Exploitation of (a) the Existing Potentiator Molecules prior to the Effective Date and (b) any Molecule or Product in any country by Galapagos, its Affiliates or licensees from and after the termination of this Agreement with respect to such country;

except, in the case of clauses (i) through (v) above for those Losses for which AbbVie, in whole or in part, has an obligation to indemnify any Galapagos Indemnitee pursuant to Section 11.1 hereof, as to which Losses each Party shall indemnify the other to the extent of their respective liability for the Losses.

11.3 Certain Losses.

11.3.1 Shared Losses. Any Losses, other than those Losses covered in Article 7 or for which indemnification is provided in Sections 11.1 or 11.2, in connection with any Third Party Claim brought against either Party or its Affiliates resulting directly or indirectly from (i) the performance of Discovery Activities or the Development of any Molecule or Product anywhere in the world by or on behalf of either Party, or (ii) Commercialization of any Co-Promotion Product, or the Manufacture of any Co-Promotion Product for use in Commercialization activities, shall be shared equally by the Parties. With respect to Losses described in clause (i), the Party that initially incurs any such Loss shall promptly notify the other Party of the incurrence of such Loss and such other Party shall reimburse the paying Party an amount equal to […***…] percent ([…***…]%) of such Loss not later than […***…] ([…***…]) days after the paying Party provides such other Party reasonable documentation of such incurred Loss. Losses described in clause (ii) shall be included as an Allowable Expense. If either Party learns of any Third Party Claim with respect to Losses covered by this Section 11.3, such Party shall provide the other Party with prompt written notice thereof. The Parties shall confer with respect to how to respond to such Third Party Claim and how to handle such Third Party Claim in an efficient manner. In the absence of such an agreement, AbbVie shall have the right to take such action as it deems appropriate.

11.3.2 Threshold for Breach Indemnification Claims. The provisions for indemnity and defense with respect to a Third Party Claim under Sections 11.1(i) or 11.2(i) shall be effective only (i) when the amount of damages sought by such Third Party or the amount of Losses incurred by the Indemnified Party exceeds […***…] Dollars ($[…***…]), or (ii) in the case of a Third Party Claim where the amount of damages sought or the amount of Losses to be incurred by the Indemnified Party is not specified, when the amount of damages sought or the amount of Losses to be incurred by the Indemnified Party is reasonably likely to exceed
[…***…] Dollars ($[…***…]) based on the nature of such Third Party Claim.

11.4 Notice of Claim. All indemnification claims in respect of a Party, its Affiliates, or their respective directors, officers, employees and agents shall be made solely by such Party to this Agreement (the "**Indemnified Party**"). The Indemnified Party shall give the indemnifying Party prompt written notice (an "**Indemnification Claim Notice**") of any Losses or discovery of fact upon which such Indemnified Party intends to base a request for indemnification under this Article 11, but in no event shall the indemnifying Party be liable for any Losses that result from any delay in providing such notice. Each Indemnification Claim Notice must contain a description of the claim and the nature and amount of such Loss (to the extent that the nature and amount of such Loss is known at such time). The Indemnified Party shall furnish promptly to the indemnifying Party copies of all papers and official documents received in respect of any Losses and Third Party Claims.

11.5 Control of Defense.

11.5.1 In General. Subject to the provisions of Sections 7.4 and 7.7.3, at its option, the indemnifying Party may assume the defense of any Third Party Claim by giving written notice to the Indemnified Party within […***…] ([…***…]) days after the indemnifying Party's receipt of an Indemnification Claim Notice. The assumption of the defense of a Third Party Claim by the indemnifying Party shall not be construed as an acknowledgment that the indemnifying Party is liable to indemnify the Indemnified Party in respect of the Third Party Claim, nor shall it constitute a waiver by the indemnifying Party of any defenses it may assert against the Indemnified Party's claim for indemnification. Upon assuming the defense of a Third Party Claim, the indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the indemnifying Party which shall be reasonably acceptable to the Indemnified Party. If the indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall immediately deliver to the indemnifying Party all original notices and documents (including court papers) received by the Indemnified Party in connection with the Third Party Claim. Should the indemnifying Party assume the defense of a Third Party Claim, except as provided in Section 11.5.2, the indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by such Indemnified Party in connection with the analysis, defense or settlement of the Third Party Claim unless specifically requested in writing by the indemnifying Party. If it is ultimately determined that the indemnifying Party is not obligated to indemnify, defend or hold harmless the Indemnified Party from and against the Third Party Claim, the Indemnified Party shall reimburse the indemnifying Party for any and all costs and expenses and any Losses incurred by the indemnifying Party in its defense of the Third Party Claim.

11.5.2 Right to Participate in Defense. Without limiting Section 11.5.1, any Indemnified Party shall be entitled to participate in, but not control, the defense of such Third Party Claim and to employ counsel of its choice for such purpose; *provided*, that such employment shall be at the Indemnified Party's own expense unless (i) the employment thereof, and the assumption by the indemnifying Party of such expense, has been specifically authorized by the indemnifying Party in writing, (ii) the indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 11.5.1 (in which case the Indemnified Party shall control the defense), or (iii) the interests of the Indemnified Party and the indemnifying Party with respect to such Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of both Parties under Applicable Law, ethical rules or equitable principles.

11.5.3 Settlement.

(i) With respect to any Losses relating solely to the payment of money damages in connection with a Third Party Claim and not resulting in the Indemnified Party's becoming subject to injunctive or other relief, and as to which the indemnifying Party shall have acknowledged in writing the obligation to indemnify the Indemnified Party hereunder, the indemnifying Party shall have the sole right to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Loss, on such terms as the indemnifying Party, in its sole discretion, shall deem appropriate.

(ii) With respect to all other Losses in connection with Third Party Claims, where the indemnifying Party has assumed the defense of the Third Party Claim in accordance with Section 11.5.1, the indemnifying Party shall have authority to consent to the

entry of any judgment, enter into any settlement or otherwise dispose of such Loss; *provided*, that it obtains the prior written consent of the Indemnified Party. If the indemnifying Party does not assume and conduct the defense of a Third Party Claim as provided above, the Indemnified Party may defend against such Third Party Claim. Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, no Indemnified Party shall admit any liability with respect to, or settle, compromise or dispose of, any Third Party Claim without the prior written consent of the indemnifying Party. The indemnifying Party shall not be liable for any settlement, compromise or other disposition of a Loss by an Indemnified Party that is reached without the written consent of the indemnifying Party.

11.5.4 Cooperation. Regardless of whether the indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party shall, and shall cause each Indemnified Party to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnified Parties and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

11.5.5 Expenses. Except as provided above, the reasonable and verifiable costs and expenses, including fees and disbursements of counsel, incurred by the Indemnified Party in connection with any Third Party Claim shall be reimbursed on a Calendar Quarter basis in arrears by the indemnifying Party, without prejudice to the indemnifying Party's right to contest the Indemnified Party's right to indemnification and subject to refund if the indemnifying Party is ultimately held not to be obligated to indemnify the Indemnified Party.

11.6 Special, Indirect, and Other Losses. EXCEPT FOR WILLFUL MISCONDUCT, BREACH OF SECTION 5.9 BY A PARTY, OR BREACH OF ARTICLE 9 BY A PARTY, NEITHER PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS OR BUSINESS INTERRUPTION, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY, OR OTHERWISE IN CONNECTION WITH OR ARISING IN ANY WAY OUT OF THE TERMS OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE USE OF THE MOLECULES OR PRODUCT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. Notwithstanding the foregoing, nothing in this Agreement shall limit payments by either Party to an Indemnified Party for Third Party Claims as to which a Party provides indemnification under this Article 11.

11.7 Insurance. Each Party shall obtain and carry in full force and effect the minimum insurance requirements set forth herein. Such insurance (i) shall be primary insurance with respect to each Party's own participation under this Agreement, (ii) shall be issued by a

recognized insurer rated by A.M. Best "A-VII" (or its equivalent) or better, or an insurer pre-approved in writing by the other Party, (iii) shall list the other Party as an additional named insured thereunder, and (iv) shall require […***…] ([…***…]) days' written notice to be given to the other Party prior to any cancellation, non-renewal or material change thereof.

11.7.1 Types and Minimum Limits. The types of insurance, and minimum limits shall be:

(i) Worker's Compensation with statutory limits in compliance with the Worker's Compensation laws of the country, jurisdiction, state or states in which the Party has employees (excluding Puerto Rico).

(ii) Employer's Liability coverage with a minimum limit of […***…] Dollars ($[…***…]) per occurrence; *provided*, that a Party has employees in the United States (excluding Puerto Rico).

(iii) General Liability Insurance with a minimum limit of […***…] Dollars ($[…***…]) annual aggregate during Development of the Molecules or Products. General Liability Insurance shall include, at a minimum, Professional Liability, Clinical Trial Insurance and, beginning at least […***…] ([…***…]) days prior to First Commercial Sale of a Product, product liability insurance. The Parties shall mutually agree on liability insurance limits for product liability insurance.

11.7.2 Certificates of Insurance. Upon request by a Party, the other Party shall provide Certificates of Insurance evidencing compliance with this Section. The insurance policies shall be under an occurrence form, but if only a claims-made form is available to a Party, then such Party shall continue to maintain such insurance after the expiration or termination of this Agreement for the longer of (i) a period of […***…] ([…***…]) years following termination or expiration of this Agreement in its entirety, or (ii) with respect to a particular Party, last sale of a Product (or but for expiration or termination, would be considered a Product) sold under this Agreement by a Party.

11.7.3 Self-Insurance. Notwithstanding the foregoing, either Party may self-insure, in whole or in part, the insurance requirements described above; *provided*, that such Party continues to be investment grade determined by reputable and accepted financial rating agencies.

ARTICLE 12
TERM AND TERMINATION

12.1 Term.

12.1.1 Term. This Agreement shall commence on the Effective Date and, unless earlier terminated in its entirety in accordance herewith, shall continue in force and effect until the expiration of the longest Royalty Term applicable to the Products (such period, the "**Term**").

12.1.2 Effect of Expiration of the Term. Following the expiration of the Term pursuant to Section 12.1.1, the grants in Sections 5.1 and 5.2.1 shall become non-exclusive, fully-paid, royalty-free and irrevocable with rights to sublicense as set forth in this Agreement, and the grants in Sections 5.2.2 and 5.2.3 shall terminate.

12.2 Termination for Material Breach.

12.2.1 Material Breach. If either Party (the "**Non-Breaching Party**") believes that the other Party (the "**Breaching Party**") is in breach of one (1) or more of its material obligations under this Agreement (subject to Section 12.2.3), then the Non-Breaching Party may deliver notice of such breach to the Breaching Party (a "**Default Notice**"). If the Breaching Party does not dispute that it is in breach of one (1) or more of its material obligations under this Agreement, then if the Breaching Party fails to cure such breach, or fails to take steps as would be considered reasonable to effectively cure such breach, within […***…] ([…***…]) days after receipt of the Default Notice, or if such compliance cannot be fully achieved within such […***…] ([…***…]) day period and the Breaching Party has failed to commence compliance or has failed to use diligent efforts to achieve full compliance as soon thereafter as is reasonably possible, the Non-Breaching Party may terminate this Agreement upon written notice to the Breaching Party. If the Breaching Party disputes that it is in breach of one (1) of its material obligations under this Agreement, the dispute shall be resolved pursuant to Section 13.7. If, as a result of the application of such dispute resolution procedures, the Breaching Party is determined to be in breach of one (1) or more of its material obligations under this Agreement (an "**Adverse Ruling**"), then if the Breaching Party fails to complete the actions specified by the Adverse Ruling to cure such breach within […***…] ([…***…]) days after such ruling, or if such compliance cannot be fully achieved within such […***…] ([…***…]) day period and the Breaching Party has failed to commence compliance or has failed to use diligent efforts to achieve full compliance as soon thereafter as is reasonably possible, then the Non-Breaching Party may terminate this Agreement upon written notice to the Breaching Party.

12.2.2 Material Breach Related to Diligence in a Single Country.

(i) Notwithstanding Section 12.2.1, if the breach and failure to cure contemplated by Section 12.2.1 is with respect to AbbVie's Commercialization diligence obligations under Section 4.3 or AbbVie's Development diligence obligations under Sections 3.1.4, 3.2.4, or 3.3.4, as applicable, with respect to only one (1) of the United States, France, Italy, Spain, the United Kingdom, or Germany, Galapagos shall not have the right to terminate this Agreement in its entirety, but shall have the right to terminate this Agreement solely with respect to the country for which breach and failure to cure applies.

(ii) Notwithstanding Section 12.2.1, if the breach and failure to cure contemplated by Section 12.2.1 is with respect to Galapagos' Commercialization diligence obligations under Section 4.3 or Galapagos' Development diligence obligations under Sections 3.1.4, 3.2.4, 3.3.4, or 3.5, as applicable, with respect to only one (1) of the countries in the Galapagos Territory, AbbVie shall not have the right to terminate this Agreement in its entirety, but shall have the right to terminate this Agreement solely with respect to the country for which breach and failure to cure applies.

12.2.3 Violations By Sales Representatives. For purposes of Section 12.2.1, the failure by a sales representative of a Party or its Affiliates to comply with this Agreement

(including Section 4.4) shall not constitute a breach by such Party of a material obligation under this Agreement if such Party promptly notifies the other Party of such failure and takes appropriate remedial or disciplinary actions as a result of such investigation.

12.3 Additional Termination Rights.

12.3.1 For Regulatory Reasons.

(i) AbbVie may terminate this Agreement on a country-by-country or other jurisdiction-by-jurisdiction basis within the AbbVie Territory, effective immediately upon written notice to Galapagos, if with respect to a Molecule, due to Clinical Study results or actions taken by any Regulatory Authority after the Effective Date, it is unlikely that AbbVie will be able to, on a commercially reasonable basis, obtain Regulatory Approval of a Product containing such Molecule in such country or jurisdiction or, once granted, it is unlikely that AbbVie would be able to maintain such Regulatory Approval in such country or jurisdiction.

(ii) Galapagos may terminate this Agreement on a country-by-country basis within the Galapagos Territory, effective immediately upon written notice to AbbVie, if with respect to a Molecule, due to Clinical Study results or actions taken by any Regulatory Authority after the Effective Date, it is unlikely that Galapagos will be able to, on a commercially reasonable basis, obtain Regulatory Approval of a Product containing such Molecule in such country or, once granted, it is unlikely that Galapagos would be able to maintain such Regulatory Approval in such country.

12.3.2 For Convenience. From and after the date on which the Parties and their Affiliates have incurred aggregate Development Costs in performing Discovery Activities in an amount equal to the Last Agreed Discovery Cap, but prior to the First Commercial Sale of any Product by AbbVie, its Affiliates or Sublicensees, AbbVie may terminate this Agreement in its entirety or on a country-by-country or other jurisdiction-by-jurisdiction basis for any or no reason, upon […***…] ([…***…]) days' prior written notice to Galapagos.

12.4 Termination for Bankruptcy, Insolvency or Similar Event. If either Party (i) becomes the subject, whether voluntarily or involuntarily, of any bankruptcy, insolvency, receivership or similar proceeding; *provided*, that any involuntary proceeding is not subject to dismissal or appeal within the judicial time periods for such actions, (ii) makes an assignment for the benefit of creditors, (iii) appoints or suffers appointment of a receiver or trustee over substantially all of its property, (iv) proposes a written agreement of composition, arrangement, readjustment or extension of its debts, (v) proposes or is a party to any dissolution or liquidation or otherwise ceases to do business or winds up its affairs, (vi) admits in writing its inability to meet its obligations as they fall due in the general course, or (vii) becomes subject to a warrant of attachment, execution, or distraint or similar process against substantially all of its property, then the other Party may terminate this Agreement, in whole or in part and in its sole discretion, effective immediately upon written notice to such other Party as specified in Section 13.8 of this Agreement. The basis for such termination shall be breach for lack of performance of a material obligation of this Agreement, subject to the Parties retaining rights in accordance with Section 12.5 below.

12.5 Rights in Bankruptcy.

12.5.1 Applicability of 11 U.S.C. §365(n). All rights and licenses (collectively, the "**Intellectual Property**") granted under or pursuant to this Agreement, including all rights and licenses to use Improvements developed during the term of this Agreement, are intended to be, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**") or any analogous provisions in any other country or jurisdiction, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that the licensee of such Intellectual Property under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code, including Section 365(n) of the Bankruptcy Code, or any analogous provisions in any other country or jurisdiction. All of the rights granted to either Party under this Agreement shall be deemed to exist immediately before the occurrence of any bankruptcy case in which the other Party is the debtor.

12.5.2 Rights of Non-Debtor Party in Bankruptcy. If a bankruptcy proceeding is commenced by or against either Party under the Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the non-debtor Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any Intellectual Property and all embodiments of such Intellectual Property, which, if not already in the non-debtor Party's possession, shall be delivered to the non-debtor Party within […***…]
([…***…]) Business Days of such request; *provided*, that the debtor Party is excused from its obligation to deliver the Intellectual Property to the extent the debtor Party continues to perform all of its obligations under this Agreement and the Agreement has not been rejected pursuant to the Bankruptcy Code or any analogous provision in any other country or jurisdiction.

12.6 Termination in Entirety.

12.6.1 In the event of a termination of this Agreement in its entirety by AbbVie pursuant to Section 12.3.2 or by Galapagos pursuant to Section 12.2.1:

(i) all rights and licenses granted by Galapagos hereunder shall immediately terminate;

(ii) all rights and licenses granted by AbbVie hereunder shall immediately terminate; and

(iii) AbbVie shall, and hereby does, effective as of the effective date of termination, grant Galapagos an exclusive and irrevocable option to acquire an exclusive or a non-exclusive license, with the right to grant multiple tiers of sublicenses, under the AbbVie Grantback Patents, AbbVie Grantback Know-How, and the Product Trademarks to Exploit in the Territory any Molecule or Product that is the subject of Development or Commercialization in the Territory, as such Molecule or Product exists as of the effective date of termination (the "**Grantback Option**"); *provided*, that (a) Galapagos shall be responsible for (1) making any payments (including royalties, milestones and other amounts) payable by AbbVie to Third Parties under any Third Party agreements with respect to the AbbVie Grantback Patents and AbbVie Grantback Know-How that are the subject of the license granted by AbbVie to

Galapagos pursuant to this Section and to the extent that the payments relate to the Molecules or Products, if any, by making such payments directly to AbbVie and, in each instance, Galapagos shall make the requisite payments to AbbVie and provide the necessary reporting information to AbbVie in sufficient time to enable AbbVie to comply with its obligations under such Third Party agreements, and (2) complying with any other obligations included in any such Third Party agreements that are applicable to the grant to Galapagos of such license or to the exercise of such license by Galapagos or any of its Affiliates or sublicensees, and (b) AbbVie shall be responsible for paying or providing to any such Third Party any payments or reports made or provided by Galapagos. Galapagos may exercise its Grantback Option by providing written notice to AbbVie within […***…] ([…***…]) days from the termination effective date. If Galapagos exercises its Grantback Option, the Parties shall negotiate in good faith a Transition Agreement (as set forth in Section 12.8). Except as set forth in Section 5.9.2 or in the case of termination by AbbVie pursuant to Section 12.3.2 (in which event Galapagos shall not be obligated to pay any consideration to AbbVie), such Transition Agreement will include commercially reasonable financial consideration. If, despite good faith discussions for a period of at least […***…]
([…***…]) days, the Parties are unable to agree on the terms of a Transition Agreement under this Section 12.6.1, then either Party shall have the option to invoke the arbitration proceedings pursuant to Section 13.7.

12.6.2 In the event of a termination of this Agreement in its entirety by AbbVie pursuant to Sections 12.2.1 or 13.2.2:

(i) all rights and licenses granted by AbbVie hereunder shall immediately terminate;

(ii) all rights and licenses granted to AbbVie hereunder shall become exclusive or non-exclusive (at AbbVie's sole option), irrevocable, unrestricted, and perpetual rights and licenses and, except as set forth in Section 5.9.2, the Parties shall mutually agree, in good faith, in writing the consideration Galapagos shall receive for the aforementioned license. If, despite good faith discussions, the Parties are unable to agree on the consideration, then the dispute shall be resolved pursuant to Section 13.7;

(iii) Galapagos shall, where permitted by Applicable Law, transfer to AbbVie all of its right, title, and interest in all Regulatory Documentation then Controlled by Galapagos or its Affiliates or Sublicensees and in its/their name;

(iv) Galapagos shall notify the applicable Regulatory Authorities and take any other action reasonably necessary to effect the transfer set forth in clause (iii) above;

(v) Galapagos shall, if requested by AbbVie and unless expressly prohibited by any Regulatory Authority, transfer control to AbbVie of all Clinical Studies being Conducted by Galapagos or its Affiliates or Sublicensees as of the effective date of termination and continue to Conduct such Clinical Studies, at AbbVie's cost, for up to […***…] ([…***…]) months to enable such transfer to be completed without interruption of any such Clinical Study; *provided*, that (a) AbbVie shall not have any obligation to continue any Clinical Study unless required by Applicable Law, and (b) with respect to each Clinical Study for which such transfer is expressly prohibited by the applicable Regulatory Authority, if any, Galapagos shall continue to Conduct such Clinical Study to completion, at AbbVie's cost; and

(vi) Galapagos shall assign (or cause its Affiliates or Sublicensees to assign) to AbbVie all agreements with any Third Party with respect to the Conduct of pre-clinical Development activities, Clinical Studies or Manufacturing activities for the Products, including agreements with contract research organizations, clinical sites, and investigators, unless, with respect to any such agreement, (a) AbbVie declines such assignment, or (b) such agreement (1) expressly prohibits such assignment, in which case Galapagos shall cooperate with AbbVie in reasonable respects to secure the consent of the applicable Third Party to such assignment, or (2) covers products covered by Patents Controlled by Galapagos or any of its Affiliates in addition to the Products, in which case Galapagos shall, at AbbVie's sole cost and expense, cooperate with AbbVie in all reasonable respects to facilitate the execution of a new agreement between AbbVie and the applicable Third Party.

12.7 Termination in One or More Countries. In the event of a termination of this Agreement with respect to a country or other jurisdiction by AbbVie pursuant to Section 12.3 or by Galapagos pursuant to Section 12.2.2(i), but not in the case of termination of this Agreement in its entirety:

12.7.1 all rights and licenses granted by Galapagos hereunder (i) shall automatically be deemed to be amended to exclude, if applicable, the right to Commercialize, file any Drug Approval Application for, or seek any Regulatory Approval for Products in the Terminated Territory, and the right to Manufacture Products solely for sale in the Terminated Territory, but (ii) shall otherwise survive and continue in effect with respect to all remaining countries and jurisdictions in the Territory;

12.7.2 AbbVie shall, and hereby does, effective as of the effective date of termination, grant Galapagos an exclusive and irrevocable option to acquire an exclusive or a non-exclusive, royalty-bearing license, with the right to grant multiple tiers of sublicenses, under the AbbVie Grantback Patents, AbbVie Grantback Know-How, and the Product Trademarks to Exploit in the Terminated Territory any Molecule or Product that is or has been the subject of Development or Commercialization in the Terminated Territory, as such Molecule or Product exists as of the effective date of termination (the "**Grantback Option to the Terminated Territory**"); *provided*, that (i) Galapagos shall be responsible for (a) making any payments (including royalties, milestones, and other amounts) payable by AbbVie to Third Parties under any Third Party agreements with respect to the AbbVie Grantback Patents and AbbVie Grantback Know-How that are the subject of the license granted by AbbVie to Galapagos pursuant to this Section 12.7.2 and to the extent that the payments relate to the Molecules and Products, by making such payments directly to AbbVie and, in each instance, Galapagos shall make the requisite payments to AbbVie and provide the necessary reporting information to AbbVie in sufficient time to enable AbbVie to comply with its obligations under such Third Party agreements, and (b) complying with any other obligations included in any such Third Party agreements that are applicable to the grant to Galapagos of such license or to the exercise of such license by Galapagos or any of its Affiliates or sublicensees, and (ii) AbbVie shall be responsible for paying or providing to any such Third Party any payments or reports made or provided by Galapagos under this Section 12.7.2. If Galapagos exercises its Grantback Option to the

Terminated Territory, the Parties shall negotiate in good faith a Transition Agreement (as set forth in Section 12.8). Except in the case of termination by AbbVie pursuant to Section 12.3.2 (in which event Galapagos shall not be obligated to pay any consideration to AbbVie), such Transition Agreement will include commercially reasonable financial consideration. If, despite good faith discussions for a period of at least […***…] ([…***…]) days, the Parties are unable to agree on the terms of a Transition Agreement under this Section 12.7.2, then either Party shall have the option to invoke the arbitration proceedings pursuant to Section 13.7.

12.8 Transition Agreement. In the event of termination of this Agreement in its entirety by AbbVie pursuant to Section 12.3.2 or by Galapagos pursuant to Section 12.2.1, or with respect to one (1) or more countries or other jurisdictions by AbbVie pursuant to Section 12.3 or by Galapagos pursuant to Section 12.2.2(i), Galapagos and AbbVie shall negotiate in good faith the terms and conditions of a written transition agreement (the "**Transition Agreement**") pursuant to which AbbVie and Galapagos will effectuate and coordinate a smooth and efficient transition of relevant obligations and rights to Galapagos as reasonably necessary for Galapagos to exercise the licenses granted pursuant to Sections 12.6 or 12.7 after termination of this Agreement (in its entirety or with respect to one (1) or more countries or other jurisdictions, as applicable) as and to the extent set forth in this Article 12. For clarity, AbbVie shall not be required to Manufacture or have Manufactured the Molecules or Products by or on behalf of Galapagos as part of the Transition Agreement.

12.8.1 The Transition Agreement shall provide that in the event of a termination of this Agreement in its entirety by AbbVie pursuant to Section 12.3.2 or by Galapagos in its entirety pursuant to Section 12.2.1, AbbVie shall:

(i) where permitted by Applicable Law, transfer to Galapagos all of its right, title, and interest in all Regulatory Documentation then Controlled by AbbVie or its Affiliates or Sublicensees and in its/their name applicable to the Products in the Territory that are the subject of an exclusive license grant in Section 12.6.1(iii);

(ii) notify the applicable Regulatory Authorities and take any other action reasonably necessary to effect the transfer set forth in clause (i) above;

(iii) if requested by Galapagos and unless expressly prohibited by any Regulatory Authority, transfer control to Galapagos of all Clinical Studies being Conducted by AbbVie or its Affiliates or Sublicensees as of the effective date of termination and continue to Conduct such Clinical Studies, at Galapagos' cost, for up to […***…] ([…***…]) months to enable such transfer to be completed without interruption of any such Clinical Study; *provided*, that (a) Galapagos shall not have any obligation to continue any Clinical Study unless required by Applicable Law, and (b) with respect to each Clinical Study for which such transfer is expressly prohibited by the applicable Regulatory Authority, if any, AbbVie shall continue to Conduct such Clinical Study to completion, at Galapagos' cost; and

(iv) assign (or cause its Affiliates or Sublicensees to assign) to Galapagos all agreements with any Third Party with respect to the Conduct of pre-clinical Development activities, Clinical Studies or Manufacturing activities for the Products, including agreements with contract research organizations, clinical sites, and investigators, unless, with

respect to any such agreement, (a) Galapagos declines such assignment, or (b) such agreement (1) expressly prohibits such assignment, in which case AbbVie shall cooperate with Galapagos in reasonable respects to secure the consent of the applicable Third Party to such assignment, or (2) covers products covered by Patents Controlled by AbbVie or any of its Affiliates in addition to the Products, in which case AbbVie shall, at Galapagos' sole cost and expense, cooperate with Galapagos in all reasonable respects to facilitate the execution of a new agreement between Galapagos and the applicable Third Party.

12.8.2 The Transition Agreement shall provide that in the event of a termination of this Agreement with respect to a country or other jurisdiction by AbbVie pursuant to Section 12.3 or by Galapagos pursuant to Section 12.2.2(i) (but not in the case of any termination of this Agreement in its entirety), AbbVie shall:

(i) where permitted by Applicable Law, transfer to Galapagos all of its right, title, and interest in all Regulatory Approvals owned by, or in the name of, AbbVie or its Affiliates or Sublicensees, which Regulatory Approvals are solely applicable to the relevant country or jurisdiction and the Products that are the subject of an exclusive license grant in Section 12.7, as such Regulatory Approvals exists as of the effective date of such termination of this Agreement with respect to such relevant country or jurisdiction; *provided*, that AbbVie retains a license and right of reference under any Regulatory Approval transferred pursuant to this clause as necessary or reasonably useful for AbbVie to Commercialize Products in the Territory, Develop Molecules or Products in support of such Commercialization, or Manufacture Molecules or Products in support of such Development or Commercialization;

(ii) notify the applicable Regulatory Authorities and take any other action reasonably necessary to effect the transfer set forth in clause (i) above;

(iii) grant Galapagos a right of reference to all Regulatory Documentation then owned by, or in the name of, AbbVie or its Affiliates or Sublicensees, and which Regulatory Documentation is not transferred to Galapagos pursuant to clause (i) above, and is necessary or reasonably useful for Galapagos, any of its Affiliates or sublicensees to Develop or Commercialize in the terminated country or jurisdiction the Product(s) that are the subject of the license grant in Section 12.7 as such Regulatory Documentation exists as of the effective date of such termination of this Agreement with respect to such terminated country or jurisdiction;

(iv) if requested by Galapagos and unless expressly prohibited by any Regulatory Authority, transfer control to Galapagos of all Clinical Studies specific to such terminated country(ies) being Conducted by AbbVie or its Affiliates or Sublicensees as of the effective date of termination and continue to Conduct such Clinical Studies, at Galapagos' cost, for up to […***…]
([…***…]) months to enable such transfer to be completed without interruption of any such Clinical Study; *provided*, that (a) Galapagos shall not have any obligation to continue any Clinical Study unless required by Applicable Law, and (b) with respect to each Clinical Study for which such transfer is expressly prohibited by the applicable Regulatory Authority, if any, AbbVie shall continue to Conduct such Clinical Study to completion, at Galapagos' cost; and

(v) assign (or cause its Affiliates or Sublicensees to assign) to Galapagos all agreements with any Third Party with respect to the Conduct of Clinical Studies specific to such terminated country(ies), including agreements with contract research organizations, clinical sites, and investigators, unless, with respect to any such agreement, (a) Galapagos declines such assignment, or (b) such agreement (1) expressly prohibits such assignment, in which case AbbVie shall cooperate with Galapagos in reasonable respects to secure the consent of the applicable Third Party to such assignment, or (2) covers products covered by Patents Controlled by AbbVie or any of its Affiliates in addition to the Products, in which case AbbVie shall, at Galapagos' sole cost and expense, cooperate with Galapagos in all reasonable respects to facilitate the execution of a new agreement between Galapagos and the applicable Third Party.

12.9 Termination of a Country by AbbVie or Galapagos. In the event of a termination of this Agreement with respect to one (1) or more country(ies) or other jurisdiction(s) by AbbVie pursuant to Section 12.2.2(ii), or by Galapagos pursuant to Section 12.3.1(ii) (but not in the case of any termination of this Agreement in its entirety):

12.9.1 all rights and licenses granted by AbbVie hereunder with respect to such terminated country(ies) or jurisdiction(s) shall immediately terminate;

12.9.2 all rights and licenses granted to AbbVie hereunder with respect to such terminated country(ies) or jurisdiction(s) shall become exclusive or non-exclusive (at AbbVie's sole option), irrevocable, unrestricted, and perpetual rights and licenses and the Parties shall mutually agree, in good faith, in writing the consideration Galapagos shall receive for the aforementioned license. If, despite good faith discussions, the Parties are unable to agree on the consideration, then the dispute shall be resolved pursuant to Section 13.7;

12.9.3 where permitted by Applicable Law, Galapagos shall transfer to AbbVie all of its right, title, and interest in all Regulatory Approvals owned by, or in the name of, Galapagos or its Affiliates or Sublicensees, which Regulatory Approvals are solely applicable to the relevant country or jurisdiction as such Regulatory Approval exists as of the effective date of such termination of this Agreement with respect to such relevant country or jurisdiction; *provided*, that Galapagos retains a license and right of reference under any Regulatory Approval transferred pursuant to this clause as necessary or reasonably useful for Galapagos to Commercialize Products in the remainder of the Galapagos Territory in accordance with the terms hereof or Develop Molecules or Products with respect to the remainder of the Galapagos Territory in accordance with the terms hereof;

12.9.4 Galapagos shall notify the applicable Regulatory Authorities and take any other action reasonably necessary to effect the transfer set forth in Section 12.9.3 above;

12.9.5 Galapagos shall grant AbbVie a right of reference to all Regulatory Documentation then owned by, or in the name of, Galapagos or its Affiliates or Sublicensees, and which Regulatory Documentation is not transferred to AbbVie pursuant to Section 12.9.3, and is necessary or reasonably useful for AbbVie, any of its Affiliates or sublicensees to Develop or Commercialize in the terminated country or jurisdiction the Products as such Regulatory

Documentation exists as of the effective date of such termination of this Agreement with respect to such terminated country or jurisdiction;

12.9.6 if requested by AbbVie and unless expressly prohibited by any Regulatory Authority, Galapagos shall transfer control to AbbVie of all Clinical Studies specific to such terminated country(ies) being Conducted by Galapagos or its Affiliates or Sublicensees as of the effective date of termination and continue to Conduct such Clinical Studies, at AbbVie's cost, for up to […***…] ([…***…]) months to enable such transfer to be completed without interruption of any such Clinical Study; *provided*, that (a) AbbVie shall not have any obligation to continue any Clinical Study unless required by Applicable Law, and (b) with respect to each Clinical Study for which such transfer is expressly prohibited by the applicable Regulatory Authority, if any, Galapagos shall continue to Conduct such Clinical Study to completion, at AbbVie's cost; and

12.9.7 Galapagos shall assign (or cause its Affiliates or Sublicensees to assign) to AbbVie all agreements with any Third Party with respect to the Conduct of Clinical Studies specific to such terminated country(ies), including agreements with contract research organizations, clinical sites, and investigators, unless, with respect to any such agreement, (a) AbbVie declines such assignment, or (b) such agreement (1) expressly prohibits such assignment, in which case Galapagos shall cooperate with AbbVie in reasonable respects to secure the consent of the applicable Third Party to such assignment, or (2) covers products covered by Patents Controlled by Galapagos or any of its Affiliates in addition to the Products, in which case Galapagos shall, at AbbVie's sole cost and expense, cooperate with AbbVie in all reasonable respects to facilitate the execution of a new agreement between AbbVie and the applicable Third Party.

12.10 Existing Inventory. Notwithstanding the termination of a Party's licenses and other rights under this Agreement or with respect to a particular country(ies) or other jurisdiction(s), as the case may be, but subject to the terms of any Transition Agreement, such Party shall have the right for […***…] after the effective date of such termination with respect to each country(ies) or other jurisdiction(s) with respect to which such termination applies to sell or otherwise dispose of all Product then in its inventory and any in-progress inventory, in each case that is intended for sale or disposition in such country(ies) or other jurisdiction(s), as though this Agreement had not terminated with respect to such country(ies) or other jurisdiction(s), and such sale or disposition shall not constitute infringement of the other Party's or its Affiliates' Patent or other intellectual property or other proprietary rights. For purposes of clarity, AbbVie shall continue to make payments on sales permitted under this Section 12.10 as provided in Article 6 (as if this Agreement had not terminated with respect to such country or other jurisdiction).

12.11 Disposition of Potentiator Product. In the event that AbbVie at any time after commencing Development of the Potentiator Product under the Potentiator Post-POC Development Plan determines (i) to cease actively Developing the Potentiator Product, or (ii) to cease Commercializing the Potentiator Product in any of the U.S., France, Germany, the United Kingdom, Spain or Italy after obtaining Regulatory Approval thereof in such country, in each case ((i) and (ii)) for any reason other than AbbVie's good faith concerns about the safety or efficacy of the Potentiator Product, then:

12.11.1 AbbVie shall have the right to so cease such active Development of the Potentiator Product or to so cease such Commercialization of the Potentiator Product in the applicable country(ies), and such cessation shall not constitute a breach of this Agreement, but only if such cessation occurs after the commencement of the Development of the Potentiator Product under the Potentiator Post-POC Development Plan.

12.11.2 The Parties shall negotiate in good faith the terms and conditions on which the rights in the Potentiator Product with respect to the applicable country(ies) shall be addressed, including whether or not the rights in the Potentiator Product will revert to Galapagos.

(i) In the event that such terms and conditions do include a reversion of rights in the Potentiator Product to Galapagos:

(1) Galapagos and its Affiliates shall be prohibited from (a) developing, manufacturing or commercializing, or (b) licensing or otherwise assisting any Third Party to develop, manufacture or commercialize, in each case ((a) and (b)) the Potentiator Product in combination with any CFTR corrector molecule that acts to improve the trafficking of the CFTR protein and increases the amount of CFTR protein expressed in the airway cell membrane, or any Potentiator Molecule in combination with any CFTR corrector molecule that acts to improve the trafficking of the CFTR protein and increases the amount of CFTR protein expressed in the airway cell membrane; and

(2) AbbVie shall grant a right of reference to Galapagos to all Regulatory Documentation then owned by, or in the name of, AbbVie or its Affiliates or Sublicensee (as such Regulatory Documentation exists as of the effective date of cessation referred to in this Section 12.11) necessary or reasonably useful for Galapagos, any of its Affiliates or Sublicensees to Develop or Commercialize the Potentiator Product in accordance with such terms and conditions.

(ii) Regardless of whether such terms and conditions include a reversion of rights in the Potentiator Product to Galapagos, such terms and conditions shall include:

(1) commercially reasonable financial terms to be agreed between the Parties taking into account the economic terms of this Agreement and the moment on which such cessation occurs;

(2) provisions permitting AbbVie to continue to Develop, Manufacture and Commercialize Combination Products that contain Potentiator Molecules in accordance with the terms of this Agreement; and

(3) other commercially reasonable terms and conditions to be agreed between the Parties.

12.11.3 If, despite good faith negotiations for a period of at least […***…] ([…***…]) days, the Parties are unable to agree on such terms and conditions, then the dispute shall be resolved pursuant to Section 13.7.2; *provided*, that such resolution shall be consistent with the terms set forth in Section 12.11.2.

12.11.4 For purposes of this Section 12.11, the normal pauses or gaps during or following Clinical Studies or other studies for the analysis of data, preparation of reports and design of future Clinical Studies, or the preparation of regulatory filings or responses to inquiries of Regulatory Authorities, and other customary development functions not constituting Clinical Studies, do not constitute a cessation of active Development.

12.12 Remedies. Except as otherwise expressly provided herein, termination of this Agreement (either in its entirety or with respect to one (1) or more country(ies) or other jurisdiction(s)) in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

12.13 Accrued Rights; Surviving Obligations. Termination or expiration of this Agreement (either in its entirety or with respect to one (1) or more country(ies) or other jurisdiction(s)) for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, Sections 3.12.3, 3.15, 4.6, 6.13, 6.15, 6.16, 6.17, 6.18, 6.19, 7.1, 12.1.2 (if applicable), 12.5, 12.6 (if applicable), 12.8 (if applicable), 12.10, 12.12, and this Section 12.13 and Articles 9, 11, and 13 of this Agreement, and all Sections necessary to effectuate the interpretation of such surviving Sections and Articles, shall survive the termination or expiration of this Agreement for any reason. If this Agreement is terminated with respect to the Terminated Territory but not in its entirety, then following such termination the foregoing provisions of this Agreement shall remain in effect with respect to the Terminated Territory (to the extent they would survive and apply if the Agreement expires or is terminated in its entirety), and all provisions not surviving in accordance with the foregoing shall terminate upon termination of this Agreement with respect to the Terminated Territory and be of no further force and effect (and for purposes of clarity all provisions of this Agreement shall remain in effect with respect to all countries in the Territory other than the Terminated Territory).

ARTICLE 13
MISCELLANEOUS

13.1 Force Majeure. Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or

results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, hurricanes, embargoes, shortages, epidemics, quarantines, war, acts of war (whether war be declared or not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts, or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any governmental authority (except to the extent such delay results from the breach by the non-performing Party or any of its Affiliates of any term or condition of this Agreement). The non-performing Party shall notify the other Party of such force majeure within […***…] ([…***…]) days after such occurrence by giving written notice to the other Party stating the nature of the event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use commercially reasonable efforts to remedy its inability to perform.

13.2 Change in Control of Galapagos.

13.2.1 Galapagos (or its successor) shall provide AbbVie with written notice of any Change in Control of Galapagos within […***…] ([…***…]) Business Days following the closing date of such transaction.

13.2.2 In the event of a Change in Control of Galapagos, then AbbVie shall have the right, in its sole and absolute discretion, by written notice delivered to Galapagos (or its successor) at any time during the […***…] ([…***…]) days following the written notice contemplated by Section 13.2.1, to: (i) require any one (1) or more of the following actions: (a) the Parties shall disband each of the Joint Committees and terminate the activities of each of the Joint Committees and thereafter AbbVie shall undertake all activities assigned by this Agreement to any of the Joint Committees solely and exclusively by itself; (b) Galapagos and the Change in Control party shall adopt reasonable procedures to be agreed upon in writing to prevent disclosure of Confidential Information of AbbVie; (c) Galapagos' right to co-promote any Co-Promotion Products in the Co-Promotion Territory shall immediately terminate; and (d) all rights and licenses granted to Galapagos hereunder with respect to the Galapagos Territory, including those set forth in Sections 4.1, 4.5.2 and 5.2.1, shall immediately terminate; or (ii) solely in the case of a Change in Control of Galapagos that occurs prior to the First Commercial Sale of a Product in any country in the Territory by AbbVie, its Affiliate or Sublicensee, terminate this Agreement in its entirety, in which case the provisions set forth in Section 12.6.2 shall apply.

13.3 Export Control. This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States or other countries that may be imposed on the Parties from time to time. Each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity in accordance with Applicable Law.

13.4 Assignment.

13.4.1 Without the prior written consent of the other Party, neither Party shall sell, transfer, assign, delegate, pledge, or otherwise dispose of, whether voluntarily, involuntarily, by operation of law or otherwise, this Agreement or any of its rights or duties hereunder; *provided*, that (subject to Section 13.2) either Party may make such an assignment without the other Party's consent to its Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or any other transaction, of the business to which this Agreement relates. With respect to an assignment to an Affiliate, the assigning Party shall remain responsible for the performance by such Affiliate of the rights and obligations hereunder. Any attempted assignment or delegation in violation of this Section 13.4 shall be void and of no effect. All validly assigned and delegated rights and obligations of the Parties hereunder shall be binding upon and inure to the benefit of and be enforceable by and against the successors and permitted assigns of Galapagos or AbbVie, as the case may be. The permitted assignee or transferee shall assume all obligations of its assignor or transferor under this Agreement. Without limiting the foregoing, the grant of rights set forth in this Agreement shall be binding upon any successor or permitted assignee of Galapagos, and the obligations of AbbVie, including the payment obligations, shall run in favor of any such successor or permitted assignee of Galapagos' benefits under this Agreement.

13.4.2 Subject to Section 5.9.2., the rights to Information, materials and intellectual property (i) controlled by a Third Party permitted assignee of a Party, which Information, materials and intellectual property were controlled by such assignee immediately prior to such assignment; or (ii) controlled by an Affiliate of a Party who becomes an Affiliate through any Change in Control of or by such Party, which Information, materials and intellectual property were controlled by such Affiliate immediately prior to such Change in Control, in each case ((i) and (ii)), shall be automatically included with the rights licensed or granted to the other Party under this Agreement.

13.5 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (i) such provision shall be fully severable, (ii) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, (iii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom, and (iv) in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and reasonably acceptable to the Parties. To the fullest extent permitted by Applicable Law, each Party hereby waives any provision of law that would render any provision hereof illegal, invalid, or unenforceable in any respect.

13.6 Governing Law and Service.

13.6.1 Governing Law. This Agreement or the performance, enforcement, breach or termination hereof shall be interpreted, governed by and construed in accordance with the laws of the State of New York, United States, excluding any conflicts or choice of law rule or

principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction; *provided*, that all questions concerning (i) inventorship of Patents under this Agreement shall be determined in accordance with Section 7.1.3, and (ii) the construction or effect of patent applications and patents shall be determined in accordance with the laws of the country or other jurisdiction in which the particular patent application or patent has been filed or granted, as the case may be. The Parties agree to exclude the application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

13.6.2 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 13.8.2 shall be effective service of process for any action, suit, or proceeding brought against it under this Agreement.

13.7 Dispute Resolution. Except for disputes resolved or otherwise addressed by the procedures set forth in Sections 2.5.3 or 6.18, if a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith (a "**Dispute**"), it shall be resolved pursuant to this Section 13.7.

13.7.1 General. Any Dispute shall be first referred to the Senior Officers of the Parties, who shall confer in good faith on the resolution of the issue. Any final decision mutually agreed to by the Senior Officers shall be conclusive and binding on the Parties. If the Senior Officers are not able to agree on the resolution of any such issue within […***…] ([…***…]) days (or such other period of time as mutually agreed by the Senior Officers) after such issue was first referred to them, then, except as otherwise set forth in Section 13.7.3, either Party may, by written notice to the other Party, elect to initiate an alternative dispute resolution ("**ADR**") proceeding pursuant to the procedures set forth in Section 13.7.2 for purposes of having the matter settled.

13.7.2 ADR. Any ADR proceeding under this Agreement shall take place pursuant to the procedures set forth in Schedule 13.7.2.

13.7.3 Expert Arbitration. Any dispute expressly stated in this Agreement to be resolved pursuant to this Section 13.7.3 shall take place pursuant to the following procedures: promptly following receipt of any notice requiring dispute resolution pursuant to this Section 13.7.3, the Parties shall meet and discuss in good faith and agree on an expert panel to resolve the issue, which expert panel shall consist of three (3) members and shall be neutral and independent of both Parties and all of their respective Affiliates, shall have significant experience and expertise in the substantive area in question, and shall have some experience in mediating or arbitrating issues relating to such agreements. If the Parties cannot agree on such expert panel within […***…] ([…***…]) days of request by a Party for arbitration, then each Party shall select one (1) expert for such panel within […***…] ([…***…]) days as from the expiration of the aforementioned […***…] day period and the two (2) experts selected by the Parties shall select a third expert for the panel within […***…] ([…***…]) days as from the appointment of the second expert; *provided*, that all such three (3) experts must meet the foregoing criteria. Within […***…] ([…***…]) days after such expert panel is selected (or appointed, as the case may be), each Party will deliver to both the expert panel and the other Party a detailed written proposal setting forth its proposed terms for the resolution for the matter at issue (the "**Proposed**

Terms" of the Party) and a memorandum (the "**Support Memorandum**") in support thereof, not exceeding ten (10) pages in length (excluding any supporting data). The Parties will also provide the expert panel a copy of this Agreement, as may be amended at such time. Within […***…] ([…***…]) days after receipt of the other Party's Proposed Terms and Support Memorandum, each Party may submit to the expert panel (with a copy to the other Party) a response to the other Party's Support Memorandum, such response not exceeding five (5) pages in length. Neither Party may have any other communications (either written or oral) with the expert panel other than for the sole purpose of engaging the expert panel or as expressly permitted in this Section 13.7.3; *provided*, that the expert panel may convene a hearing if the expert panel so chooses to ask questions of the Parties and hear oral argument and discussion regarding each Party's Proposed Terms. Within […***…] ([…***…]) days after the expert panel's appointment, the expert panel will select one (1) of the two (2) Proposed Terms (without modification) provided by the Parties that the expert panel believes is most consistent with the intention underlying and agreed principles set forth in this Agreement. The decision of the expert panel shall be final, binding, and not appealable. The expert panel must select as the only method to resolve the matter at issue one (1) of the two (2) sets of Proposed Terms, and may not combine elements of both Proposed Terms or award any other relief or take any other action.

13.7.4 Interim Relief. Notwithstanding anything herein to the contrary, nothing in this Section 13.7 shall preclude either Party from seeking interim or provisional relief, including a temporary restraining order, preliminary injunction or other interim equitable relief concerning a Dispute, if necessary to protect the interests of such Party. This Section 13.7 shall be specifically enforceable.

13.8 Notices.

13.8.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval, or other communication permitted or required under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if (i) delivered by hand, (ii) sent by facsimile transmission (with transmission confirmed), or (iii) by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 13.8.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party in accordance with this Section 13.8.1. Such notice shall be deemed to have been given as of the date delivered by hand or transmitted by facsimile (with transmission confirmed) or on the second Business Day (at the place of delivery) after deposit with an internationally recognized overnight delivery service. Any notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter. This Section 13.8.1 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

13.8.2 Address for Notice.

(i) If to AbbVie, to:

AbbVie S.à.r.l.
[…***…]
Attention: General Manager
Facsimile: […***…]

With a copy (which shall not constitute notice) to:

AbbVie Inc.
1 North Waukegan Road
North Chicago, Illinois 60064 U.S.
Attention: Executive Vice President, Business Development, External Affairs and General Counsel
Facsimile: […***…]

(ii) If to Galapagos, to:

Galapagos NV
Generaal de Wittelaan
L11A3, 2800 Mechelen, Belgium
Attention: CEO
Facsimile: […***…]

with a copy (which shall not constitute notice) to:

Galapagos NV
Generaal de Wittelaan
L11A3, 2800 Mechelen, Belgium
Attention: Legal Department
Facsimile: […***…]

13.9 Entire Agreement; Amendments. This Agreement, together with the Schedules attached hereto, sets forth and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understandings, promises, and representations, whether written or oral, with respect thereto are superseded hereby, including the Confidential Disclosure Agreement among Galapagos and AbbVie Inc. (as successor in interest to Abbott Laboratories) dated 19 June 2012, as amended 3 July 2012, and 9 July 2013, to the extent that such Confidential Disclosure Agreement relates to the subject matter of this Agreement. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth in this Agreement. No amendment, modification, release, or discharge shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

13.10 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

13.11 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party hereto of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available except as expressly set forth herein. For clarity, the last sentence of Section 6.1 shall not be interpreted to limit AbbVie's right to seek damages for Galapagos' breach of this Agreement.

13.12 No Benefit to Third Parties. Except as provided in Article 11, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

13.13 Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

13.14 Relationship of the Parties. It is expressly agreed that Galapagos, on the one (1) hand, and AbbVie, on the other hand, shall be independent contractors and that the relationship between the two (2) Parties shall not constitute a partnership, joint venture, or agency, including for all tax purposes. Neither Galapagos, on the one (1) hand, nor AbbVie, on the other hand, shall have the authority to make any statements, representations, or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Party to do so. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

13.15 Performance by Affiliates. Each Party may use one (1) or more of its Affiliates to perform its obligations and duties hereunder and such Affiliates are expressly granted certain rights herein; *provided*, that each such Affiliate shall be bound by the corresponding obligations of such Party and, subject to an assignment to such Affiliate pursuant to Section 13.4, each Party shall remain liable hereunder for the prompt payment and performance of all its payment obligations hereunder.

13.16 Counterparts; Facsimile Execution. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. This Agreement may be executed by facsimile, .pdf or other electronically transmitted signatures and such signatures shall be deemed to bind each Party hereto as if they were original signatures.

13.17 References. Unless otherwise specified, (i) references in this Agreement to any Article, Section or Schedule shall mean references to such Article, Section or Schedule of this Agreement, (ii) references in any Section to any clause are references to such clause of such Section, and (iii) references to any agreement, instrument, or other document in this Agreement refer to such agreement, instrument, or other document as originally executed or, if subsequently amended, replaced, or supplemented from time to time, as so amended, replaced, or supplemented and in effect at the relevant time of reference thereto.

13.18 Schedules. In the event of any inconsistencies between this Agreement and any schedules or other attachments hereto, the terms of this Agreement shall control.

13.19 Construction. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or) whether or not specifically stated. Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including," "include," or "includes" as used herein shall mean "including, but not limited to," and shall not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party hereto. Each Party represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption will apply against the Party which drafted such terms and provisions. Whenever a Party's consent or approval is required, such consent or approval shall not unreasonably be withheld, delayed or conditioned, unless explicitly provided otherwise in this Agreement.

[SIGNATURE PAGE FOLLOWS]

THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the Effective Date.

GALAPAGOS NV		**ABBVIE S.À.R.L.**	
By:	/s/ Onno van de Stolpe	By:	/s/ William Chase
Name:	Onno van de Stolpe	Name:	William Chase
Title:	CEO	Title:	Manager

Schedule 1.23

Approved Countries

[…***…]

Schedule 1.64

Corrector/Combination Product POC Success Criteria[1]

[…***…]

Confidential Treatment Requested

Schedule 1.69

Corrector IND Success Criteria

[…***…]

Schedule 1.93

Discovery Work Plan

See Attached

[…***…]

Schedule 1.113

Existing Potentiator Patents

[…***…]

GLPG reference	Country	Filing date	Filing Number
[…***…]	[…***…]	[…***…]	[…***…]
[…***…]	[…***…]	[…***…]	[…***…]

[…***…]

GLPG reference	Country	Filing date	Filing Number
[…***…]	[…***…]	[…***…]	[…***…]

Schedule 1.124

Galapagos Corporate Names

Galapagos Trademarks:

Title	Country	Filing date	Filing number	Registration date	Registration number
[…***…]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]
[…***…]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]

Galapagos logos:

[…***…]

Confidential Treatment Requested

Schedule 1.167

Manufacturing Cost

[…***…].

Schedule 1.218

Potentiator IND Success Criteria

[…***…]

Schedule 1.224

Potentiator POC Success Criteria[1]

[…***…]

Confidential Treatment Requested

Schedule 3.1.6(iii)

Sample Reimbursement Credit or Reimbursement Payment

See Attached

[…***…]

Schedule 3.3.1

Potentiator Plan Parameters

[…***…]

Confidential Treatment Requested

Schedule 3.3.2

Corrector/Combination Product Plan Parameters

[…***…]

Confidential Treatment Requested

Schedule 6.8.1

Sample Net Profits/Net Losses Calculation

[…***…]

Confidential Treatment Requested

Schedule 9.5

Form of Press Release

See Attached

AbbVie and Galapagos to co-develop cystic fibrosis therapies

- **Both parties contribute key technologies and funding**
- **Goal to develop novel potentiator and corrector therapies for main mutations of CF**
- **Galapagos leads discovery and development through Phase 2, shares Phase 3 responsibility with AbbVie**

Galapagos to host webcast presentation today at 15.00 CET/ 9 am Eastern US/ 6 am Pacific

North Chicago, USA and Mechelen, Belgium; Sept. 24, 2013 – Galapagos NV (Euronext: GLPG) and AbbVie (NYSE: ABBV) announced today that they have entered into a global alliance to discover, develop and commercialize novel potentiator and combination therapies in cystic fibrosis (CF), an inherited chronic disease that affects 70,000 people worldwide.

AbbVie and Galapagos will work collaboratively to contribute technologies and resources in order develop and commercialize oral drugs that address the main mutations in CF patients, including F508del and G551D. The goal of the collaboration is to identify compounds that correct defects in expression of (corrector) and/or increase the activity (potentiator) of the main mutations in the cystic fibrosis transmembrane regulator (CFTR) protein, including the F508del mutation, which is the most common with 90 percent prevalence among patients with CF.

In the alliance, AbbVie and Galapagos will develop potentiators and correctors discovered by Galapagos and expand the range of molecules, with the aim to initiate Phase 1 clinical studies at the end of 2014. Following successful clinical development and regulatory approval, AbbVie will be responsible for commercial activities, with Galapagos retaining exclusive rights in China and South Korea and co-promotion rights in Belgium, the Netherlands, and Luxembourg. Under the terms of the agreement, AbbVie will make an initial upfront payment of $45 million to Galapagos for rights related to the global alliance. Upon successful completion of predetermined success milestones, AbbVie and Galapagos will share responsibility and funding for Phase III clinical development. Galapagos is eligible to receive up to $360 million in total additional payments for developmental and regulatory milestones, sales milestones upon the achievement of minimum annual net sales thresholds and additional double-digit royalty payments on net sales.

“Galapagos is very pleased to join forces with AbbVie in this exciting new area of CF. Our programs in CF show promise. Partnering with AbbVie allows us to ramp up our commitment significantly, share development risk and expertise, and increase our chances of bringing best-in-class therapies to CF patients,” said Onno van de Stolpe, Chief Executive Officer, Galapagos.

“We’re pleased to enhance our partnership with Galapagos to include research in cystic fibrosis, a debilitating disease with significant unmet medical need. Our knowledge of the patient experience, combined with innovative advances in the understanding of disease etiology, offer the potential for new transformational treatments,” said Jim Sullivan, Ph.D., Vice President, Pharmaceutical Discovery, AbbVie.

Galapagos initiated its research in CF in 2005 as part of a collaboration with the Cystic Fibrosis Foundation. In 2010 Galapagos decided to pursue CF as the first orphan disease in which the company is attempting to discover, develop and launch its own medicines. Galapagos has developed small molecule therapies that can restore the function of the defective CF protein (CFTR). The first pre-clinical candidate is expected to be nominated this year, with the first clinical trials starting at the end of 2014.

Webcast presentation

Galapagos will hold an audio webcast presentation for journalists, analysts, and investors today at 15.00 CET/9 am Eastern US/6 am Pacific US, viewable at www.glpg.com.

Call numbers:

Belgium
Netherlands
US
Other countries

About Cystic Fibrosis

Cystic fibrosis (CF) is a hereditary disease of the entire body which leads to severe disability and early death in many cases. Symptoms include frequent lung infections, sinus infections, poor growth, and diarrhea. The cause is a defect in gene which encodes for cystic fibrosis transmembrane conductance regulator (CFTR), a protein which regulates components of sweat, mucus, and digestive juices. CF affects approximately 70,000 people worldwide. Patient symptoms are treated with antibiotics and other medicines. There currently is no cure for the disease, and the predicted median age of survival is in the late 30s.

About AbbVie

AbbVie is a global, research-based biopharmaceutical company formed in 2013 following separation from Abbott. The company's mission is to use its expertise, dedicated people and unique approach to innovation to develop and market advanced therapies that address some of the world's most complex and serious diseases. In 2013, AbbVie employs approximately 21,000 people worldwide and markets medicines in more than 170 countries. For further information on the company and its people, portfolio and commitments, please visit www.abbvie.com. Follow @abbvie on Twitter or view careers on our Facebook or LinkedIn page.

About Galapagos

Galapagos (Euronext: GLPG; OTC: GLPYY) is specialized in novel modes-of-action, with a large pipeline of four clinical, six pre-clinical, and 20 discovery small-molecule and antibody programs in CF, inflammation, antibiotics, metabolic disease, and other indications.

AbbVie and Galapagos signed an agreement in CF where they work collaboratively to develop and commercialize oral drugs that address two mutations in the CFTR gene, the G551D and F508del mutation. In the field of inflammation, AbbVie and Galapagos signed a worldwide license agreement whereby AbbVie will be responsible for further development and commercialization of GLPG0634 after Phase 2B. GLPG0634 is an orally-available, selective inhibitor of JAK1 for the treatment of rheumatoid arthritis and potentially other inflammatory diseases, currently in Phase 2B studies in RA and about to enter Phase 2 studies in Crohn's disease.

The Galapagos Group, including fee-for-service companies BioFocus, Argenta and Fidelta, has 800 employees and operates facilities in five countries, with global headquarters in Mechelen, Belgium. Further information at: www.glpg.com

Contact

AbbVie
Media
Adelle Infante
847-938-8745

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Liz Shea
847-935-2211

Galapagos NV
Onno van de Stolpe, Chief Executive Officer
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Galapagos forward-looking statements

This release may contain forward-looking statements, including, without limitation, statements containing the words "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimate," "may," "will," "could," "stands to," and "continues," as well as similar expressions. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance or achievements of Galapagos, or industry results, to be materially different from any historic or future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this document. Galapagos expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.

AbbVie forward-looking statements

Some statements in this news release may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project" and similar expressions, among others, generally identify forward-looking statements. AbbVie cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, challenges to intellectual property, competition from other products, difficulties inherent in the research and development process, adverse litigation or government action, and changes to laws and regulations applicable to our industry. Additional information about the economic, competitive, governmental, technological and other factors that may affect AbbVie's operations is set forth in Item 1A, "Risk Factors," in our 2012 Annual Report on Form 10-K/A, which has been filed with the Securities and Exchange Commission. AbbVie undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

Schedule 10.2.1

Existing Patents

1 - Existing Potentiator Patents (as listed in 1.113 above)

[…***…]

GLPG reference	Country	Filing date	Filing Number
[…***…]	[…***…]	[…***…]	[…***…]
[…***…]	[…***…]	[…***…]	[…***…]

[…***…]

GLPG reference	Country	Filing date	Filing Number
[…***…]	[…***…]	[…***…]	[…***…]

2 - Other Patents

[…***…]

GLPG reference	Country	Filing date	Filing Number
[…***…]	[…***…]	[…***…]	[…***…]
[…***…]	[…***…]	[…***…]	[…***…]

Schedule 10.2.4

Existing Third Party In-License Agreements

None

Schedule 13.7.2

ADR Procedures

Any Dispute referred to ADR under this Agreement shall be resolved as follows:

[…***…]

Exhibit 10.6

Agreement

BETWEEN:

The limited liability company Galapagos Genomics NV, a company organized under the laws of Belgium, with registered office at Generaal De Wittelaan L11 A3, 2800 Mechelen,

validly represented by Mr. Rudi Pauwels, Chairman of the Board of Directors,

hereinafter "the Company,"

AND:

Mr. Onno van de Stolpe, residing at ########## ##, #### ########,

Hereinafter "Mr. Van de Stolpe,"

WHEREAS:

(A) Mr. Van de Stolpe was appointed Managing Director of the Company.

(B) The Company has entrusted Mr. Van de Stolpe with the function of Managing Director ("Chief Executive Officer").

(C) By means of the present agreement, the parties wish to determine the contents and the terms and conditions of the function with which Mr. Van de Stolpe has been entrusted.

THE PARTIES AGREE AS FOLLOWS:

1 Tasks entrusted to the Agent

1.1 The Company entrusts Mr. Van de Stolpe, who accepts, with the function of "Managing Director."

1.2 Within the framework of the performance of such tasks (hereinafter the "Tasks"), Mr. Van de Stolpe shall be entitled to refer to himself as Chief Executive Officer.

1.3 Mr. Van de Stolpe shall manage the business and his task is to successfully grow Galapagos and, in doing so, to create shareholder value.

2 Terms and conditions relating to the performance of the Tasks

2.1 Mr. Van de Stolpe shall perform his Tasks on an independent basis.

2.2 Mr. Van de Stolpe will act with the utmost respect for the strategy and procedures set by the Board of Directors of the Company and shall support and implement the decisions made by the Board of Directors.

2.3 Mr. Van de Stolpe shall report to the Board of Directors on the performance of his Tasks, during each meeting of the Board of Directors or more frequently if this is necessary in view of the interests of the Company.

2.4 Mr. Van de Stolpe will perform his Tasks in the Company's offices in Mechelen and Leiden.

3 Remuneration

3.1 In consideration for the performance by Mr. Van de Stolpe of his Tasks, the Company undertakes, with retroactive effect as of January 1st, 2002:

- to pay a gross monthly fee of €25,833.33;
- to pay €175.00 in expense reimbursements per month;.

3.2 The monthly fee is based on a full-time commitment to the Company, it being understood that no services will need to be delivered during a maximum of twenty-five (25) business days per year.

The Company undertakes to continue to pay a monthly fee of €25,833.33 in full for a period of one month, should Mr. Van de Stolpe fall ill. After such one-month period, no further monthly fees shall be owed by the Company until Mr. Van de Stolpe resumes the performance of this agreement.

3.3 In accordance with applicable laws, Mr. Van de Stolpe will himself be responsible for making all required payments to the social security authorities.

3.4 The Company will withhold the amounts required by applicable tax laws regarding managers of companies from the remuneration mentioned in section 3.1.

3.5 The remuneration mentioned in this section is the total remuneration that Mr. Van de Stolpe can claim from the Company in consideration for the performance of his tasks, including his function as Director of the Company and any other specific duties he may be entrusted with in other group companies in connection with his tasks.

4 Expenses relating to the Tasks and technical resources

4.1 The Company will reimburse any useful and necessary expenses incurred by Mr. Van de Stolpe specifically in the performance of his tasks, such as travel and accommodation expenses. These expenses will be reimbursed to Mr. Van de Stolpe upon presentation of supporting documents.

4.2 The Company shall make the offices and technical and telecommunication resources that are needed for the performance of his tasks available to Mr. Van de Stolpe at the Company's registered office.

5 Mutual exclusivity and non-assignability

5.1 Mr. Van de Stolpe has been entrusted with the Tasks *intuitu personae* and he shall not be entitled to assign any third party to perform the Tasks in whole or in part without the express prior consent of the Company.

5.2 Mr. Van de Stolpe undertakes to spend sufficient time on the performance of his Tasks in a good manner and, accordingly, not to carry out additional remunerated or unremunerated activities during the term of this agreement without prior written consent of the Board of Directors of the Company.

6 Confidentiality obligation

6.1 Mr. Van de Stolpe shall treat all information relating the Company and the other group companies as strictly confidential and shall not disclose to any third party any information relating the Company and the other group companies that he becomes aware of in the performance of his Tasks.

6.2 The parties shall not disclose the financial conditions of this agreement to any third party.

6.3 All confidentiality obligations shall survive after the present agreement has ended.

6.4 If the agreement is terminated for any reason, Mr. Van de Stolpe will return to the Company all documents, proposals and materials that are in his possession because of the performance of his Tasks and of which he has not kept a copy.

7 Term of the agreement – termination and compensation

7.1 The present agreement, which entrusts Mr. Van de Stolpe with the function of Managing Director, is entered into for an indefinite term.

7.2 Notwithstanding the preceding paragraph, the present agreement will be terminated without any compensation being due three (3) months after Mr. Van de Stolpe ceases to be a Director of the Company because of his dismissal or non-renewal of his mandate by the Company's Shareholders' Meeting.

7.3 The Company may terminate this agreement without notice and without any compensation being due if Mr. Van de Stolpe fails to perform his Tasks during more than 6 months out of a total period of 12 months, due to illness or any other form of incapacitation.

7.4 Mr. Van de Stolpe may terminate this agreement at any time by means of a registered letter to the Company. Such termination will take effect three (3) months after the date the notice was sent and neither Mr. Van de Stolpe nor the Company will need to pay any compensation.

7.5 Each party may terminate this agreement immediately, without notice and without any compensation being due, if the other party is in breach of one of its obligations under this agreement and such breach is not remedied within fifteen (15) days of written notification thereof.

8 Non-competition

8.1 During the term of this agreement and for a period of no more than twenty-four (24) months following the end of the collaboration, provided that the Company pays the compensation mentioned in section 8.2, Mr. Van de Stolpe shall refrain from conducting, independently or in collaboration with or on behalf of any other person, company, professional undertaking or other organisation, individually or through a legal entity, directly or indirectly, any competitive activities or other activities for companies that compete with, are clients of, or are suppliers of the Company or its subsidiaries, in any way in the territory of Europe.

8.2 In consideration for the application of the limitations imposed by this clause on Mr. Van de Stolpe, the Company shall pay compensation in an amount equal to the most recent gross monthly fee mentioned in section 3.1 for each month during which the Company wishes to impose such non-compete obligation.

9 Intellectual and Industrial Property Rights

9.1 All reports, documents, working papers (including copies and summaries thereof), databases and other copyrights, neighbouring rights, database rights, drawing and design rights, trademarks, patents, patentable works made or obtained by Mr. Van de Stolpe during the collaboration, along with all worldwide database, drawing and design rights, trade secret rights as well as trademark and patent rights, and all other intellectual and industrial property rights and similar or other rights on such works, as well as on all applications thereof, will automatically be transferred and assigned to the Company and will be the Company's sole and exclusive property.

9.2 The Company shall be the sole owner of any patents, patentable rights, drawing and design rights, copyrights, neighbouring rights, database rights, trade secret rights, trademarks or other rights, as well as all applications thereof, in connection with works made or obtained by Mr. Van de Stolpe during the course of the collaboration. Mr. Van de Stolpe hereby transfers and assigns any right, title, and interest he has or may obtain in such works to the Company. If Mr. Van de Stolpe during the collaboration, at any time or in any capacity, includes in a product, process or machine of the Company any pre-existing work that he owned or in which he had an interest, the Company is hereby granted an exclusive, royalty-free, irrevocable, perpetual, transferrable, worldwide license to produce, modify, use, commercialize, sell and distribute any such pre-existing work as part of, or in connection with, such product, process or machine of the Company.

9.3 During and after the collaboration, Mr. Van de Stolpe will do anything, at the expense of the Company, which the Company deems necessary or useful to allow it and to aid it to prove or perfect the rights of the Company arising out of this agreement and to obtain, maintain, protect and enforce drawing and design rights, database rights, patent rights, copyrights, neighbouring rights, trademarks, trade secret rights or other intellectual and industrial property rights and/or similar rights in connection with any protected work in any country. Such acts may include, but are not limited to, signing documents and assisting or cooperating in legal proceedings. Mr. Van de Stolpe hereby irrevocably appoints the Company and its authorized representatives and agents as his representatives to act in his name and on his behalf, to sign and apply for documents, forms and related items and to take any other lawful action, including, but not limited to, completing the grant, the exercise and the issuance of patents, patent applications, copyright applications and registrations, registration of trademarks and of other rights in connection with such protected works, with similar legal force and effect as if carried out by Mr. Van de Stolpe himself.

9.4 Each assignment of copyrights and/or neighbouring rights in connection therewith (including the ownership of such rights) includes all rights of paternity, integrity, disclosure, respect and all other rights that are known as or are referred to as "moral rights" (jointly, "Moral Rights"). Insofar as any such Moral Rights cannot be assigned under the applicable laws and insofar as the following is permitted in the relevant country, the manager hereby waives such Moral Rights and confirms that he consents to any act of the Company that would constitute an infringement of such Moral Rights, were it not for such prior consent.

9.5 Notwithstanding what is set forth in the preceding paragraph, which takes precedence over this paragraph, and insofar as legally permitted in the relevant country, Mr. Van de Stolpe acknowledges and agrees that (i) all protected works that fall within the scope of the current agreement will be exploited in the Company's name, (ii) and that, as the case may be, such protected works will be publicly disclosed at the Company or its successor's discretion, (iii) the Company or its successor is entitled to modify such protected works whenever the needs of the Company so require, (iv) Mr. Van de Stolpe is not entitled to exercise his right to respect, if any, and (v) Mr. Van de Stolpe is not entitled to exercise his right to paternity, if any, in any way that would harm the normal exploitation of the protected work by the Company or its successor.

9.6 Any assignment of copyrights includes any right to exploit, even in a form that is not yet known at the time this agreement is entered into. If required under mandatory applicable law for the validity of such assignment, each exploitation in a form that was not yet known at the time this agreement was entered into, will be compensated by way of a lump sum payment amounting to 1% of the original monthly fee payable to Mr. Van de Stolpe for each new exploitation form, regardless of the material and/or territorial scope and/or term of such exploitation.

9.7 This commitment will remain in force for one (1) year after termination of the present agreement for all software developments / and inventions, improvements that could be realized with data obtained from the Company or that relate to projects for which the Company used Mr. Van de Stolpe's services.

10 General provisions

10.1 Mr. Van de Stolpe shall comply with all legal obligations, including social and tax obligations, that apply to him, and shall indemnify the Company against any claims that are made by any third party on the basis of the obligations assumed by, or applicable to, Mr. Van de Stolpe.

10.2 During the collaboration and for a term of twenty-four (24) months after the collaboration is terminated in any way, Mr. Van de Stolpe shall refrain from, in any way, either on his own behalf or on behalf of, or in collaboration with, any other person, company, professional undertaking or other organisation, directly or indirectly:

- convincing, advising, or inducing any employee or service provider of the Company to terminate his employment or service provider relationship with the Company, to the extent such employees or service providers are present in the Company at the time of termination or during a period of three (3) months prior to termination;
- employing or otherwise using the services of an employee or service provider, to the extent such employees or service providers are present in the Company at the time of termination or during a period of three (3) months prior to termination.

11 Notices

11.1 All notices provided for in this agreement shall be made as follows:

- the Company: for the attention of Mr. Rudi Pauwels at the Company's registered office;
- Mr. Van de Stolpe: at the address mentioned on the first page of this agreement.

11.2 These addresses will remain valid until the other party has been notified of an address change by means of a registered letter with acknowledgment of receipt.

12 Severability and entire agreement

12.1 The invalidity of any clause of the agreement will not result in the invalidity of the entire agreement. Nevertheless, in the event a clause is found to be invalid, the parties will agree to replace such clause with an equivalent and valid clause which maintains the structure of the original agreement.

12.2 This agreement contains the entire agreement between the parties and supersedes and replaces all prior agreements or arrangements. Each amendment to this agreement shall be made in writing and approved by all parties.

12.3 Parties confirm that the obligations contained in the Professional Confidentiality agreement signed in Mechelen on 1 February 2000 remain in force, with the sole exception of section 8 which is hereby replaced by section 8 of the current agreement. If the terms of the Professional Confidentiality agreement conflict with the terms of this agreement, the terms of this agreement will prevail.

13 Governing law and jurisdiction

13.1 This agreement is governed by Belgian law.

13.2 Only the courts of Mechelen are competent to resolve disputes relating to the entering into, interpretation, performance or termination, with the exception of the right of the Company to sue Mr. Van de Stolpe before any other competent court in accordance with applicable laws.

Made in Mechelen, on 1 March 2002, in two copies, and each party acknowledges receipt of its original copy.

Mr. Van de Stolpe	**For the Company**
/s/ Onno van de Stolpe	/s/ Rudi Pauwels
Onno van de Stolpe	Rudi Pauwels
	Chairman Board of Directors

CONFIDENTIAL

TERMS OF EMPLOYMENT FOR AN INDEFINITE PERIOD OF TIME

The undersigned:
Galapagos B.V.
Established at Darwinweg 24, 2333 CR Leiden,
Hereinafter referred to as “the employer”

And

Onno van de Stolpe
########## #
######
Hereinafter referred to as “the employee”

Article 1 Agree that

1.1 The employee shall take up his employment with the employer for an indefinite period on March 1st, 2011.

1.2 The term of notice for both parties is six months. Notice may only be given at the end of the month in writing.

1.3 The employee shall take up employment with the employer in the position of Chief Executive Officer.

Article 2 Remuneration

2.1 The employee shall receive a gross salary of €180,864.22 a year, i.e. €13,955.58 a month, which the employer shall pay out at the end of each month. The employee will not be paid for any work carried out outside of or above the number of working hours agreed upon. The salary will be reviewed once a year.

2.2 The annual gross salary mentioned in 2.1 includes a 8% holiday bonus.

2.3 The employer will withhold tax as required by local fiscal authorities, but employee is responsible for both his overall tax position and the ultimate payment of all tax liabilities.

2.4 The employee will not participate in the employer’s pension plan.

2.5 The employee retains the right to claim 100 % of his last-earned salary for a period of two weeks if he is unable to carry out his duties as a result of sickness. After this period, the employee retains the right to claim 85% of his last-earned salary for a period of 50 weeks.

2.6 The claim to continued payment of salary, set out in clause 2.6 shall not apply if the sickness in question was caused either wilfully or is the result of a disorder or ailment about which he deliberately gave no information when entered into the contract of employment.

Article 3 **Job contents and job performance**

3.1 The employee shall perform his duties for the employer for at least 10 hours a week.

3.2 The employee is entitled to 6.25 days leave on full pay per calendar year, subject to a full working week of 10 hours. The employee is aware that the company may determine specific compulsory days off.

3.3 Insofar as may reasonably be expected of the employee, the employee will be required to carry out other duties and/or to work at different times and/or at a different location.

Article 4 **Miscellaneous terms and conditions**

4.1 The employee is prohibited from passing on any information to third parties in whatever form, either directly or indirectly, about or regarding any matters that concern or are connected in any way with his employer or any of his employer's affiliated companies, of which he may reasonably be expected to know, or should understand, that such information is not intended for the cognisance of third parties, irrespective of how the employee has learnt about such matters. For the sake of clarity, it must be stated that all business contact or other co-workers of his employer are included under the terms of this confidentiality clause.

4.2 Without receiving prior written permission from his employer, the employee shall carry out no other paid work during his contract of employment; nor shall he establish, run or co-run, or to have run in his name a business that competes with the company run by his employer or with any affiliated company thereto, either direct or indirect, or to have an interest of any sort in such a company, or to work in or for such a company in any way whatsoever, either for pay or by gratuitous title. It is prohibited for the employee during a period of one year after the termination of his contract of employment to establish, run or co-run, or to have run in his name a business that competes with the company run by his employer or with any affiliated company thereto, either direct or indirect, or to have an interest of any sort in such a company, or to work in or for such a company in any way whatsoever, either for pay or by gratuitous title. In the event of an infringement of this prohibition, the employee shall by operation of law forfeit a penalty of €11.350,- plus a fine of €455,- for each day of the infringement without prejudicing his obligation to indemnify his employer for the full amount of damages incurred.

4.3 The employee undertakes the commitment to transfer to his employee, and insofar as is possible does hereby transfer to his employer-at least insofar as the rights referred to hereinafter do not already belong to the employer by operation of law by virtue of the contract of employment entered into by both parties-all right, of whatever nature, both in the Netherlands and elsewhere, on and ensuing from all the inventions made by the employee while carrying out his duties. The employee acknowledges that his salary is inclusive of a reasonable emolument for the loss of intellectual and industrial property rights.

4.4 While carrying out his duties, the employee shall abide by the regulations governing employment in force at his employer's company.

4.5 The employer has the right to place the employee on leave of absence on full pay if he has good reason for doing so.

4.6 Upon termination of his employment, the employee is under the obligation to return immediately to his employer all materials, documents and copies of information (in whatever form), articles, keys, and suchlike, that belong to his employer.

4.7 In the event the employee would have contractual agreements with companies that are affiliates of the employer, than, upon termination of such agreements, this employment agreement will simultaneously terminate as well.

4.8 If the contract with Galapagos N.V. is terminated for any reason, you will resign from you employment with Galapagos B.V. with effect from the date your employment with Galapagos N.V. terminates, and you will not be entitled to receive any termination payments whatsoever.

4.8 Dutch law shall apply to this contract.

Thus agreed upon, drawn up in duplicate and signed in Leiden on March 1st, 2011

Galapagos B.V.

/s/ Guillaume Jetten
Guillaume Jetten
CFO

/s/ Peter England
Peter England
VP Human Resources

The employee:

/s/ Onno van de Stolpe
Onno van de Stolpe

FREE TRANSLATION – For information purposes only

Annex 1 to the Agreement
due to the simultaneous performance of the function

Between undersigned parties:

GALAPAGOS NV,
Generaal De Wittelaan L11 A3, 2800 Mechelen,
hereinafter "the Company",

and

Onno van de Stolpe
########## #, #### ## ######, the Netherlands
hereinafter "Mr. Van de Stolpe",

Whereas the Company and Mr. Van de Stolpe have entered into a Management Agreement dated 1 March 2002 which has entered into effect on retroactively 1 January 2002;

It has been agreed as follows, effective 1 March 2011:

Article 1

Article 3.1 of the Management Agreement shall be deleted in its entirety and replaced with the following text:

"*As consideration for the performance by Mr. Van de Stolpe of this agreement, the Company shall pay him, as of **1 March 2011**:*

- *a gross annual remuneration of 165.361 euro;*
- *a monthly cost allowance of 179.78 euro.*

This remuneration will be reviewed annually."

Article 2

Article 3.2 of the Management Agreement shall be deleted in its entirety and replaced with the following text: "*The annual remuneration assumes a part-time commitment of 40 % of the full-time performance for the Company, with an exemption of performances during a maximum of ten (10) working days a year.*

In case of illness of Mr. Van de Stolpe the Company shall continue to pay the remuneration mentioned in article 3.1 during one month. After such period, the Company will no longer be due to pay the remuneration until the execution of this Agreement will have resumed."

Article 3

Article 8.2 of the Management Agreement shall be deleted in its entirety and replaced with the following text: "*As consideration for the application of the restrictions imposed on Mr. Van de Stolpe and set forth in this provision, the Company shall pay him an amount equal to the last gross monthly remuneration, based on a full-time (100%) performance of his services, for each month that the Company requires the non-competition restrictions to be complied with."*

Article 4

Mr. Van de Stolpe reserves the fringe benefits as foreseen by the Company, such as the right to a company car with fuel card, the guaranteed income insurance and the individual pension scheme.

Article 5

All provisions of the Management Agreement that are not amended by this Annex will remain in full force and effect.

FREE TRANSLATION – For information purposes only

Made in Mechelen, on 12 March 2015, in duplicate. Each party declares having received an original.

Mr. Van de Stolpe [handwritten: read and approved]

/s/ Onno van de Stolpe

(Signature, preceded by "*read and approved*")

Galapagos NV

/s/ Peter England

Peter England
VP Human Resources

Annex 1 to Terms of employment for an indefinite period of time

Between:
Galapagos B.V.
Established at Darwinweg 24, 2333 CR Leiden,
Hereinafter referred to as “the employer”

And

Onno van de Stolpe
########## #
######
Hereinafter referred to as “the employee”

Whereas the employer and the employee have entered into an employment contract dated 1 March 2011 and now wish to amend certain provisions thereof,

It has been agreed as follows, effective 1 March 2011:

Article 1

Article 2.1 of the employment contract shall be deleted in its entirety and replaced with the following text:

“*The employee shall receive an annual gross remuneration of €144,691, which the employer shall pay out in monthly instalments at the end of each month. The employee will not be paid for any work carried out outside of, or above, the number of working hours agreed upon. The remuneration will be reviewed once a year.*”

Article 2

Articles 3.1 and 3.2 of the employment contract shall be deleted in their entirety and replaced with the following text:

“*The employee shall perform his duties for the employer during at least 14 hours per week.*

The employee shall be entitled to 8.75 days leave on full pay per calendar year, subject to a full working week of 14 hours. The employee is aware that the company may determine specific compulsory days off.”

Thus agreed upon, drawn up in duplicate and signed in Leiden on 12 March 2015

Galapagos B.V.	The employee:
/s/ Peter England	/s/ Onno van de Stolpe
Peter England VP Human Resources	Onno van de Stolpe

Management Agreement

Between:

(1) **Galapagos SASU**, a simplified joint stock company (*société par actions simplifiée*) organized under the laws of France, with a capital of €5,119,900, registered with the Commercial Registry (*Registre de Commerce et des Sociétés*) of Bobigny under the number 440348480, with registered office at 102 Avenue Gaston Roussel, 93230 Romainville (France), represented by Mr Ghislain Leroy, Human Resources Director (hereinafter the "**Company**"),

and

(2) **Mr. Onno van de Stolpe**, an individual residing at ########## #, #### ## ###### (The Netherlands) (hereinafter "**Mr. Van de Stolpe**"),

It has been agreed as follows:

1 Duration

This agreement shall enter into effect as of 1 March 2011 for an indefinite duration.

2 Probation period

No probation period shall be required under this agreement.

3 Function

Mr. Van de Stolpe will serve as President of the Company.

4 Place of performance

4.1 Mr. Van de Stolpe will perform his duties at the headquarters of the Company, which is currently located at 102 Avenue Gaston Roussel, 93230 Romainville (France).

4.2 The Parties agree that, in light of the service needs and Mr. Van de Stolpe's duties under this agreement, Mr. Van de Stolpe might be required to travel in France and abroad, including to other companies of the Galapagos group.

4.3 The travel and subsistence expenses shall be reimbursed in accordance with the scales and conditions prevailing in the Company.

5 Organization of work

The broad independence Mr. Van de Stolpe enjoys in the organization of his work, as well as his autonomy in decision-making involved in his position and his salary level, rank him as an executive (*cadre dirigeant*). As such, he is not subject to legal and contractual provisions on hours of work. However, the remuneration assumes a part-time commitment of 25% of the fulltime performances for the Company, with an exemption of performances during a maximum of 6.25 working days a year.

6 Remuneration

The annual gross remuneration of Mr. Van de Stolpe shall be €103,351, including a year-end premium in accordance with the applicable procedures in the Company. This year-end premium is determined taking into account the time of actual presence in Company.

7 Local social security, complementary insurance, pension scheme

Mr. Van de Stolpe will not benefit of the local social security, nor of the complementary health & inability insurance or local pension scheme.

8 Local income tax

8.1 Mr. Van de Stolpe will be responsible for both his overall tax position and the ultimate payment of all tax liabilities. The Company will withhold taxes as required by local tax authorities, if and when applicable.

8.2 The HR department of the Company will provide assistance to Mr. Van de Stolpe for the local formalities concerning his annual income tax return.

9 Confidentiality

9.1 Mr. Van de Stolpe shall treat all records, documents and information concerning the Company and the Group (including without limitation any information pertaining to the organization, methods, customers, staff, products, partners and projects of the Company and the Galapagos group) with the highest degree of confidentiality.

9.2 This obligation, which is inherent to a good faith execution of his functions, is an essential element of the relationship between the Company and Mr. Van de Stolpe and shall survive the expiration or termination of this agreement.

10 Termination

10.1 Either party can terminate this agreement at any time, subject to 30 days' prior written notice.

10.2 The parties acknowledge that Mr. Van de Stolpe has employment and/or management arrangements with other entities of the Galapagos group. Upon termination of any such arrangement, this agreement will simultaneously terminate as well, without further notice, and Mr. Van de Stolpe will be deemed to resign from his duties with the Company with immediate effect. Upon termination of this agreement, Mr. Van de Stolpe will not receive any severance pay with respect to the termination of this agreement.

10.3 Upon termination of this agreement, Mr. Van de Stolpe shall immediately return to the Company any and all materials, documents and copies of information (in whatever form), articles, keys and suchlike belonging to the Company.

11 Governing law

11.1 This agreement is governed by the laws and regulations of France.

11.2 By way of simple information and without that this reference could be an element of the agreement with Mr. Van de Stolpe, it is mentioned that the collective bargaining agreement currently applicable to the Company is the Collective agreement for the Chemical Industries.

Made in Romainville, on 12 March 2015 in twofold. Each party declares having received an original.

Galapagos SASU

/s/ Ghislain Leroy

Name: Mr. Ghislain Leroy

Title: Director Human Resources

Mr. Onno van de Stolpe

/s/ Onno van de Stolpe

Free translation for information purposes only

Framework agreement concerning simultaneous performance of the position of Chief Executive Officer

Between:

(1) **Galapagos NV**, a Belgian company, established at Generaal De Wittelaan L11 A3, 2800 Mechelen (Belgium), represented by Peter England, VP Human Resources (hereafter "**GLPG NV**");

(2) **Galapagos SASU**, a French company, established at 102 avenue Gaston Roussel, 93230 Romainville (France), represented by Ghislain Leroy, Director Human Resources (hereafter "**GLPG SASU**");

(3) **Galapagos B.V.**, a Dutch company, established at Darwinweg 24, 2333 CR Leiden (The Netherlands), represented by Peter England, VP Human Resources (hereafter "**GLPG BV**"); and

(4) **Onno van de Stolpe**, residing at ########## #, #### ## ###### (The Netherlands) (hereafter "**Mr. Van de Stolpe**")

It has been agreed as follows, effective 1 March 2011:

Article 1

1.1 With effect from 1 March 2011, Mr. Van de Stolpe shall perform his duties as Chief Executive Officer simultaneously in several countries, i.e.:

(i) in Belgium for GLPG NV, in accordance with the management agreement dated 1 March 2002, that came into force on 1 January 2002, as amended by addendum dated on 12 March 2015 entered in force on 1 March 2011 (jointly the "**Belgian Agreement**");

(ii) in France for GLPG SASU, in accordance with the agreement dated 12 March 2015, that came in force on 1 March 2011 (jointly the "**French Agreement**"); and

(iii) in the Netherlands for GLPG BV, in accordance with the agreement dated 1 March 2011, that came into force on 1 March 2011, as amended by addendum dated 12 March 2015 entered in force on 1 March 2011 (jointly the "**Dutch Agreement**" and jointly with the Belgian Agreement and the French Agreement, the "**Local Agreements**").

1.2 Any amendment to the simultaneous performance of the position of Chief Executive Officer (the "**Simultaneous Performance**"), including without limitation a redistribution of the performance of the services or any extension of the Simultaneous Performance in additional countries, will be subject of new written agreements.

1.3 The provisions of this framework agreement solely apply to the Simultaneous Performance for GLPG NV, GLPG BV and GLPG SASU (jointly the "**Companies**"). Upon termination of the Simultaneous Performance, this framework agreement shall automatically terminate as well.

Article 2

2.1 As result of the Simultaneous Performance, the Companies will be severally and individually responsible for the compliance with their obligations and in particular for the payment of allowances, benefits and tax burdens arising from the Simultaneous Performance.

2.2 The gross remuneration of Mr. Van de Stolpe is subject to local tax regimes of the respective Companies. The estimated tax contributions will be deducted from the gross remuneration in the respective countries by the local company and be paid to the local tax authorities.

2.3 During the Simultaneous Performance, Mr. Van de Stolpe is liable to pay contributions to the Dutch social security to the extent that the Belgian and French social security institutions have given their consent in this respect. In such event, no contribution is owed to the Belgian or French social security system[1].

[1] For this purpose the form 'A1' will be requested by GLPG BV at the Dutch social security authorities. This document proves that Mr. Van de Stolpe is liable to contribute to the Dutch social security system during the period of simultaneous performance of the function.

2.4 GLPG BV will be responsible for the monthly deductions for social security contributions and shall pay these to the Dutch social security.

2.5 The Companies cannot be held responsible for any additional tax or social security contributions that would still be owed by Mr. Van de Stolpe after settlement of the annual tax declaration.

Article 3

During the Simultaneous Performance, the following shall apply:

3.1 Distribution of the performance of the position

3.1.1 Mr. Van de Stolpe shall continue his full-time commitment and shall perform part of his commitment (40%) for GLPG NV, another part (35%) for GLPG BV and a third part (25%) for GLPG SASU.

3.1.2 The Local Agreements contain provisions regarding working hours. Mr. Van de Stolpe shall comply with local rules and procedures.

3.2 Place of performance of the position

Mr. Van de Stolpe shall perform his function at the establishment of GLPG NV, GLPG BV or GLPG SASU, depending on whether Mr. Van de Stolpe performs duties for, or on behalf of, GLPG NV, GLPG BV or GLPG SASU.

3.3 Theoretical gross remuneration

The total theoretical remuneration, based on full-time commitment to the Companies (40% in Belgium, 35% in the Netherlands and 25% in France, as set forth in article 3.1 above), amounts to €434,321 gross per year on 1 March 2011.

3.4 Yearly holidays and bank holidays

3.4.1 The parties agree that local legal provisions concerning exemptions from performance or holidays shall be applied during the Simultaneous Performance both with regard to holiday entitlements as holiday pay during and after service.

3.4.2 Where statutory holidays of the three countries do not coincide, the Dutch bank holidays shall apply to Mr. Van de Stolpe.

3.5 Holiday payment

To the extent required under local regulations, Mr. Van de Stolpe will receive a holiday payment.

3.6 Year-end premium

To the extent required under local regulations, Mr. Van de Stolpe shall be entitled to a year-end premium.

3.7 Social documents

The Companies shall cause the required social documents to be delivered to Mr. Van de Stolpe and/or the appropriate authorities.

Article 4

4.1 Subject to the provisions of article 4.2, if the French Agreement and/or Dutch Agreement is terminated for any reason whatsoever (and the Belgian agreement is continued), then this framework agreement

shall automatically be terminated and Mr. Van de Stolpe shall perform his position on a full-time (100%) basis for GLPG NV. Upon such occurrence, the Belgian Agreement will be adapted accordingly and no severance or other compensation will be payable by GLPG SASU and/or GLPG BV.

4.2 If the Belgian Agreement is terminated for any reason, the French Agreement, the Dutch Agreement and this framework agreement shall automatically terminate. Upon such occurrence, no severance or other compensation will be payable by GLPG SASU and/or GLPG BV.

4.3 Furthermore, parties agree that upon termination of this framework agreement by either party, the provisions of the Belgian Agreement (as the case may be, as amended from time to time) shall apply to the overall performance of Mr. Van de Stolpe's duties.

Article 5

5.1 With the exception of explicit deviations set forth in this agreement, this agreement shall be governed by, and construed in accordance with, Belgian law. The courts of headquarters of GLPG NV shall have exclusive jurisdiction over any dispute arising out of, or in connection with, this Agreement.

5.2 Parties agree that, should mandatory French or Dutch legal provisions apply notwithstanding the choice of Belgian law, there shall in no event be any accumulation of compensations or benefits of the same kind in respect of Mr. Van de Stolpe. However, if this were not possible pursuant to the mandatory nature of the relevant cumulatively applicable French or Dutch provisions, any sums paid or granted shall, as the case may be, be set-off, in order to exclude any accumulation of compensations or benefits of the same kind.

Made on 12 March 2015 in fourfold. Each party declares having received an original.

/s/ Onno van de Stolpe [handwritten: read and approved]
Onno van de Stolpe
Read and approved(1)

(1) The words "read and approved" must be handwritten.

Galapagos NV	Galapagos SASU	Galapagos B.V.
/s/ Peter England	/s/ Ghislain Leroy	/s/ Peter England
Peter England	Ghislain Leroy	Peter England
VP Human Resources	Director Human Resources	VP Human Resources

DATED 13 MARCH 2014

PROJECT PENGUIN

SALE & PURCHASE AGREEMENT

BETWEEN

CHARLES RIVER LABORATORIES HOLDINGS LIMITED

CHARLES RIVER NEDERLAND B.V.

GALAPAGOS N.V.

AND

GALAPAGOS B.V.

CONTENTS

THIS AGREEMENT is made as a DEED on the 13 day of March 2014 between:

PARTIES

(1) **CHARLES RIVER LABORATORIES HOLDINGS LIMITED** incorporated and registered in England and Wales with company number 03894892 whose registered office is at Manston Road, Margate, Kent CT9 4LT (the "**UK Buyer**");

(2) **CHARLES RIVER NEDERLAND B.V.** incorporated and registered in the Netherlands with company number 34137756 whose registered office address is at Amsterdam, The Netherlands and whose place of business is at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost (the "**Dutch Buyer**");

(3) **GALAPAGOS N.V.** incorporated and registered in Belgium with enterprise and VAT number 0466.460.429 whose registered office is at Industriepark Mechelen Noord, Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium (the "**Seller**"); and

(4) **GALAPAGOS B.V.** incorporated and registered in the Netherlands with company number 28083700 whose registered office is at Darwinweg 24, 2333 CR Leiden, The Netherlands (the "**Dutch Seller**").

BACKGROUND

(A) The Company is a private company limited by shares incorporated in England and Wales.

(B) Further particulars of the Company and of the Subsidiaries at the date of this Agreement are set out in Schedule 1.

(C) The Target Group and the Dutch Business together comprise the Services Division operated by the Sellers.

(D) The Seller is the legal and beneficial owner of the Sale Shares and the Dutch Seller is the legal and beneficial owner of the Dutch Business.

(E) In respect of the acquisition of the Dutch Business as contemplated by this Agreement, the Dutch Buyer and the Dutch Seller have complied with their obligations pursuant to the SER Merger Code (*het SER-Besluit Fusiegedragsregels 2000*) and the Dutch Works Councils Act (*Wet op de ondernemingsraden*) by having obtained an unconditional positive advice from the works council of the Dutch Seller.

(F) The Sellers wish to sell (or procure the sale, as appropriate) and the Buyers have agreed to purchase the Services Division through the sale and purchase of the Sale Shares and the Dutch Business on the terms set out in this Agreement.

IT IS AGREED AS FOLLOWS

1. INTERPRETATION

1.1. The definitions and rules of interpretation in this clause apply in this Agreement.

"2012 Accounts" means the Accounts, but excluding the Accounts of Cangenix, in respect of the 12 month period ended on 31 December 2012;

"2012 Cangenix Accounts" means the Accounts of Cangenix in respect of the 12 month period ended on 31 March 2012;

"2013 Accounts" means the Accounts in respect of the 12 month period ended on 31 December 2013;

"2013 Management Accounts" means the unaudited statement of assets and liabilities and profit and loss account of the Company and the Services Division Operating Companies as of and for the period of 12 months ended on 31 December 2013 prepared using the MONA system, in the agreed form;

"2014 Management Accounts" means the unaudited profit and loss account of the Services Division Operating Companies for the period of 2 months ended on 28 February 2014 in the agreed form;

"Access Fee" means the access fee of US$2,000,000 paid by Biogen Idec MA, Inc. to BioFocus DPI Limited pursuant to the Biogen Collaboration Agreement and any deferred income relating to such fee;

"Accounting Policies" has the meaning given to that term in Part 1 of Schedule 6;

"Accounts" means the audited financial statements of the Company and the Subsidiaries as at and to the relevant Accounts Date, prepared in accordance with UK GAAP, comprising the individual accounts of the Company and the Subsidiaries, including in each case the balance sheet, profit and loss account together with the notes on them and the auditors and directors report;

"Accounts Date" means:

(i) in respect of the 2012 Accounts, 31 December 2012;

(ii) in respect of the Accounts of Cangenix, 31 March 2012; and

(iii) in respect of the 2013 Accounts, 31 December 2013;

"Agreement for Lease" means the Agreement for Lease and Agreement for Surrender dated 12 August 2013 between Aviva Life & Pensions UK Limited, BioFocus DPI Limited and the Seller relating to, *inter alia*, the Robinson Building (Buildings 600 and 700), Chesterford Park, Little Chesterford;

"Bank Debt" has the meaning given to that term in Part 1 of Schedule 6;

"Biogen Collaboration Agreement" means the collaboration agreement dated 8 November 2013 between BioFocus DPI Limited, the Seller and Biogen Idec MA, Inc.;

"Business" means the business of contract research test services for third party biopharmaceutical companies, academic institutions, non-profit organisations and governments for the purpose of developing novel therapeutics carried on by the Services Division;

"Business Day" means a day other than a Saturday, Sunday or public holiday in England or the Netherlands when banks in London and Amsterdam are open for business;

"Business Intellectual Property" means all IPR which the Target Group or the Dutch Seller owns or which is used or held for use in the Business as carried on at or prior to Completion, including, without limitation, all Licensed IPR and the Dutch IPR;

"Buyers" means the UK Buyer and the Dutch Buyer and "**Buyer**" means either one of them, as the context requires;

"Buyers' Indemnities" means the indemnities in clauses 6.2 and 6.6;

"Buyers' Indemnity Claim" means a claim brought by the Sellers for breach of any of the Buyers' Indemnities by the Buyers;

"Buyers' Solicitors" means Dickson Minto W.S. of 16 Charlotte Square, Edinburgh EH2 4DF;

"Cangenix" means Cangenix Limited a company incorporated in England and Wales with company number 0758596;

"Cangenix Deferred Consideration Amount" means the amount of the deferred consideration payable pursuant to the terms of the Cangenix SPA;

"Cangenix SPA" means the share purchase agreement dated 4 January 2013 between Argenta Discovery 2009 Limited and each of Richard Bazin, David Brown, Stephen Irving and Colin Robertson, in relation to the acquisition of the entire issued share capital of Cangenix Limited by Argenta Discovery 2009 Limited;

"Carved-out US Entities" means BioFocus, Inc., BioFocus DPI, LLC and Xenometrix Inc.;

"Cash" has the meaning given to that term in Part 1 of Schedule 6;

"Claim" means a claim for breach of any of the Sellers' Warranties;

"Company" means BioFocus DPI (Holdings) Limited, a company incorporated and registered in England and Wales with company number 03253690 whose registered office is at Chesterford Research Park, Saffron Walden, Essex, CB10 1XL, further details of which are set out in Part 1 of Schedule 1;

"Completion" means completion of the sale and purchase of the Sale Shares and the Dutch Business in accordance with this Agreement;

"Completion Accounts" has the meaning given to that term in Part 1 of Schedule 6;

"Completion Date" has the meaning given in clause 5.2;

"Completion Net Cash/Debt" has the meaning given to that term in Part 1 of Schedule 6;

"Completion Working Capital" has the meaning give to that term in part 1 of Schedule 6;

"Compound Focus SPA" means the share purchase agreement dated 1 June 2011 between BioFocus, Inc., the Company, Renevois, Inc. and Evotec AG in relation to the disposal of Compound Focus, Inc. by BioFocus, Inc.;

"Conditions" means the conditions to Completion, being the matters set out in Schedule 2;

"Connected" has, in relation to a person, the meaning given in section 1122 of the CTA 2010;

"Control" shall be as defined in section 1124 of the CTA 2010, and the expression change of Control shall be construed accordingly;

"Crucell Licence" means the Research and Commercial License Agreement to be entered into between Crucell Holland BV ("Crucell") and the Dutch Buyer under which Crucell agrees to grant the Dutch Buyer a licence to use certain patents and associated know-how;

"CTA 2010" means the Corporation Tax Act 2010;

"DCC" means the Dutch Civil Code *(Burgerlijk Wetboek*);

"Debt Items" has the meaning given to that term in Part 1 of Schedule 6;

"Director" means each person who is a director or shadow director of the Company or any of the Subsidiaries, as set out in Schedule 1;

"Disclosed" means fairly disclosed (with sufficient details to identify the nature and scope of the matter disclosed) in or under the Disclosure Letter or the Supplementary Disclosure Letter, as appropriate;

"Disclosure Letter" means the letter (including the annexes thereto) from the Sellers to the Buyers in agreed form, with the same date as this Agreement that is described as the Disclosure Letter;

"Dispute Notice" has the meaning given to that term in Part 1 of Schedule 6;

"DPA" means the Data Protection Act 1998 and any legislation and/or binding regulations implementing that Act or made in pursuance of that Act;

"Draft Completion Accounts" has the meaning given to that term in Part 1 of Schedule 6;

"Draft Post Completion Revenue Statement" has the meaning given to that term in Part 1 of Schedule 7;

"Due Amount" means the amount (if any) due to the Buyers on a Relevant Claim being settled;

"Dutch Assets" means the assets, property, rights of the Dutch Seller, equipment, stock and other assets used in, relating to, required for use in or otherwise attributable to the Dutch Business, as detailed in Schedule 11 and the Dutch IPR;

"Dutch Business" means the BioFocus activities of the business operated by the Dutch Seller, namely target identification to in vitro proof of concept, comprising the Dutch Assets, the Dutch Lease, the Dutch Contracts, the Dutch Records and the Dutch Employees;

"Dutch Contracts" means together the LUMC Agreement, the Dutch Intercompany Service Agreements and the TNO Agreement;

"Dutch Deed of Transfer" means the deed of transfer in relation to the transfer of the Dutch Business as contemplated by this Agreement, insofar as the Dutch Business shall not be transferred by virtue of this Agreement or applicable law, in the agreed form;

"Dutch Employees" means the individuals with whom the Dutch Seller has an employment agreement (*arbeidsovereenkomst*), whether on a full-time or part-time basis, and who are associated with the Dutch Business (*daar werkzaam zijn*) within the meaning of 7:663 DCC as at the Completion Date, as exhaustively listed in Schedule 12, provided that such list may be amended prior to Completion by agreement between the Dutch Seller and the Dutch Buyer;

"Dutch Employment Costs" means:

(a) the amounts payable or paid to or in respect of the employment of the relevant employee (including but not limited to salary, wages, Dutch Tax and social security contributions, salary sanctions, employer's pension contributions (including so-called past services liabilities), pre-pension contributions, insurance premiums (including WIA/WGA eigen risco drager verzekering and WAO/WIA excedent verzekering), payments and allowances or any other consideration for employment); and

(b) the costs of providing any non-cash benefits, which the employer is required to provide, by law or contract or customarily provides in connection with such employment (including other employee benefit provisions and free time);

"Dutch Employment Liabilities" means any and all costs and losses directly arising out of or directly connected with employment or the employment relationship, or the initiation or the termination of employment, or of the employment relationship with an employee (including all costs and losses in connection with any claim, award, judgement or agreement for redundancy pay, or damages or compensation for unfair or wrongful dismissal, or breach of mandatory participation (*verplichtstelling*) to a sector-wide pension fund or breach of contract or breach of collective labour agreements, any imposed sanctions or discrimination);

"Dutch Intercompany Service Agreements" means together the (i) research services agreement dated 18 April 2012 between Argenta Discovery 2009 Limited (as the service provider) and the Dutch Seller; (ii) research services agreement dated 25 January 2012 between BioFocus DPI Limited (as the service provider) and the Dutch Seller; and (iii) research services agreement dated 25 November 2010 between the Dutch Seller (as the service provider) and BioFocus DPI Limited;

"Dutch IPR" means the know how, if any, owned by the Dutch Seller in, or in connection with the Dutch Business which know how, for the avoidance of any doubt, (i) shall include all unregistered intellectual property rights, such as but not limited to copyright, proprietary and confidential information, inventions and non-exclusive rights which are owned by the Dutch Seller in relation to the know how, and which are to be shared on a non-exclusive basis between the parties, and (ii) shall exclude Transferred Know-How;

"Dutch Lease" means the lease agreement as amended from time to time between the Dutch Seller, as lessee, and M. Caransa B.V., as lessor, in respect of the lease of a business accommodation located at Darwinweg 24, Leiden, the Netherlands, including the addendum and general terms thereto;

"Dutch Pension Scheme" means the pension scheme of the Dutch Seller, operated by Allianz Nederland Levensverzekering N.V.;

"Dutch Records" means the entire administration, books, records and other data (whether stored on data carriers or in hardcopy) directly relating to the Dutch Business, relating to the period up to the Completion Date (for the avoidance of doubt, excluding the Dutch Seller's accounting, corporate and other records which do not relate directly to the Dutch Business);

"Dutch Tax" or **"Dutch Taxation"** means all corporate or other income taxes (including divestment premiums), wage withholding tax, social security contributions, value added and sales tax, capital tax, real property transfer tax, other real estate taxes and environmental taxes and customs and excise or other duties, including any interest and penalties relating to it, due, payable, levied or accrued as at the date hereof imposed by any national, federal, State, provincial, municipal and other governmental authority in any relevant jurisdiction in respect of the Dutch Business;

"Dutch VAT" means (a) any tax imposed in conformity with (but subject to derogation from) the Directive of the Council of the European Economic Communities (2006/112/EEC); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a) above, or elsewhere;

"Dutch VAT Act" has the meaning ascribed thereto in clause 21.1;

"Employee" means has the meaning set out in paragraph 24.1 of Part 1 of Schedule 4;

"Employee Benefit Plan" means any bonus, profit sharing, savings, redundancy and/or exit arrangement, share incentive, share option and/or stock appreciation rights scheme and/or share repurchase scheme;

"Encumbrance" means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement;

"Escrow Account" means the joint interest-bearing bank account at the Escrow Bank to be established in accordance with the Escrow Letter;

"Escrow Agents" means the Buyers' Solicitors and the Sellers' Solicitors;

"Escrow Bank" means Royal Bank of Scotland plc;

"Escrow Letter" means the letter, in the agreed form, to be signed by the parties instructing and authorising the Escrow Agents to establish and operate the Escrow Account;

"Estimated Completion Net Cash/Debt" means the best estimate of the Sellers of the Completion Net Cash/Debt as at the Completion Date, set out in the Estimated Initial Consideration Statement;

"Estimated Completion Working Capital" means the best estimate of the Sellers of the Completion Working Capital as at the Completion Date, set out in the Estimated Initial Consideration Statement;

"Estimated Initial Consideration Statement" means the statement setting out certain adjustments to the Headline Initial Consideration prepared by the Sellers on a basis consistent with the calculation of the Target Working Capital and the Target Net Cash/Debt including appropriate support documentation and agreed with the Buyers;

"Expert" has the meaning given in Schedule 8;

"Fidelta" means Fidelta d.o.o. za istrazivanje i razvoj (formerly known as Galapagos istrazivacki centar d.o.o.), a limited liability company incorporated and registered in Croatia with registered number 080471508 and whose registered office is at Prilaz baruna Filipovica 29, Zagreb, Grad Zagreb, 10000 Zagreb;

"Genetically Modified Organism" means an organism whose genetic material has been altered using genetic engineering techniques;

"Group" means in relation to a company, that company, any subsidiary OR subsidiary undertaking or any holding company OR parent undertaking from time to time of that company, and any subsidiary OR subsidiary undertaking from time to time of a holding company OR parent undertaking of that company. Each company in a Group is a member of the Group;

"Headline Initial Consideration" means the sum of €129,000,000;

"holding company" has the meaning given in clause 1.11;

"IFRS" means the International Financial Reporting Standards, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board;

"Initial Consideration" means the Headline Initial Consideration as adjusted pursuant to the terms of the Estimated Initial Consideration Statement;

"Intercompany Liability" has the meaning given in clause 9.1;

"Interim Period" means the period from (and including) the date of this Agreement up to (and including) Completion or, if earlier, the termination or rescission of this Agreement in accordance with its terms;

"IPR" means patents, registered trade marks, registered designs, domain names, copyright and related rights, design rights, database rights, rights in the nature of copyright, and rights in trade names, business names and unregistered trade marks, together with applications for any of the foregoing and the right to apply for any of the foregoing, rights in know how, proprietary and confidential information and inventions and all other intellectual property rights and all other forms of protection having equivalent or similar effect to any of the foregoing arising anywhere in the world;

"Licensed IPR" has the meaning given in paragraph 21.2 of Part 1 of Schedule 4;

"Longstop Date" means 11.59pm on 30 April 2014 or such later time and date as may be agreed in writing by the Buyers and the Sellers;

"LUMC Agreement" means the research agreement dated 4 February 2014 between the Dutch Seller and Academisch Ziekenhuis Leiden, also acting under the name Leiden University Medical Center;

"Management Accounts" means together the 2013 Management Accounts and the 2014 Management Accounts;

"Net Cash/Debt Statement" has the meaning given to that term in Part 1 of Schedule 6;

"Net Working Capital" has the meaning given to that term in Part 1 of Schedule 6;

"parent undertaking" means a parent undertaking as defined in section 1162 of the Companies Act 2006;

"Pension Scheme" means each of the Dutch Pension Scheme and the UK Pension Scheme (together the Pension Schemes);

"Post-Completion Restructure" means the liquidation of the Carved-Out US Entities, proposed to occur after Completion in the sole discretion of the Seller;

"Post Completion Revenues" has the meaning given to that term in Part 1 of Schedule 7;

"Post Completion Revenue Statement" has the meaning given to that term in Part 1 of Schedule 7;

"Pre-Completion Restructure" means the reorganisation of the Seller's Group to occur prior to Completion in accordance with step 4 of the Pre-Completion Restructure Paper pursuant to which, the Carved-Out US Entities will be transferred such that they comprise part of the Retained Group and the intercompany balances as between the Target Group and the Retained Group will be settled, in each case prior to Completion;

"Pre-Completion Restructure Paper" means the steps paper in the agreed form prepared by EY and setting out the steps to be taken to implement the Pre-Completion Restructure;

"Pre-Completion Revenue Statement" has the meaning given to that term in Part 1 of Schedule 6;

"Previously-owned Land and Buildings" has the meaning given in paragraph 26.1 of Part 1 of Schedule 4;

"Properties" has the meaning given in paragraph 26.1 of Part 1 of Schedule 4;

"Purchase Price" means the aggregate consideration for the Services Division to be paid in accordance with and as adjusted by clause 4;

"Release Date" means the date falling 15 calendar months after the Completion Date;

"Relevant Claim" means a claim under this Agreement or a claim under the Tax Deed;

"Relevant Joint Contract" has the meaning given to that term in clause 11.4;

"Relief" has the meaning given in the Tax Deed;

"Resolution Period" has the meaning given to that term in Part 1 of Schedule 6;

"Retained Group" means, following Completion, the Seller and each member of the Seller's Group, including the Dutch Seller and the Carved-Out US Entities;

"Revenue Growth Consideration" means the additional Purchase Price (if any) determined in accordance with clause 4 and Schedule 7;

"Review Period" has the meaning given to that term in Part 1 of Schedule 6;

"Sale Shares" means the 16,661,424 ordinary shares of £0.25 each in the Company, all of which have been issued and are fully paid, and which comprise the whole of the issued share capital of the Company;

"Sellers" means the Seller and the Dutch Seller collectively;

"Sellers' Indemnities" means the indemnities in clauses 6.2, 6.3, 6.4, 6.7, 10.1, and clause 11.1;

"Sellers' Indemnity Claim" means a claim brought by the Buyers for breach of any of the Sellers' Indemnities by the Sellers;

"Sellers' Solicitors" means VVGB Avocats, Versalius Building, Barricadenplein, 13 Place des Barricades, 1000 Brussels, Belgium;

"Sellers' Warranties" means the warranties given pursuant to clause 7 (excluding clause 7.10) and set out in Schedule 4;

"Services Agreement" means the agreement, in the agreed form, between the Buyers and the Seller in relation to the purchase following Completion of certain services by members of the Retained Group from the Target Group and the Dutch Buyer;

"Services Division" means together the Target Group and the Dutch Business;

"Services Division Operating Companies" means BioFocus DPI Ltd and Argenta Discovery 2009 Ltd;

"Services Division Operating Companies' Revenues" has the meaning given to that term in Part 1 of Schedule 6;

"Subsidiaries" means the companies, details of which are set out in Part 2 of Schedule 1, each a Subsidiary;

"subsidiary" has the meaning given in clause 1.11;

"subsidiary undertaking" means a subsidiary undertaking as defined in section 1162 of the Companies Act 2006;

"Substantiated Claim" means a Relevant Claim that has been:

(a) agreed in writing by the parties to the Relevant Claim, both as to liability and quantum; or

(b) finally adjudicated by a court of competent jurisdiction and no right of appeal lies in respect of such adjudication, or the parties are debarred by passage of time or otherwise from making an appeal;

"Supplementary Disclosure Letter" means the letter (including the annexes thereto) to be delivered on the Completion Date from the Sellers to the Buyers and countersigned by the Buyers, that is described as the Supplementary Disclosure Letter and which shall disclose only matters which have occurred in the period between the date of this Agreement and Completion;

"Target Group" means the Company and each of the Subsidiaries;

"Target Group Company" means a member of the Target Group;

"Target Net Cash/Debt" has the meaning given to that term in Part 1 of Schedule 6;

"Target Post-Completion Revenues" has the meaning given to that term in Part 1 of Schedule 7;

"Target Working Capital" has the meaning given to that term in Part 1 of Schedule 6;

"Tax or Taxation" has the meaning given in the Tax Deed;

"Tax Deed" means the tax deed between the UK Buyer and the Seller in the agreed form;

"Tax Warranties" means the warranties set out in Part 2 of Schedule 4;

"Taxation Authority" has the meaning given in the Tax Deed;

"Title Warranties" means the warranties set out in paragraphs 1.1 - 1.3 (inclusive), 2.1 - 2.7 and paragraph 32 of Part 1 of Schedule 4;

"TNO Agreement" means the study agreement dated 12 August 2010 between the Dutch Seller and Nederlandse Organisatie voor Toegepast-Natuurwetenschappelijk Onderzoek TNO, as amended and/or supplemented by an annexure dated on or about 30 May 2013;

"Transaction" as used in the Tax Warranties has the meaning given in the Tax Deed, and as used elsewhere in this Agreement means the transaction contemplated by this Agreement or any part of that transaction;

"Transferred Know-How" means, (a) the Licensed Know-How as defined in the licence agreement referred to in paragraph 4 of Schedule 2 and (b) the Crucell Know How as defined in the Crucell Licence;

"TSA" means the transitional services agreement in the agreed form between the Sellers and the Buyers relating to the mutual provision and receipt of certain services specified therein, including without limitation, the sharing of certain facilities and equipment during the term of the TSA;

"UK GAAP" means generally accepted accounting principles applied in the UK (incorporating Statements of Standard Accounting Practice, Financial Reporting Standards and Urgent Issues Task Force Abstracts issued or adopted by the Financial Reporting Council;

"UK Pension Scheme" means the group personal pension scheme with Scottish Widows and which is registered under Chapter 2 of Part 4 of the Finance Act 2004;

"US Employees" means Julie Frearson, Melody McDonough and Kazuo Takeuchi;

"US Employment Costs" means:

(a) the amounts payable or paid to or in respect of the employment of the relevant employee (including but not limited to salary, wages, US Tax and social security contributions, employer's pension, retirement, or deferred compensation contributions, insurance premiums payments and allowances or any other consideration for employment); and

(b) the costs of providing any non-cash benefits, which the employer is required to provide, by law or contract or customarily provides in connection with such employment (including other employee benefit provisions and free time);

"US Employment Liabilities" means any and all costs and losses directly arising out of or directly connected with employment or the employment relationship, or the initiation or the termination of employment, or of the employment relationship with an employee (including all costs and losses in connection with any claim, demand, complaint, award, judgment, or damages or compensation for unfair or wrongful dismissal, breach of contract, unpaid wages, discrimination, or any legal liability arising from federal, state, or local law;

"US Foreign Corrupt Practices Act" means the United States Foreign Corrupt Practices Act 1977 (as amended);

"US GAAP" means generally accepted accounting standards in the United States as promulgated by the Financial Accounting Standards Board;

"VAT" means value added tax charged under the Value Added Tax Act 1994 and any equivalent or similar tax in any jurisdiction other than the United Kingdom, including (without limitation) any turnover, sales, use, distribution or corresponding Tax;

"VDR Bundle" has the meaning given to that term in the Disclosure Letter;

"Virtual Data Room" means the virtual data room hosted by the Sellers and made available to the Buyers in relation to their pre-contractual due diligence on the Services Division prior to 8.00 pm (GMT) on 5 March 2014;

"Warranties" means the warranties under clause 7 and Schedule 4; and

"Working Capital Statement" has the meaning given to that term in Part 1 of Schedule 6;

1.2. Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.

1.3. References to clauses and Schedules are to the clauses of and Schedules to this Agreement and references to paragraphs are to paragraphs of the relevant Schedule.

1.4. The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules.

1.5. A reference to **this Agreement** or to any **other agreement or document referred to in this Agreement** is a reference to this Agreement or such other agreement or document as varied or novated in accordance with its terms from time to time.

1.6. Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.

1.7. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.8. A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's successors and permitted assigns.

1.9. A reference to a **party** shall include that party's successors and permitted assigns.

1.10. A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.11. A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

1.11.1. another person (or its nominee), by way of security or in connection with the taking of security; or

1.11.2. its nominee.

1.12. A reference to "**writing**" or "**written**" includes fax but not e-mail (unless otherwise expressly provided in this Agreement).

1.13. Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.14. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

1.15. References to a document in **agreed form** are to that document in the form agreed by the parties and initialled by them or on their behalf for identification. A list of agreed form documents is contained at Schedule 14.

1.16. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time provided that, as between the parties, no such amendment, extension or reenactment made after the date of this Agreement shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party.

1.17. Any reference to an English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to that which most nearly approximates to the English legal term in that jurisdiction.

1.18. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

1.19. Any reference to time in this Agreement shall be construed as references to the relevant time in London on the relevant date.

1.20. Unless specified otherwise or where the context otherwise requires a reference in the Sellers' Warranties to the "Company" shall be deemed to include a reference to each Subsidiary so that the Sellers' Warranties shall be given in respect of each member of the Target Group.

2. CONDITIONS

2.1. Completion of this Agreement is subject to and conditional upon the Conditions being satisfied (or waived in accordance with clause 2.6) on or before the Longstop Date.

2.2. If any of the Conditions are not satisfied in accordance with clause 2.1, then unless each unfulfilled Condition is waived pursuant to clause 2.6, this Agreement shall terminate and cease to have effect on the Longstop Date except for:

2.2.1. the provisions referred to in clause 2.3; and

2.2.2. any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination.

2.3. On termination of this Agreement in accordance with clause 2.2 or the rescission of this Agreement pursuant to clause 5.6.3, the following clauses shall continue in force:

2.3.1. clause 1;

2.3.2. clause 2.2 and this clause 2.3;

2.3.3. clause 12;

2.3.4. clause 15;

2.3.5. clause 16;

2.3.6. clause 17;

2.3.7. clause 18; and

2.3.8. clause 27.

2.4. The Sellers shall use their reasonable endeavours to procure (so far as it lies within their powers so to do) that the Conditions are satisfied as soon as practicable and in any event no later than the Longstop Date.

2.5. The Buyers and the Sellers shall co-operate in all actions necessary to procure the satisfaction of the Conditions including (but not limited to) the provision by the parties of all information reasonably necessary to make any notification or filing that is required by any relevant authority, keeping the other party informed of the progress of any notification or filing and providing such other assistance as may reasonably be required.

2.6. The UK Buyer may, to such extent as it thinks fit (in its absolute discretion) and is legally entitled to do so, waive any of the Conditions by notice in writing to the Seller.

2.7. The Sellers undertake to the Buyers that from the date of this Agreement until the earlier of Completion or the Longstop Date neither they nor any member of the Seller's Group (as such group is constituted as at the date of this Agreement) will, directly or indirectly, through any shareholder, officer, director, employee, agent, representative, advisor, relative or otherwise, take any action to solicit, initiate, seek, encourage, continue or support any discussion, inquiry, proposal or offer from, or furnish any information to, or participate in any negotiations with, any person, corporation or other entity or group (other than Buyers and their affiliates) regarding the acquisition of the Seller, the Dutch Seller, any member of the Target Group or any other member of the Seller's Group, any merger or consolidation with or involving the Seller, the Dutch Seller, any member of the Target Group or any other member of the Seller's Group, or any acquisition of any material portion of the assets or any securities of the Seller, the Dutch Seller or any member of the Target Group or any other member of the Seller's Group, provided that, in respect of an unsolicited approach regarding an acquisition of the Seller, nothing in this clause 2.7 shall prevent the prevent the Seller from complying with any legal or regulatory requirements applicable to it.

2.8. The Buyers shall co-operate fully with the Sellers and use their best endeavours to procure that the permits, licences and consents referred to in paragraphs 8 and 9 of Part 1 of Schedule 2 are obtained as soon as practicable following the date of this Agreement.

3. SALE AND PURCHASE

3.1. On the terms of this Agreement and subject to the Conditions, the Seller shall sell and the UK Buyer shall buy, with effect from Completion, the Sale Shares with full title guarantee free from all Encumbrances and together with all rights that attach (or may in the future attach) to the Sale Shares including, in particular, the right to receive all dividends and distributions declared, made or paid on or after the date of this Agreement.

3.2. On the terms of this Agreement and subject to the Conditions, the Dutch Seller shall sell and the Dutch Buyer shall buy with effect from Completion, the Dutch Assets and the Dutch Records free from all Encumbrances. The Dutch Seller shall transfer the present and future rights and benefits of the Sellers under the Dutch Contracts to the Dutch Buyer, and the Dutch Buyer shall accept the same from the Dutch Seller, by completing the actions referred to in clause 5 on the Completion Date.

3.3. The parties are not obliged to complete the sale and purchase of the Sale Shares or the Dutch Business unless the sale and purchase of the Sale Shares and the Dutch Business is completed simultaneously.

4. PURCHASE PRICE

Components of Purchase Price

4.1. The Purchase Price is the sum of:

(a) the Initial Consideration (being the Headline Initial Consideration as adjusted pursuant to the terms of the Estimated Initial Consideration Statement), as adjusted in accordance with this clause 4 and Schedule 6;

(b) the Revenue Growth Consideration (if any) payable in accordance with this clause 4 and Schedule 7.

Calculation of Initial Consideration

4.2. No less than 5 Business Days prior to the Completion Date the Seller shall deliver to the Buyers the draft Estimated Initial Consideration Statement which shall be prepared in good faith and which shall set out the Estimated Completion Working Capital and the Estimated Completion Net Cash/Debt. Once agreed with the Buyers, the Estimated Initial Consideration Statement shall set out the following adjustments to the Headline Initial Consideration required to calculate the Initial Consideration:

4.2.1. if the Estimated Completion Working Capital is greater than the Target Working Capital, there shall be added the amount by which the Estimated Completion Working Capital is greater than the Target Working Capital;

4.2.2. if the Estimated Completion Working Capital is less than the Target Working Capital, there shall be deducted the amount by which the Estimated Completion Working Capital is less than the Target Working Capital;

4.2.3. if the Estimated Completion Net Cash/Debt is greater than the Target Net Cash/Debt, there shall be added the amount by which the Estimated Completion Net Cash/Debt is greater than the Target Net Cash/Debt;

4.2.4. if the Estimated Completion Net Cash/Debt is less than the Target Net Cash/Debt, there shall be deducted the amount by which the Estimated Completion Net Cash/Debt is less than the Target Net Cash/Debt.

Payment of Initial Consideration

4.3. The Initial Consideration is payable in cash at Completion by the Buyers and shall be paid as follows:

4.3.1. 95% of the Initial Consideration, less the Euro equivalent (such amount to be calculated by applying the mid market sterling to euro exchange rate stated by the Financial Times as at close of business on the second last Business Day prior to the Completion Date) of £440,000 (being the maximum possible amount of the Cangenix Deferred Consideration Amount), to the Sellers' Solicitors; and

4.3.2. 5% of the Initial Consideration, plus the Euro equivalent (such amount to be calculated by applying the mid market sterling to euro exchange rate stated by the Financial Times as at close of business on the second last Business Day prior to the Completion Date) of £440,000 (being the maximum possible amount of the Cangenix Deferred Consideration Amount) into the Escrow Account, which shall be maintained and operated in accordance with the provisions of Schedule 10.

Adjustment of Initial Consideration

4.4. The Initial Consideration shall be adjusted in accordance with clause 4.5, clause 4.6 and Schedule 6.

4.5. Within fifteen days of the agreement or determination of the Working Capital Statement in accordance with the provisions of Schedule 6:

4.5.1. if the Completion Working Capital (as agreed or determined) is greater than the Estimated Completion Working Capital, the Buyers shall pay to the Sellers' Solicitors the amount by which the Completion Working Capital (as agreed or determined) is greater than the Estimated Completion Working Capital; and

4.5.2. if the Completion Working Capital (as agreed or determined) is less than the Estimated Completion Working Capital, the Seller and/or the Dutch Seller shall pay to the Buyers' Solicitors the amount by which Completion Working Capital (as agreed or determined) is less than the Estimated Completion Working Capital.

4.6. Within fifteen days of the agreement or determination of the Net Cash/Debt Statement in accordance with the provisions of Schedule 6:

4.6.1. if the Completion Net Cash/Debt (as agreed or determined) is greater than the Estimated Completion Net Cash/Debt, the Buyers shall pay to the Sellers' Solicitors the amount by which the Completion Net Cash/Debt (as agreed or determined) is greater than the Estimated Completion Net Cash/Debt; and

4.6.2. if the Completion Net Cash/Debt (as agreed or determined) is less than the Estimated Completion Net Cash/Debt, the Sellers shall pay to the Buyers the amount by which Completion Net Cash/Debt (as agreed or determined) is less than the Estimated Completion Net Cash/Debt.

Calculation and Payment of Revenue Growth Consideration

4.7. The Revenue Growth Consideration shall be calculated and, if applicable, paid as provided in Schedule 7.

Other Purchase Price Provisions

4.8. The Purchase Price shall be deemed to be reduced by the amount of any payment made to the Buyers for each and any Relevant Claim.

4.9. All payments to be made to the Sellers under this Agreement shall be made save where expressly provided otherwise, in euros by electronic transfer of immediately available funds to the Sellers' Solicitors (who are irrevocably authorised by the Sellers to receive the same). Payment to the Sellers' Solicitors in accordance with this clause shall be a good and valid discharge of the obligations of the Buyers to pay the sum in question to the Sellers, and the Buyers shall not be concerned to see the application of the monies so paid.

4.10. All payments to be made to the Buyers under this Agreement shall be made in euros by electronic transfer of immediately available funds to the Buyers' Solicitors (who are irrevocably authorised by the Buyers to receive the same). Payment to the Buyers' Solicitors in accordance with this clause shall be a good and valid discharge of the obligations of the Sellers to pay the sum in question to the Buyers, and the Sellers shall not be concerned to see the application of the monies so paid.

4.11. The Purchase Price shall initially be allocated between the Sale Shares and the Dutch Business as set out in Exhibit A provided that the Sellers and the Buyers shall, in good faith, work together during the period of 120 calendar days following Completion with a view to agreeing any adjustments required to the allocation set out in Exhibit A to reflect the actual position as at Completion.

4.12. The Buyers shall be jointly and severally liable to make any payments due to the Sellers under this Agreement.

4.13. The Sellers shall be jointly and severally liable to make any payments due to the Buyers under this Agreement.

5. COMPLETION

5.1. Completion shall take place at 12.01am on the Completion Date at the London offices of the Buyers' Solicitors (or at any other place as may be agreed in writing by the parties).

5.2. In this Agreement, "**Completion Date**" means 1 April 2014, unless:

5.2.1. the Conditions have not been satisfied (or waived in accordance with clause 2.6) on or before that date, in which event the Completion Date shall be:

(a) the second Business Day after all the Conditions have been satisfied or waived; or

(b) any other date agreed in writing by the Seller and the UK Buyer; or

5.2.2. Completion is deferred in accordance with clause 5.6.2, in which event the Completion Date shall be the date to which Completion is so deferred.

5.3. The Sellers shall, at all times during the Interim Period, comply with their undertakings and obligations set out in Part 1 of Schedule 3.

5.4. At Completion:

5.4.1. the Seller or the Dutch Seller (as appropriate) shall:

(a) deliver or cause to be delivered to the Buyers the documents and evidence set out in paragraph 1 of Part 2 of Schedule 3;

(b) procure that a board meeting of each member of the Target Group is held at which the matters set out in Part 3 of Schedule 3 are carried out;

(c) transfer possession (*bezitsverschaffing*) of the Dutch Assets other than the Dutch IPR and the Dutch Records to the Dutch Buyer in accordance with sections 3:112 through 3:115 DCC (as applicable); and

(d) assign the Dutch IPR to the Dutch Buyer, and the Dutch Buyer shall accept and assume the Dutch IPR pursuant to the Dutch Deed of Transfer;

(e) transfer the present and future rights and benefits of the Dutch Seller under the Dutch Lease and the Dutch Contracts to the Dutch Buyer, and the Dutch Buyer shall accept and assume the corresponding present and future obligations in respect of the Dutch Lease and the Dutch Contracts, pursuant to the Dutch Deed of Transfer; and

5.4.2. the Buyers shall:

(a) deliver or cause to be delivered to the Sellers the documents and evidence set out in paragraph 2 of Part 2 of Schedule 3;

(b) pay the Initial Consideration in accordance with clause 4;

(c) deliver to the Seller a certified copy of the resolutions adopted by the boards of directors of the Buyers approving the Transaction, the entry by the Buyers into this Agreement and the execution and delivery of any documents to be delivered by the Buyer at Completion.

5.5. Any Dutch Assets in respect of which a specific deed, instrument, assignment or other document is required, shall be transferred by execution of all such deeds, instruments, assignments or documents as may reasonably be required, to effect the transfer and delivery of such Dutch Assets.

5.6. If a party does not comply with its obligations in clause 5.4 in any material respect, the other party may (without prejudice to any other rights or remedies it has):

5.6.1. proceed to Completion; or

5.6.2. defer Completion to a date no more than 28 days after the date on which Completion would otherwise have taken place; or

5.6.3. rescind this Agreement by notice in writing to the party that is not in compliance.

5.7. This clause 5 applies to a Completion so deferred as it applies to a Completion that has not been deferred.

5.8. Promptly, and no later than one Business Date following Completion, the Seller shall make payments in respect of deferred bonuses to the Employees or US Employees entitled to receive the same.

5.9. As soon as reasonably practicable after Completion the Seller and the Dutch Seller shall send to the Buyers (at the address specified in clause 18 or as otherwise directed by the Buyers) all records, correspondence, documents, files, memoranda and other papers directly relating to the Services Division not required to be delivered at Completion and which are not kept at any of the Properties (for the avoidance of doubt, excluding the Dutch Seller's accounting, corporate and other records which do not relate directly to the Dutch Business).

6. DUTCH EMPLOYEES AND US EMPLOYEES

Dutch Employees

6.1. The Sellers and the Buyers acknowledge and agree that, pursuant to sections 7:662 et seq. DCC, the rights and obligations under the employment agreements of the Dutch Employees as provided in Schedule 12 will transfer to the Dutch Buyer on the Completion Date by operation of law together and simultaneous with the transfer of the Dutch Business unless a Dutch Employee objects in writing before the transfer of the Dutch Business to this transfer and refuses to being employed by the Dutch Buyer after the transfer of the Dutch Business, in which event the employment agreement of such Dutch Employee shall end by operation of law.

6.2. The Dutch Buyer assumes responsibility as the employer of the Dutch Employees for its own account as from and including the Completion Date and the Dutch Buyer shall fully indemnify and hold the Sellers harmless *(vrijwaren*) from and against any and all Dutch Employment Costs and Dutch Employment Liabilities arising in respect of any of the Dutch Employees as from and including the Completion Date to the extent such costs and liabilities relate to events and/or the period as from and including the Completion Date. The Sellers shall retain responsibility for all Dutch Employment Costs and Dutch Employment Liabilities with respect to the Dutch Employees to the extent such costs and liabilities relate to events and/or the period up to the Completion Date and the Sellers shall fully indemnify and hold the Buyers harmless *(vrijwaren*) from and against any costs incurred by the Buyers in relation to such Dutch Employment Costs and Dutch Employment Liabilities save to the extent that such pre-Completion Dutch Employment Costs and Dutch Employment Liabilities are included as a liability in the Working Capital Statement.

6.3. The Sellers shall retain 50% responsibility in respect of all Dutch Employees being ill on the Completion Date for any and all Dutch Employment Costs and Dutch Employment Liabilities in relation to the fact that the Dutch Seller is a so-called own risk bearer *(eigenrisicodrager*) for the purposes of the WIA/WGA, and the remaining 50% shall (subject to Completion) be borne by the Buyers. Accordingly, the Sellers shall indemnify and hold harmless *(vrijware*n) the Buyers from and against 50% of any such costs incurred by the Buyers.

6.4. Notwithstanding and without prejudice to the generality of the Sellers' Warranties, the Sellers shall fully indemnify and hold the Buyers harmless *(vrijwaren*) from and against all actions, liabilities, losses, proceedings, costs, damages, claims, expenses and demands brought or made against or incurred by the Buyers in relation to:

6.4.1. any Dutch Employment Liabilities and Dutch Employment Costs arising in the period prior to or following Completion in respect of any person (not being a Dutch Employee) who claims employment with any member of Buyers' Group in connection with the transfer of the Dutch Business as contemplated by this Agreement provided that such person is given notice of dismissal by the relevant member of the Buyers' Group within 30 days of such person successfully claiming employment with any member of the Buyers' Group; and

6.4.2. claims of Dutch Employees in connection with Employee Benefit Plans in respect of entitlements thereunder to the extent accrued in the period up to the Completion Date.

6.5. The Sellers shall not following Completion seek to recover any Dutch Tax from any Dutch Employee in respect of Dutch Employment Costs or Dutch Employment Liabilities in relation to periods prior to Completion. For the avoidance of doubt, the Sellers may recover from the relevant tax authority any Dutch Tax paid in respect of Dutch Employment Costs or Dutch Employment Liabilities in relation to periods up to and including Completion which they are entitled to recover from the relevant tax authority.

US Employees

6.6. The Buyer shall fully indemnify and hold the Sellers harmless from and against any and all U.S. Employment Costs and U.S. Employment Liabilities arising in respect of any of the U.S. Employees: (i) from and including the Completion Date to the extent such costs and liabilities relate to events and/or the period from and including the Completion Date; and (ii) prior to the Completion Date to the extent such costs and liabilities would not be payable but for the termination of any U.S. Employee by the relevant Carved-Out U.S. Entity save in respect of deferred bonus entitlements of any such US Employees which shall remain the responsibility of the Sellers.

6.7. The Sellers shall fully indemnify and hold the Buyer harmless from and against any and all U.S. Employment Costs and U.S. Employment Liabilities arising in respect of any of the U.S. Employees in the period to the Completion Date to the extent such costs and liabilities relate to events and/or the period up to the Completion Date save to the extent that such pre-Completion U.S. Employment Costs and U.S. Employment Liabilities: (i) would not have arisen but for the termination of any U.S. Employee by the relevant Carved-Out U.S. Entity, save in respect of deferred bonus entitlements of any such US Employees which shall remain the responsibility of the Sellers; or (ii) are included as a liability in the Working Capital Statement.

7. WARRANTIES

7.1. The Sellers acknowledge that the Buyers are entering into this Agreement on the basis of the Sellers' Warranties. The Sellers' Warranties are given in respect of the Target Group and, where applicable, in respect of the Dutch Business.

7.2. The Sellers warrant to the Buyers that, except as Disclosed in the Disclosure Letter (in respect of the Sellers' Warranties given on the date of this Agreement) and/or the Supplementary Disclosure Letter (in respect of the Sellers' Warranties given on the Completion Date), each Sellers' Warranty is true, accurate and not misleading on the date of this Agreement and on the Completion Date, in each case by reference to the facts then existing.

7.3.

7.3.1. The Warranties are deemed to be repeated on the Completion Date, by reference to the facts then existing. Any reference made to "the date of this Agreement" or "the date hereof" (whether express or implied) in relation to any Warranty shall be construed, in connection with the repetition of the Warranties, as a reference to the Completion Date;

7.3.2. In the Warranties given on the date of this Agreement references to the "Accounts" shall be deemed to be references to the 2012 Accounts and the 2012 Cangenix Accounts and in the Warranties given on the Completion Date references to the "Accounts" shall be deemed to be references to the 2013 Accounts and the 2012 Cangenix Accounts.

7.4. If at any time during the Interim Period the Sellers become aware that a Sellers' Warranty has been breached, is untrue or is misleading, or have a reasonable expectation that any of those things might occur, it shall promptly:

7.4.1. notify the Buyers of the relevant occurrence in sufficient detail to enable the Buyers to make an accurate assessment of the situation; and

7.4.2. if requested by the Buyers, use its reasonable endeavours to prevent or remedy the notified occurrence.

7.5. If a Sellers' Warranty is qualified by the expression so far as the Seller is aware or to the best of the knowledge, information and belief of the Sellers or

any similar expression, such awareness or knowledge, information or belief shall be deemed to be given by the Sellers after they have made reasonable enquiries of Onno van de Stolpe, Guillaume Jetten, David Smith, John Montana, Julie Frearson, Andre Hoekema, Peter England, Ian Richards and David Fischer.

7.6. Each of the Sellers' Warranties is separate and, unless otherwise specifically provided, is not limited by reference to any other Sellers' Warranty or any other provision in this Agreement.

7.7. Except for the matters specifically disclosed, no information of which the Buyers, their agents or advisers has knowledge (in each case whether actual, constructive or imputed), or which could have been discovered (whether by investigation made by the Buyers or on their behalf), shall prejudice or prevent any Claim or reduce the amount recoverable under any Claim.

7.8. The Buyers hereby acknowledge that they have no actual knowledge nor awareness of there being any breach of any of the Sellers' Warranties by the Sellers as at the date of this Agreement.

7.9. The Sellers agree that the supply of any information by or on behalf of any member of the Target Group or the Dutch Seller or any of their respective employees, directors, agents or officers ("**Officers**") to the Sellers or their advisers in connection with the Sellers' Warranties, the Disclosure Letter or otherwise shall not constitute a warranty, representation or guarantee as to the accuracy of such information in favour of the Sellers. Save in the case of fraud, the Sellers unconditionally and irrevocably waives all and any rights and claims that they may have against any member of the Target Group or any Officer or Employee in respect of or relating to the preparation of the Disclosure Letter, or agreeing the terms of this Agreement or otherwise (including, without limitation, in connection with matters contemplated herein and, in respect of any Officer or Employee, in connection with his/her employment or engagement in the period up to the date hereof), and further undertake to the Buyers not to make any such claims.

7.10. The Buyers warrant to the Sellers that, relying upon the accuracy of the turnover information relating to the Services Division which was posted by the Sellers in the data room section 18 under the name "*Revenue (2012) split by country.xlsx*", they have obtained all mandatory approvals and consents and made all mandatory filings and notifications required in connection with the Transaction in accordance with applicable competition law and regulations.

7.11. The rights and remedies of the parties in respect of any claim under this Agreement or claim under the Tax Deed shall not be affected by Completion or failure by the other parties to rescind this Agreement.

7.12. Save to the extent expressly provided otherwise in this Agreement all warranties, indemnities, undertakings, agreements, covenants and obligations of (a) the Sellers under this Agreement are joint and several and the Sellers shall be jointly and severally liable in respect of any Relevant Claim brought against either one of the Sellers; and (b) the Buyers under this Agreement are joint and several and the Buyers shall be jointly and severally liable in respect of any claim brought against either one of the Buyers.

8. LIMITATIONS ON CLAIMS

The liability of the Sellers in respect of any Claim (with the exception of a claim under the Title Warranties) and, where expressly provided, any Sellers' Indemnity Claim and/or claim under the Title Warranties and the Tax Deed, shall be limited as set out in Schedule 5.

9. CONFIRMATION OF NO INDEBTEDNESS BY RETAINED GROUP

9.1. The Sellers for themselves and on behalf of each member of the Retained Group acknowledge and confirm that no agreement or arrangement or other circumstance (excluding in respect of any current receivables and related payables arising in connection with services performed by the Target Group in the ordinary course of business) will exist as at the Completion Date under which any member of the Retained Group will have any claim, liability or demand against any member of the Target Group nor will any such claim, liability or demand be transferred to the Dutch Buyer in connection with the acquisition of the Dutch Business (an "**Intercompany Liability**").

9.2. The Sellers for themselves and on behalf of each member of the Retained Group irrevocably and with effect from immediately prior to Completion waive any claims, liabilities or demands whatsoever existing or which may exist at Completion which any member of the Retained Group has against or in relation to any member of the Target Group, other than those created under or which may arise under this Agreement or any matter contemplated thereunder or which relate to ordinary course business between members of the Retained Group and members of the Target Group.

10. INDEMNITIES

10.1. The Sellers shall indemnify the Buyers for themselves and as trustee on behalf of each member of the Target Group against all liabilities, reasonably and properly incurred costs and expenses, damages and losses (including all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the Buyers or any member of the Target Group arising out of or in connection with any of the following matters:

10.1.1. the existence of any Intercompany Liability;

10.1.2. the deferred consideration payable under the Cangenix SPA (being the Cangenix Deferred Consideration Amount);

10.1.3. the Compound Focus SPA including, without limitation, any amount payable under the guarantee by the Company of BioFocus, Inc.'s obligations under the Compound Focus SPA;

10.1.4. any and all obligations and liabilities of the Dutch Seller, whether or not in respect of the Dutch Business, except for the Dutch Seller's

obligations and liabilities in connection with the Dutch Assets, Dutch Contracts, Dutch Employees (save to the extent otherwise provided for in this Agreement) and the Dutch Lease insofar as such obligations and liabilities relate to acts or omissions following Completion or the period following Completion;

10.1.5. the Dutch Seller having allowed Dutch Employees to renounce their pension entitlements;

10.1.6. the existence of any liability to make payments of deferred bonuses to any Employee or US Employee; and

10.1.7. any breach by the Seller of the Biogen Collaboration Agreement .

10.2. Any payment made by the Sellers in respect of a Sellers' Indemnity Claim shall include an amount in respect of all costs and expenses reasonably and properly incurred by the Buyers or any member of the Target Group in bringing the relevant Sellers' Indemnity Claim.

10.3. Any payment made by the Buyers in respect of a Buyers' Indemnity Claim shall include an amount in respect of all costs and expenses reasonably and properly incurred by the Sellers or any member of the Retained Group in bringing the relevant Buyers' Indemnity Claim.

10.4. Following Completion, the Seller shall notify the Buyers of the amount of (i) third party professional advisory fees and expenses including VAT (if applicable) reasonably and properly incurred by it directly in connection with the Pre-Completion Restructure and/or the Post Completion Restructure and evidenced in writing giving reasonable details of the services provided (together, the "**Restructure Fees**"); (ii) the additional (and properly supported) employee overtime costs incurred by the Sellers in order to facilitate the preparation of the 2013 Accounts in time for Completion (the "UK GAAP Costs"), estimated to be approximately £40,000 and the Buyers shall pay the Seller, or any one or more members of the Retained Group as the Seller shall so specify, each amount of the Restructure Fees and/or UK GAAP Costs within 30 days of receipt of such notification to such bank account(s) and in such currency as the Seller shall direct.

10.5. In the event that a claim can be brought by a party to this Agreement in respect of any indemnity provided under this Agreement (the "**Indemnity Claiming Party**") such Indemnity Claiming Party shall notify any party against whom the indemnity claim is being brought (each an "**Indemnifying Party**") in writing summarising the nature of the claim in reasonable detail and stating the amount claimed. The Indemnifying Party shall reimburse the Indemnity Claiming Party in respect of the amount claimed within 20 Business Days following receipt of the notification.

11. UNDERTAKINGS, POST-COMPLETION OBLIGATIONS AND RESTRICTIONS ON BUYERS AND SELLERS

11.1.

11.1.1. Following Completion, the Seller will continue to pursue the opposition proceedings (including any appeal of an initial adverse decision of such opposition proceedings) filed by Seller with the European Patent Office relating to:

(a) the patents granted to the Commonwealth Scientific and Industrial Research Organisation ("**CSIRO**") in Europe (collectively, the "**CSIRO Patents**"); and

(b) the patent that is granted to Cold Spring Harbor Laboratory ("**CSH**") in Europe (the "**CSH Patent**"),

in each case, at Seller's sole expense. The Seller confirms that it will not give up any right to appeal any adverse decision without first consulting with the Buyers in relation to such matter and, where possible, offering the Buyer the opportunity to join the proceedings.

11.1.2. The Seller and the Buyers will, in good faith, consider any settlement opportunities relating to the proceedings and, if the Seller and the Buyers agree, may settle the proceedings on the understanding that such settlement should, taking into account the costs of settlement and the benefits to be received from the settlement, be in the interests of both the Seller and the Buyers.

11.1.3. In connection with Seller's activities to oppose such CSIRO Patents and CSH Patent, Seller shall keep the Buyers reasonably informed of the status of such opposition proceedings. The Seller shall indemnify and hold harmless Buyers and each member of its Group(collectively, "Buyer Indemnified Parties"), from and against, any and all costs, expenses, liabilities, damages, losses and harm (including reasonable professional costs and expenses) incurred or sustained by, or imposed upon, any Buyer Indemnified Party based upon, arising out of, with respect to or by reason of the infringement or misappropriation of such CSIRO Patents by the Sellers or any member of the Target Group in the conduct of the Business prior to the Completion Date including any adverse decision of such opposition proceedings relating to the period prior to Completion.

11.2. In the event that it is discovered after Completion that (i) the Dutch Assets transferred in accordance with the Dutch Deed of Transfer or this Agreement, the Dutch Contracts or Dutch Records do not provide the Dutch Buyer with the benefit or use of or access to any assets or records directly relating to the Dutch Business and necessary to enable the Dutch Buyer to conduct the Dutch Business other than assets or records which are allocated into the R&D business owned and jointly utilised category referred to in clause 11.22(d); or (ii) the Target Group does not have the use of or access to all of the assets directly relating to and reasonably necessary to enable the Target Group to conduct the Business carried on by them other than assets or records which are allocated into the R&D business owned and jointly utilised category referred to in clause 11.22(d), then the Sellers shall use all reasonable endeavours to ensure that these assets and records are transferred to the Dutch Buyer or the UK Buyer as appropriate as soon as reasonably practicable and free of charge.

11.3. The Seller shall procure that following Completion the Buyers, at their own expense, are provided with such access and assistance as they reasonably require to the accounting records of the Services Division which have, prior to Completion, been maintained on the IT systems of the Retained Group and the Seller undertakes to procure that such records are either maintained in reasonably accessible form for no less than 7 years following Completion or that the Buyers are provided with a hard copy of all such records.

11.4. Conditional upon and with effect from Completion, the Sellers hereby on their own behalf and on behalf of each other member of the Retained Group irrevocably and unconditionally release each member of the Target Group from all agreements and arrangements which are exclusively between member(s) of the Target Group and member(s) of the Retained Group (and not for the avoidance of doubt any third parties) except to the extent such agreements or arrangements relate to the operation of the Services Division in the ordinary course or have been or are to be entered into pursuant to the terms of this Agreement.

11.5. Insofar as either of the Sellers, or any other member of the Retained Group, remains a party to any contract or agreement to which a member of the Target Group and any third party are also a party (a "**Relevant Joint Contract**") the parties shall work together in the period between the date of this Agreement and Completion to identify the Relevant Joint Contracts and, acting in good faith, to agree whether any steps need to be taken in relation to such contracts and, if so, which member(s) of the Target Group and/or member(s) of the Retained Group, as the case may be, should assume and/or retain the rights and obligations under such Relevant Joint Contract. The Buyers and the Sellers confirm their understanding that any such allocation should in principle be determined on the basis that any Relevant Joint Contract which principally relates to the operations of the Services Division should be allocated to a member of the Target Group (a "**Target Group Relevant Joint Contract**") and that any Relevant Joint Contract which principally relates to the operations of the Retained Group should be allocated to the relevant member of the Retained Group (a "**Retained Group Relevant Joint Contract**"). It is further acknowledged that certain Relevant Joint Contracts may not require allocation or change or may require to be split into separate contracts or otherwise modified to give similar effect.

11.6. Following Completion,

11.6.1. each of the Sellers shall and shall procure that each relevant member of the Retained Group will:

(a) not act, or refrain from acting, in material breach of the terms of any Target Group Relevant Joint Contract;

(b) at the Buyers' request, use all reasonable endeavours (with the co-operation of the Buyers) to procure that any Target Group

Relevant Joint Contract, or portions thereof, is assigned or novated to a member of the Buyers' Group or amended to remove the Seller, Dutch Seller or relevant member of the Retained Group (as appropriate) as a party to such Target Group Relevant Joint Contract;

(c) hold any Target Group Relevant Joint Contract and any monies, goods or other benefits received thereunder as trustee for the Buyers and the Target Group; and

(d) (so far as it lawfully may) give all such assistance as the Buyers may reasonably require to enable the Buyers to enforce their rights and/or perform services under each Target Group Relevant Joint Contract and (without limitation) shall provide access to all relevant books, documents and other information in relation to such Target Group Relevant Joint Contract as the Buyers may reasonably request in writing from time to time.

11.7. Following Completion,

11.7.1. each of the Buyers shall and shall procure that each relevant member of the Target Group will:

(a) not act, or refrain from acting, in material breach of the terms of any Retained Group Relevant Joint Contract;

(b) at the Sellers' request, use all reasonable endeavours (with the co-operation of the Sellers) to procure that any Retained Group Relevant Joint Contract, or portions thereof, is assigned or novated to a member of the Sellers' Group or amended to remove the UK Buyer, Dutch Buyer or relevant member of the Target Group (as appropriate) as a party to such Retained Group Relevant Joint Contract;

(c) hold any Retained Group Relevant Joint Contract and any monies, goods or other benefits received thereunder as trustee for the Sellers and the Retained Group; and

(d) (so far as it lawfully may) give all such assistance as the Sellers may reasonably require to enable the Sellers to enforce their rights and/or perform services under each Retained Group Relevant Joint Contract and (without limitation) shall provide access to all relevant books, documents and other information in relation to such Retained Group Relevant Joint Contract as the Sellers may reasonably request in writing from time to time.

11.8. In clauses 11.9 to 11.13, the following words and expressions shall have the following meanings:

"Fidelta Business" means the business of fee for service outsourced drug discovery and development services carried on by Fidelta as at the date of this Agreement;

"Prospective Customer" means a person who is at Completion, or has been at any time during the period of 9 months immediately preceding the Completion Date, in discussions with any member of the Target Group or the Dutch Seller with a view to becoming a client or customer of any member of the Target Group or the Dutch Seller in relation to the Dutch Business;

"Restricted Business" means any business which is or would be in competition with any part of the Business, as the Business was carried on at the Completion Date;

"Restricted Customer" means any person who is at Completion, or who has been at any time during the period of 18 months immediately preceding the Completion Date, a client or customer of, or in the habit of dealing with, any member of the Target Group or the Dutch Seller in relation to the Dutch Business;

"Restricted Person" means any person who is at Completion, a Dutch Employee or employed or directly or indirectly engaged by any member of the Target Group;

"Restricted Seller Person" means any person who is at the date of this Agreement, employed or directly or indirectly engaged by any member of the Sellers' Group (excluding for these purposes the Target Group);

"Seller's Business" means the business of internal drug development to create novel therapeutics carried on by the Seller as at the date of this Agreement, which, for the avoidance of doubt, shall exclude the Business.

11.9. The Sellers covenant that they shall not (and shall procure that no member of the Seller's Group shall):

11.9.1. at any time during the period of one year commencing on the Completion Date, in any geographic area in which the Business (or any part of it) is carried on at the Completion Date, carry on or be engaged, concerned or interested in, or in any way assist, a Restricted Business; or

11.9.2. at any time during the period of one year commencing on the Completion Date:

(a) canvass, solicit or otherwise seek the custom of any Restricted Customer or Prospective Customer with a view to providing goods or services to that Restricted Customer or Prospective Customer in competition with the Business (or any part of it) as it was carried on at the Completion Date; or

(b) induce or attempt to induce a Restricted Customer or Prospective Customer to cease or refrain from conducting

business with, or to reduce the amount of business conducted with or to vary adversely the terms upon which it conducts business with any member of the Target Group or the Dutch Buyer in relation to the Dutch Business, or do any other thing which is reasonably likely to have such an effect; or

(c) have any business dealings with a Restricted Customer or a Prospective Customer in connection with the provision of goods or services to that Restricted Customer or Prospective Customer in competition with the Business (or any part of it) as it was carried on at the Completion Date; or

11.9.3. at any time during the period of one year commencing on the Completion Date, have any business dealings with, solicit, entice or attempt to entice away any person who is at Completion, or has been at any time during the period of twelve months immediately preceding the Completion Date, a supplier of goods or services to any member of the Target Group or the Dutch Seller in relation to the Dutch Business, if such dealings, solicitation or enticement causes or is reasonably likely to cause such supplier to cease supplying, or reduce its supply of goods or services to any member of the Target Group or the Dutch Buyer in relation to the Dutch Business, or to vary adversely the terms upon which it conducts business with any member of the Target Group or the Dutch Buyer in relation to the Dutch Business; or

11.9.4. at any time during the period of one year commencing on the Completion Date:

(a) offer employment to, enter into a contract for the services of, or otherwise entice or attempt to entice away from any member of the Target Group or the Dutch Buyer, any Restricted Person; or

(b) procure or facilitate the making of any such offer or attempt by any other person in relation to a Restricted Person,

in either case, other than by means of an advertising campaign open to all comers and not specifically targeted at any Restricted Persons; or

11.9.5. at any time after Completion and subject to clause 11.10, use in the course of trade:

(a) the words “Argenta”, “BioFocus”, “Cangenix”, “SilenceSelect”; or

(b) any trade or service mark, business or domain name, design or logo other than the word and logo of “Galapagos” which, at Completion, was or had been used by any member of the Target Group in connection with the Business or the Dutch Seller in connection with the Dutch Business; or

(c) anything which is, in the reasonable opinion of the Buyer, capable of confusion with such words, mark, name, design or logo; or

11.9.6. at any time after Completion and subject to clause 11.10, present itself or permit itself to be presented as connected in any capacity with any member of the Target Group or the Dutch Business.

11.10. Nothing in clauses 11.9.5 and 11.9.6 shall operate so as to prevent or prohibit the Sellers from using such words, marks, names, designs or logos or from presenting itself or permitting itself to be presented as connected in any capacity with any member of the Target Group or the Dutch Business for the purposes of referring to the Sellers' Group in relation to the period prior to Completion: (a) for the period during which the TSA is in effect; and (b) in investor relations presentations.

11.11. The covenants in clause 11.9 are intended for the benefit of, and shall be enforceable by, each of the Buyers, each member of the Target Group and apply to actions carried out by the Sellers or any member of the Seller's Group in any capacity (including as shareholder, partner, director, principal, consultant, officer, agent or otherwise) and whether directly or indirectly, on its own behalf or on behalf of, or jointly with, any other person.

11.12. Nothing in clauses 11.9.1, 11.9.2 or 11.9.3 shall prevent the Seller (or any member of the Retained Group) from:

11.12.1. notwithstanding the provisions of clause 11.12.3, carrying on the Fidelta Business, provided that the Fidelta Business will be carried on by Fidelta and will only be carried on in Croatia and will not expand into any business other than the Fidelta Business as conducted at the date of this Agreement. For the avoidance of doubt, the Seller (or any member of the Seller's Group) may carry on the Fidelta Business (through Fidelta) with customers who are located outside of Croatia;

11.12.2. carrying on the Seller's Business; and

11.12.3. carrying and/or entering into on risk-sharing collaborations and alliances with third parties, provided that such work, including, but not limited to, assay development and target discovery, does not solely comprise any fee for service activities (other than in accordance with clause 11.12.1).

11.13. The Buyers covenant that they shall not (and shall procure that no member of the Buyers' Group shall) at any time during the period of one year commencing on the date of this Agreement offer employment to, enter into a contract for the services of, or otherwise entice or attempt to entice away from the Sellers or any member of the Sellers' Group, any Restricted Seller Person in either case, other than by means of an advertising campaign open to all comers and not specifically targeted at any Restricted Seller Persons.

11.14. Each of the covenants in clause 11.9 is a separate undertaking by the Sellers and shall be enforceable by the Buyers and each member of the Target Group separately and independently of their right to enforce any one or more of the other covenants contained in that clause.

11.15. The parties acknowledge that the Sellers have confidential information relating to the Business and that the Buyers are entitled to protect the goodwill of the Business as a result of buying the Sale Shares and the Dutch Business. Accordingly, each of the covenants in clause 11.9 is considered fair and reasonable by the parties.

11.16. The covenant in clause 11.13 is considered fair and reasonable by the parties.

11.17. The consideration for the covenants contained in clause 11.9 is included in the Purchase Price and the consideration for the covenant contained in clause 11.13 is included in the purchase by the Buyers of the Services Division.

11.18. The Buyers covenant that they will, and they will procure that each member of the Buyer's Group will, at the Seller's expense, cooperate with the Seller or any member of the Retained Group as the Seller shall reasonably require during the period from Completion until the date falling seven years after the Completion Date to the extent the Seller, or any member of the Retained Group, shall reasonably require information or records held by the Target Group for the purposes of its audit or to comply with any investigations by any applicable tax authorities or other governmental or regulatory authorities.

11.19. Without prejudice to any other rights or remedies that the parties may have, each party acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of clause 11 or clause 11.20 by the other party. Accordingly, the parties shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of clause 11 or clause 11.20 of this Agreement.

11.20. The parties hereby undertake in the period between the date of this Agreement and Completion to work together and, acting in good faith, to seek to agree an arrangement in terms of which the Dutch Buyer will, following Completion, occupy part of the business accommodation at Darwinweg 24, Leiden, the Netherlands currently subleased by the Dutch Seller from Pharming Technologies B.V.

11.21. In the event that the Seller or any member of the Retained Group proposes to sell any of the Shares in Fidelta or the whole or any substantial part of the Fidelta Business in the period of 12 months following Completion, the Seller shall firstly serve notice on the UK Buyer advising it of the proposed sale and providing it with a reasonable period of time not exceeding 60 days in which to evaluate Fidelta and/or the part of the Fidelta Business and to decide whether it wishes to make an offer for the relevant shares in Fidelta or the relevant part of the Fidelta Business (as applicable) (the "Right of First Refusal"). The Seller shall provide the Buyer with such information as it may reasonably request to make such evaluation and decide whether it wishes to exercise its Right of First Refusal.

11.22. The Buyers and the Sellers shall work together in good faith in the period between the date of this Agreement and Completion to agree a schedule allocating the assets of the Dutch Seller into the following categories:

(a) Services Business owned;

(b) Services Business owned and jointly utilised;

(c) R&D business owned; and

(d) R&D business owned and jointly utilised,

with the intention that the assets which are allocated into categories (a) and (b) will, following Completion, be owned by the Dutch Buyer (and be deemed to be Dutch Assets) and the assets which are allocated into categories (c) and (d) will, following Completion, continue to be owned by the Dutch Seller. In the event that following such allocation there are assets allocated into categories (a) and (b) which are not listed in Schedule 11 to this Agreement the Buyers and the Sellers agree, prior to Completion, to amend Schedule 11 accordingly and to take such other steps as may be required to procure that the ownership of such assets is transferred to the Dutch Seller with effect from Completion.

12. CONFIDENTIALITY AND ANNOUNCEMENTS

12.1. The Sellers undertake to each of the Buyers and each member of the Target Group that they shall (and shall procure that the members of the Seller's Group (as such Group is constituted immediately after Completion) shall):

12.1.1. keep confidential the terms of this Agreement and all confidential information or trade secrets in its possession concerning the business, affairs, customers, clients or suppliers of each member of the Target Group or any member of the Buyer's Group;

12.1.2. not disclose any of the information referred in clause 12.1.1 in whole or in part to any third party, except as expressly permitted by this clause 11.20; and

12.1.3. not make any use of any of the information referred in clause 12.1.1, other than to the extent necessary for the purpose of exercising or performing its rights and obligations under this Agreement.

12.2. The Buyers undertake to the Sellers that they shall:

12.2.1. keep confidential the terms of this Agreement and all confidential information or trade secrets in its possession concerning the business, affairs, customers, clients or suppliers of Sellers or the Sellers' Group (as such Group is constituted immediately after Completion);

12.2.2. not disclose any of the information referred in clause 12.2.1 in whole or in part to any third party, except as expressly permitted by this clause 11.20; and

12.2.3. not make any use of any of the information referred in clause 12.2.1, other than to the extent necessary for the purpose of exercising or performing its rights and obligations under this Agreement.

12.3. Notwithstanding any other provision of this Agreement, neither party shall be obliged to keep confidential or to restrict its use of any information that:

12.3.1. is or becomes generally available to the public (other than as a result of its disclosure by the receiving party or any person to whom it has disclosed the information in accordance with clause 12.4.1 in breach of this Agreement); or

12.3.2. was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the receiving party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving party.

12.4. Either party may disclose any information that it is otherwise required to keep confidential under this clause 12:

12.4.1. to those of its employees, officers, consultants, representatives or advisers (or those of any member of its Group) who need to know such information to enable them to advise on this Agreement, or to facilitate the Transaction, provided that the party making the disclosure informs the recipient of the confidential nature of the information before disclosure and procures that each recipient shall, in relation to any such information disclosed to him, comply with the obligations set out in this clause 11.20 as if they were that party. The party making a disclosure under this clause 12.4.1 shall, at all times, be liable for the failure of its recipients to comply with the obligations set out in this clause; or

12.4.2. in the case of the Buyers only, to a proposed transferee of the Sale Shares or the Dutch Business for the purpose of enabling the proposed transferee to evaluate the proposed transfer; or

12.4.3. with the prior consent in writing of the other party; or

12.4.4. to confirm that the Transaction has taken place, or the date of the Transaction (but without otherwise revealing any other terms of the Transaction or making any other announcement); or

12.4.5. to the extent that the disclosure is required:

(a) by the laws of any jurisdiction to which that party is subject; or

(b) by an order of any court of competent jurisdiction, or any regulatory, judicial, governmental or similar body, or any Taxation Authority or securities exchange of competent jurisdiction; or

(c) to make any filing with, or obtain any authorisation from, a regulatory, governmental or similar body, or any Taxation Authority or securities exchange of competent jurisdiction; or

(d) to protect that party's interest in any legal proceedings,

provided that in each case (and to the extent it is legally permitted to do so) the party making the disclosure gives the other party as much notice of such disclosure as possible.

12.5. Subject to clause 12.6 and clause 12.7, neither party shall make, or permit any person to make, any public announcement, communication or circular ("**announcement**") concerning this Agreement or the Transaction without the prior written consent of the other party (such consent not to be unreasonably withheld, conditioned or delayed).

12.6. Nothing in clause 12.5 shall prevent any party from making any announcement required by, or upon consultation with legal advisors advisable under law or any governmental or regulatory authority (including, without limitation, any relevant securities exchange), or by any court or other authority of competent jurisdiction provided that the party required to make the announcement consults with the other party and takes into account the reasonable requests of the other party in relation to the content of such announcement before it is made.

12.7. The parties shall issue a press release in agreed form as soon as practicable after entering into this Agreement.

13. FURTHER ASSURANCE

13.1. Each of the parties shall (as soon as reasonably practicable and at its own expense) execute and deliver such documents and perform such acts as are necessary from time to time for the purpose of giving full effect to this Agreement.

13.2. The Seller undertakes to the UK Buyer that, if and for so long as it remains the registered holder of any of the Sale Shares after Completion, it shall:

13.2.1. hold such Sale Shares together with all dividends and any other distributions of profits, surplus or other assets in respect of such Sale Shares and all rights arising out of or in connection with them, in trust for the UK Buyer;

13.2.2. at all times after Completion, deal with and dispose of such Sale Shares, dividends, distributions, assets and rights as the UK Buyer shall direct;

13.2.3. exercise all voting rights attached to such Sale Shares in such manner as the UK Buyer shall direct; and

13.2.4. if required by the UK Buyer, execute all instruments of proxy or other documents as may be necessary to enable the UK Buyer to attend and vote at any meeting of any member of the Target Group.

13.3. The Sellers undertake that in the event that any of the EPL Policy, the D&O Policy or the Liability Policies (as respectively defined the paragraphs 7.5, 7.6 and 7.7 of Part 1 of Schedule 4) are cancelled or are not renewed on substantially the same terms at any time during the period of 3 years from the Completion Date the Sellers will obtain (whether through automatic extension or otherwise) the extended reporting/discovery (or equivalent) period so that the relevant policy remains effective and will provide cover relating to pre Completion events to the members of the Target Group for a period of not less than:

13.3.1. in respect of the EPL Policy, 3 years from the Completion Date;

13.3.2. in respect of the D&O Policy, 3 years from the Completion Date; and

13.3.3. in respect of the Liability Policies, 3 years from the Completion Date.

13.4. As soon as reasonably practicable following a reasonable request from the Buyers, the Sellers shall deliver to the Buyers complete and accurate copies of any tangible manifestations of the Transferred Know-How. Such tangible manifestations may include, without limitation, materials, laboratory notebooks, regulatory documents, and pre-clinical and clinical protocols, information relating to technical know-how necessary or appropriate for conduct of the Dutch Business, data, records and reports. In the event that any of the abovementioned items reside in digital or electronic format on any equipment that is not included in the Dutch Assets, then the hard drive or other medium shall be imaged and provided to the Buyers in a reasonably accessible format.

13.5. The Seller undertakes to comply with and perform all of its material obligations in terms of the Agreement for Lease including, without limitation, timeously executing and delivering all documents as require to be entered into by the Seller in accordance with the Agreement for Lease.

14. ASSIGNMENT

14.1. Subject to the further provisions of this clause 14, neither party shall assign, transfer, mortgage, charge, declare a trust of, or deal in any other manner with any or all of its rights and obligations under this Agreement (or any other document referred to in it).

14.2. Each party confirms it is acting on its own behalf and not for the benefit of any other person.

14.3. The Buyers may assign or transfer their rights (but not their obligations) under this Agreement (or any document referred to in this Agreement) to:

14.3.1. another member of its Group for so long as that company remains a member of the Buyer’s Group. The Buyers shall procure that such

assignee assigns any rights assigned to it in accordance with this clause 14 back to the relevant Buyer or another member of the Buyer's Group immediately before it ceases to be a member of the Buyer's Group; or

14.3.2. any person to whom the Sale Shares or Dutch Business are sold or transferred by the Buyers following Completion.

14.4. The Buyers may grant security over, or assign by way of security, any or all of its rights under this Agreement for the purposes of, or in connection with its financing requirements from time to time.

14.5. If there is an assignment or transfer of the Buyers' rights in accordance with clause 14.3 or clause 14.4:

14.5.1. the Sellers may discharge their obligations under this Agreement to the Buyers until it receives notice of the assignment; and

14.5.2. the assignee may enforce this Agreement as if it were named in this Agreement as the relevant Buyer, but the assigning Buyer shall remain liable for any obligations under this Agreement.

14.6. The Sellers' liability to an assignee of the Buyers under clause 14.3 shall not exceed the Sellers' liability to the Buyers themselves under this Agreement and the benefit of any Sellers' Warranty shall only be assigned subject to the matters Disclosed and the limitations under clause 8 and Schedule 5.

15. ENTIRE AGREEMENT

15.1. This Agreement (together with the documents referred to in it) constitutes the entire agreement between the parties and supersede and extinguish all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to their subject matter.

15.2. Each party agrees that, without prejudice to any other rights or remedies it may have, including for breach of contract, it shall not have any claim for innocent or negligent misrepresentation based on any statement or warranty in this Agreement.

16. VARIATION AND WAIVER

16.1. No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

16.2. A waiver of any right or remedy under this Agreement or by law is only effective if it is given in writing and is signed by the person waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.

16.3. A failure or delay by any person to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy.

16.4. No single or partial exercise of any right or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

17. COSTS

Except as expressly provided in this Agreement, each party shall pay its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement (and any documents referred to in it).

18. NOTICES

18.1. A notice given to a party under or in connection with this Agreement:

18.1.1. shall be in writing and in English;

18.1.2. shall be signed by or on behalf of the party giving it;

18.1.3. shall be sent to the relevant party for the attention of the contact and to the address or fax number or email address specified in clause 18.2, or such other address, email address or fax number or person as that party may notify to the other in accordance with the provisions of this clause 18;

18.1.4. shall be:

(a) delivered by hand; or

(b) sent by fax; or

(c) sent by pre-paid first class post, recorded delivery or special delivery; or

(d) sent by airmail or by reputable international overnight courier (if the notice is to be served by post to an address outside the country from which it is sent); and

18.1.5. is deemed received as set out in clause 18.4.

18.2. The addresses, fax numbers and email addresses for service of notices are:

18.2.1. Sellers

(a) address: Industriepark Mechelen
Noord, Generaal de
Wittelaan L11 A3,
2800 Mechalen
Belgium

(b) for the attention of: CEO

(c) fax number: +32 15 342 994

(d) email address: onno.vandestolpe@glpg.com
xavier.maes@glpg.com

18.2.2. Buyers

(a) address: 251 Ballardvale Street
Wilmington
MA 01887
USA

(b) for the attention of: David Johst

(c) fax number: +1 978 988 5665

(d) email address: david.johst@crl.com

18.3. A party may change its details for service of notices as specified in clause 18.2 by giving notice to the other party, provided that the address for service is an address in the UK following any change. Any change notified pursuant to this clause shall take effect at 9.00 am on the later of:

18.3.1. the date (if any) specified in the notice as the effective date for the change; or

18.3.2. five Business Days after deemed receipt of the notice of change.

18.4. Delivery of a notice is deemed to have taken place (provided that all other requirements in this clause have been satisfied):

18.4.1. if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the address; or

18.4.2. if sent by fax, at the time of transmission; or

18.4.3. if sent by email, at the time of sending; or

18.4.4. if sent by pre-paid first class post, recorded delivery or special delivery to an address in the UK, at 9.00 am on the second Business Day after posting; or

18.4.5. if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

18.4.6. if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice is left at the address; or

18.4.7. if deemed receipt under the previous paragraphs of this clause 18.4 would occur outside business hours (meaning 9.00 am to 5.30 pm

Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this clause, all references to time are to local time in the place of deemed receipt.

18.5. To prove service, it is sufficient to prove that:

18.5.1. if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

18.5.2. if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

18.5.3. if sent by email, the email containing the notice was properly addressed and sent; or

18.5.4. if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted.

18.6. This clause 18 does not apply to the service of any proceedings or other documents in any legal action.

18.7. A notice given under or in connection with the Agreement may be sent by email to the email address specified by the relevant party in accordance with this clause 18 provided that such notice is also sent by one of the methods set out in clause 18.1.4 (a "**Confirmation Notice**"). Any such notice sent by email and by a Confirmation Notice shall be deemed to be received at the time the earliest of such notices is deemed to arrive in accordance with clause 18.4 provided that the Confirmation Notice is delivered (or deemed delivered in accordance with this clause 18) within 5 Business Days following the sending of the email.

19. INTEREST

If a party fails to make any payment due to the other party under this Agreement by the date falling 30 calendar days following the due date for payment, then the defaulting party shall pay interest on the overdue amount at the rate of 2% per annum above Bank of England Base Rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount.

20. SEVERANCE

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

21. DUTCH VAT

21.1. The Transaction has been agreed on the explicit understanding that section 37d of the Value Added Tax Act (*Wet op de Omzetbelasting 1968*) ("**Dutch VAT Act**") and section 8 of the VAT Implementation Decree 1968 (*Uitvoeringsbeschikking Omzetbelasting 1968*) apply to the transfer of each of the Dutch Assets, the Dutch Lease, the Dutch Contracts and the Dutch Records under the contemplated Transaction, as the Dutch Business qualifies as a separate enterprise which is transferred as a going concern. Sellers shall, prior to Completion, request the competent Dutch Tax authority to confirm this and Buyers shall fully cooperate and provide information, if necessary, in respect of this request.

21.2. If nevertheless Dutch VAT is due on the transfer of any of the transferred Dutch Assets, the Dutch Lease, the Dutch Contracts or the Dutch Records under this Agreement, Buyers shall, upon receipt of a valid tax invoice issued by the relevant Seller, pay the amount of Dutch VAT due in relation to these transferred Dutch Assets, Dutch Lease, Dutch Contracts and Dutch Records. All books, records, administration and other data and documents relating to Dutch VAT due or paid in respect of the Dutch Assets, the Dutch Lease, the Dutch Contracts or the Dutch Records shall be properly stored by Sellers for the minimum statutory term as applicable under the applicable (Dutch) VAT laws. Copies of such books, records, administration and other data and documents will be made available to Buyers upon first request.

22. AGREEMENT SURVIVES COMPLETION

This Agreement (other than obligations that have already been fully performed) remains in full force after Completion.

23. THIRD PARTY RIGHTS

23.1. Except as expressly provided in clause 23.2, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

23.2. The following provisions are intended to benefit future buyers of the Sale Shares and/or the Dutch Business and (to the extent that they are identified in the relevant clauses as recipients of rights or benefits under that clause), the member of the Target Group and the Officers (as defined in clause 7.9), and shall be enforceable by each of them to the fullest extent permitted by law:

23.2.1. clause 6 and Schedule 4, subject to clause 8;

23.2.2. clause 10;

23.2.3. clause 11;

23.2.4. clause 12; and

23.2.5. clause 19.

23.3. The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this Agreement are not subject to the consent of any other person.

24. SUCCESSORS

This Agreement (and the documents referred to in it) are made for the benefit of the parties and their successors and permitted assigns, and the rights and obligations of the parties under this Agreement shall continue for the benefit of, and shall be binding on, their respective successors and permitted assigns.

25. COUNTERPARTS

25.1. This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

25.2. Transmission of an executed counterpart of this Agreement (but for the avoidance of doubt not just a signature page) by:

25.2.1. fax; or

25.2.2. e-mail (in PDF, JPEG or other agreed format),

shall take effect as delivery of an executed counterpart of this Agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

26. RIGHTS AND REMEDIES AND EXCLUSION OF LOSS

26.1. Except as expressly provided in this Agreement, the rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

26.2. Notwithstanding anything to the contrary contained in this Agreement or provided for under any applicable Law, no party hereto shall be liable to any other person, whether in contract, tort, breach of statutory duty or otherwise, for any special or punitive damages of such other person arising under or in connection with this Agreement, whether or not the possibility of such damages has been disclosed to the other party in advance or could have been reasonably foreseen by such other party.

27. GOVERNING LAW AND JURISDICTION

27.1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

27.2. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

This DEED has been entered into on the date stated at the beginning of it.

Schedule 1

Particulars of the Target Group

Part 1- The Company

Name:	BioFocus DPI (Holdings) Ltd
Registration number:	03253690
Registered office:	Chesterford Research Park, Saffron Walden, Essex CB10 1XL
Maximum amount of shares that may be allotted under the articles of association of the Company:	Amount: £5,000,000 Divided into: 20,000,000 ordinary shares of £0.25 each
Issued share capital:	Amount: £4,165,356 Divided into: 16,661,424 ordinary shares of £0.25 each
Registered shareholder (and number of Sale Shares held):	Galapagos N.V. - 16,661,424 ordinary shares of £0.25 each
Directors and shadow directors:	David Smith Onno Van De Stolpe
Secretary:	Sarah Price
Auditors:	Deloitte LLP
Registered charges:	None

Part 2 - The Subsidiaries

Name:	BioFocus DPI Ltd
Registration number:	04622227
Registered office:	Chesterford Research Park, Saffron Walden, Essex CB10 1XL
Maximum amount of shares that may be allotted under the articles of association of the Subsidiary:	Amount: £20,000,002 Divided into: 20,000,002 ordinary shares of £1.00 each

Issued share capital:	Amount: £20,000,002 Divided into: 20,000,002 ordinary shares of £1.00 each
Registered shareholders (and number of shares held):	BioFocus DPI (Holdings) Ltd - 20,000,002 ordinary shares of £1.00 each
Directors and shadow directors:	David Smith Onno Van De Stolpe
Secretary:	Sarah Price
Auditors:	Deloitte LLP
Registered charges:	None
Name:	Argenta Discovery 2009 Limited
Registration number:	06920289
Registered office:	7/9 Spire Green Centre, Flex Meadow, Harlow, Essex CM19 5TR
Maximum amount of shares that may be allotted under the articles of association of the Subsidiary:	Amount: £328,162.34 Divided into: 16,703,271 A ordinary shares of £0.005 each, 17,020,680 A preference shares of £0.01 each and 7,443,918 B preference shares of £0.01 each
Issued share capital:	Amount: £328,162.34 Divided into: 16,703,271 A ordinary shares of £0.005 each, 17,020,680 A preference shares of £0.01 each and 7,443,918 B preference shares of £0.01 each
Registered shareholders (and number of shares held):	BioFocus DPI (Holdings) Ltd - 16,703,271 A ordinary shares of £0.005 each, 17,020,680 A preference shares of £0.01 each and 7,443,918 B preference shares of £0.01 each

Directors and shadow directors:	David Smith Onno Van De Stolpe John Gary Montana
Secretary:	Sarah Price
Auditors:	Deloitte LLP
Registered charges:	Rent deposit deed dated 22 September 2010 in favour of USF Nominees Limited by way of first fixed charge and with full title guarantee of the deposit. Rent deposit deed dated 22 September 2010 in favour of USF Nominees Limited in respect of all monies due or to become due by the company under the charge (deposit being £45,758.60). Rent deposit deed dated 22 September 2010 in favour of USF Nominees Limited in respect of all monies due or to become due by the company under the charge (deposit being £59,719.41).
Name:	Cangenix Limited
Registration number:	07587596
Registered office:	7/9 Spire Green Centre, Flex Meadow, Harlow, Essex CM19 5TR
Maximum amount of shares that may be allotted under the articles of association of the Subsidiary:	Not applicable
Issued share capital:	Amount: £1,000 Divided into: 185 A ordinary shares of £1.00 each, 185 B ordinary shares of £1.00 each, 185 C ordinary shares of £1.00 each and 445 D ordinary shares of £1.00 each
Registered shareholders (and number of shares held):	Argenta Discovery 2009 Limited - 185 A ordinary shares of £1.00 each, 185 B ordinary shares of £1.00 each, 185 C ordinary shares of £1.00 each and 445 D ordinary shares of £1.00 each

Directors and shadow directors:	David Smith John Gary Montana
Secretary:	None
Auditors:	None
Registered charges:	None

Schedule 2

Conditions

Part 1- Sellers' Conditions

1. No person having commenced any proceedings or investigation for the purpose of prohibiting the Transaction or the Transaction being implemented in accordance with this Agreement save for any frivolous or vexatious actions taken by any such person with no reasonable prospect of prohibiting the Transaction or the implementation of the Transaction.

2. The Dutch Buyer receiving confirmation in terms reasonably satisfactory to it that in respect of the acquisition by the Dutch Buyer of the Dutch Business as contemplated by this Agreement, the lessor and the sublessor have given approval to (i) the transfer of the Dutch Lease to the Dutch Buyer at Completion and (ii) the subsequent lease back (in accordance with the TSA) to the Dutch Seller of part of the premises leased under the Dutch Lease.

3. David Smith not having been served with or served notice of termination of his employment with BioFocus DPI (Holdings) Limited.

4. The Galapagos patent families and associated know-how listed in Schedule 13 having been licensed to the Dutch Buyer to the Buyer's reasonable satisfaction.

5. The Sellers implementing the Pre-Completion Restructuring.

6. There shall not have occurred any change which has had or is reasonably likely to result in a material adverse effect on the business, results of operations, assets, liabilities, position (financial, trading or otherwise), affairs or profits of the Services Division taken as a whole excluding, in any such case, any event, circumstance or change resulting from:

6.1. changes in stock markets, interest rates, exchange rates, commodity prices or other general economic conditions;

6.2. changes in conditions generally affecting the industry;

6.3. changes in laws, regulations or accounting practices; or

6.4. matters Disclosed,

7. The Sellers providing evidence that the audited accounts of each member of the Target Group (other than Cangenix) prepared in accordance with UK GAAP as of and for the financial year ended on 31 December 2013 have been signed by the auditors and that such Accounts are not materially different from the 2013 Management Accounts except for (i) the treatment of amortization and depreciation, and (ii) the impairment of goodwill or investment balances if applicable.

8. The Dutch Buyer being satisfied that it has received the following permits, licenses or consents required to operate the Dutch Business:

8.1. the Netherlands Ministry of Infrastructure and the Environment permits for using genetically modified organisms;

8.2. the Netherlands Department of Economic Affairs permit to use animal by-products; and

8.3. the Netherlands Provincial Department of the Environment permit.

9. The Buyers being satisfied that the Dutch Buyer or a member of the Target Group have in place licences in respect of (i) patents licensed by Ambion, Inc. under a licence agreement dated 18 December 2003; and (ii) patents licensed by Clontech Laboratories, Inc. under a licence agreement dated 20 September 2007.

10. The Sellers providing a list of those agreements and arrangements which would have been required to be disclosed under paragraph 12.4.5 of Schedule 4 if the words “except for such restrictions which individually or in aggregate do not give rise to a material adverse effect on the Services Division as carried on at the date of this Agreement” were deleted.

Schedule 3

Completion

Part 1 - Conduct between the date of this Agreement and Completion

1. CONDUCT OF BUSINESS

The Sellers shall procure that at all times during the Interim Period, each member of the Target Group and the Dutch Seller shall carry on the Business and the Dutch Business, respectively, in the normal course and in the manner provided in Part 1 of this Schedule 3.

2. MATTERS SUBJECT TO BUYER'S CONSENT

The Sellers shall procure that except: (i) with the prior written consent of the UK Buyer, (which, for these purposes, may be granted by email from Joe LaPlume or Matt Daniel or Ivan Kousidis (provided that each request for consent is sent to all three) on behalf of the Buyer to an officer or representative of the Seller) not to be unreasonably withheld conditioned or delayed and provided that if the UK Buyer has not responded to a request for such consent within 5 Business Days then such consent will be deemed to have been granted; (ii) pursuant to the implementation of the Pre-Completion Restructure; or (iii) as otherwise may be required by the provisions of this Agreement, no member of the Target Group nor the Dutch Seller (in respect of paragraphs 2.1.1, 2.1.5, 2.1.9, 2.1.10, 2.1.11, 2.1.12, 2.1.13, 2.1.14, 2.1.17, 2.1.19, 2.1.20 and 2.1.23 only) shall (and nor shall it agree to):

2.1.1. dispose of any material assets used or required for the operation of the Business; or

2.1.2. allot any shares or other securities or repurchase, redeem or agree to repurchase or redeem any of its shares; or

2.1.3. pass any resolution of its members; or

2.1.4. appoint any person as a director; or

2.1.5. enter into, modify or agree to terminate any Material Contract (as defined in paragraph 12.1 of Schedule 4); or

2.1.6. incur any capital expenditure on any individual item in excess of £50,000 or its equivalent in any other currency; or

2.1.7. make any loan or cancel, release or assign any indebtedness owed to it or any claims held by it, other than in the ordinary course of the Business; or

2.1.8. enter into any lease, lease-hire or hire-purchase agreement or agreement for payment on deferred terms; or

2.1.9. in the case of a member of the Target Group, declare or pay any dividend or make any other distribution of its assets or, in the case of the Dutch Seller, declare or pay any dividend or make any distribution of its assets which form part of the Dutch Assets; or

2.1.10. make any alterations to the terms of employment (including benefits) of any of its Directors, officers or employees; or

2.1.11. make any material amendments to any agreements or arrangements for the payment of pensions or other benefits on retirement to any of its current or former employees or directors (or any of their dependants); or

2.1.12. provide any non-contractual benefit to any Director, officer, employee or their dependants; or

2.1.13. dismiss any of its senior executives (except for cause) or employ or engage (or offer to employ or engage) any senior executives; or

2.1.14. create any Encumbrance, in the case of a member of the Target Group over any of its assets or its undertaking, or in the case of the Dutch Seller only, over any part of the Dutch Assets; or

2.1.15. give any financial or performance guarantee, or any similar security or indemnity; or

2.1.16. commence, settle or agree to settle any material legal proceedings relating to the Business, or otherwise concerning any member of the Target Group, except debt collection in the normal course of business; or

2.1.17. grant, modify, agree to terminate or permit the lapse of, in the case of a member of the Target Group, any IPR or, in the case of the Dutch Seller, any Dutch IPR forming part of the Dutch Assets or enter into any agreement relating to any such rights; or

2.1.18. incur any liability to the Seller (or any member of the Seller's Group), other than trading liabilities incurred in the normal course of the Business, none of which shall survive following Completion; or

2.1.19. enter into any agreement (or modify any subsisting agreement) with any trade union, or any agreement that relates to any works council; or

2.1.20. vary the terms on which it holds any of the Properties or settle any rent review other than in respect of the 3 month extension of the lease of the Property numbered 7 in Schedule 9 on terms substantially similar to the existing terms, provided that the negotiation of such extension shall not prejudice the break option under the relevant lease; or

2.1.21. make any material change to the accounting procedures or principles by reference to which its accounts are drawn up; or

2.1.22. make any material change to the manner in which it handles its tax affairs including settling any disputes, filing or amending tax returns, amending tax accounting methods or altering any filing periods; or

2.1.23. permit any of its insurance policies to lapse or do anything which would reduce the amount or scope of cover or make any of its insurance policies void or voidable; or

2.1.24. in relation to the Agreement for Lease either (i) give any approval or consent thereunder, (ii) make any application for consent or approval thereunder, (iii) serve any notice in relation thereto or (iv) otherwise do anything which would vary the terms of the Agreement for Lease.

3. SELLERS' OBLIGATIONS

3.1. At all times during the Interim Period, the Sellers shall:

3.1.1. use their best endeavours to maintain the trade and trade connections of the Services Division;

3.1.2. give to the Buyers, as soon as possible, full details of any material change in the business, financial position or assets of the Services Division;

3.1.3. provide the Buyers, their agents and representatives with such information relating to the business and affairs of the Services Division, and such access to its books and records, as the Buyers may reasonably require from time to time; and

3.1.4. not induce, or attempt to induce (whether directly or indirectly), any of the employees of the Target Group or the Dutch Employees to terminate their employment.

3.2. The Sellers will use reasonable endeavours during the Interim Period to introduce the Buyer to the licensors of the following licences currently held by the Seller:

3.2.1. the patents licensed by the University of Iowa Research Foundation under a licence agreement dated 24 April 2001;

3.2.2. the patents licensed by Ambion, Inc. under a licence agreement dated 18 December 2003; and

3.2.3. the patents licensed by Clontech Laboratories, Inc. under a licence agreement dated 20 September 2007;

provided that, for the avoidance of doubt, the Sellers shall not be obliged under this paragraph 3.2 to enter into negotiations with the relevant licensors or incur any cost in so assisting the Buyer.

3.3. The Sellers will use reasonable endeavours during the Interim Period to introduce the Buyer to the licensors of the following licences currently held by the Seller or its Group:

3.3.1. the software and support services granted under the agreement with Accelrys Ltd dated 31 March 2006;

3.3.2. the software granted under the agreement with Daylight Chemical Information Systems, Inc. dated 13 September 2000;

3.3.3. the software and support services granted under the agreement with Schrödinger LLC dated 21 December 2011;

3.3.4. the software and support services granted under the agreement with American Chemical Society dated 7 December 2010; and

3.3.5. the software granted under the agreement with F Secure Corporation;

provided that, for the avoidance of doubt, the Sellers shall not be obliged under this paragraph 3.3 to enter into negotiations with the relevant licensors or incur any cost in so assisting the Buyer.

3.4. During the Interim period the Sellers will implement the Pre-Completion Restructuring.

Part 2- What the Parties Shall Deliver at Completion

1. DOCUMENTS TO BE DELIVERED BY SELLERS

At Completion, the Sellers shall deliver, or cause to be delivered, to the Buyers the following:

1.1. a transfer of the Sale Shares, in agreed form, executed by the registered holder in favour of the UK Buyer;

1.2. the share certificates for the Sale Shares in the name of the registered holder or an indemnity, in agreed form, for any lost certificates;

1.3. a duly certified copy of any power of attorney under which any document to be delivered to the Buyers under this paragraph 1 has been executed;

1.4. the share certificates in respect of all issued shares in the capital of each of the subsidiaries or an indemnity for lost share certificates;

1.5. in relation to each member of the Target Group the statutory registers and minute books (duly written up to the time of Completion);

1.6. the written resignation, in agreed form and executed as a deed, of the Directors and company secretaries of the Company and the Subsidiaries (if applicable), from their respective offices with the Company or Subsidiary notified by the Buyers prior to Completion :

1.7. the written resignation of the auditors of the Company and each of the Subsidiaries (if applicable), in agreed form and accompanied in each case by:

1.7.1. a statement in accordance with section 519 of the Companies Act 2006 that there are no circumstances connected with the auditors' resignation which should be brought to the notice of the members or creditors of the Company or the relevant Subsidiary; and

1.7.2. a written assurance that the resignation and statement have been, or will be, deposited at the registered office of the Company or Subsidiary (as the case may be) in accordance with section 519 of the Companies Act 2006;

1.8. signed minutes, in agreed form, of each of the board meetings required to be held pursuant to Part 3 of this Schedule 3;

1.9. in relation to the Company and each Subsidiary:

1.9.1. print-outs of bank statements from each bank at which it has an account, giving the balance of each account at the close of business on the last Business Day before Completion;

1.9.2. all cheque books in current use and written confirmation that no cheques have been written since the statements delivered above were prepared;

1.9.3. details of its cash book balances; and

1.9.4. reconciliation statements reconciling the cash book balances and the cheque books with the bank statements delivered above,

1.10. all title deeds and other documents relating to the Properties;

1.11. all charges, mortgages, debentures and guarantees to which the Company or any of the Subsidiaries is a party and, in relation to each such instrument and any covenants connected with it:

1.11.1. a sealed discharge or release in agreed form; and

1.11.2. if applicable, a sworn and completed Form MG02 (statement of satisfaction in full or in part of mortgage or charge);

1.12. a certified copy of the resolution, in agreed form, adopted by the board of directors of the Seller authorising the Transaction; and

1.13. the Services Agreement duly executed by the Seller;

1.14. the Tax Deed duly executed by the Seller;

1.15. the TSA duly executed by the Sellers;

1.16. documentation evidencing implementation and completion of the Pre-Completion Restructure;

1.17. the Dutch Deed of Transfer, duly executed by the Dutch Seller;

1.18. the Dutch Records;

1.19. the Supplementary Disclosure Letter, duly signed by the Sellers;

1.20. the Crucell Licence duly executed by Crucell Holland B.V.;

1.21. a copy of the 2014 Management Accounts supplemented by the year to date February 2014 trial balances of the Service Division Operating Companies;

2. DOCUMENTS TO BE DELIVERED BY BUYERS

At Completion, the Buyers shall deliver, or cause to be delivered, to the Sellers the following:

2.1. the Services Agreement duly executed by the UK Buyer;

2.2. the Tax Deed duly executed by the UK Buyers;

2.3. the TSA, duly executed by the Buyers;

2.4. the Dutch Deed of Transfer, duly executed by the Dutch Buyer;

2.5. the Supplementary Disclosure Letter, duly signed by the Buyers;

2.6. a licence by BioFocus DPI Limited in respect of the use by the Seller of the trademark “SilenceSelect”.

Part 3- Matters for the Board Meetings at Completion

1. COMPLETION BOARD MEETINGS

The Seller shall cause a board meeting of the Company and each of the Subsidiaries to be held at Completion at which the following matters shall take place:

1.1. in the case of the Company only, the approval of the registration of the transfer of the Sale Shares, subject only to the transfers being stamped at the cost of the UK Buyer;

1.2. acceptance of the resignations referred to in paragraph 1.7 of Part 2 of this Schedule 3 with effect from the end of the relevant board meeting;

1.3. approval of the appointment of the persons nominated by the Buyer as directors and company secretary of the Company and of each of the Subsidiaries (but not exceeding any maximum number of directors contained in the relevant company's articles of association) with effect from the end of the relevant board meeting;

1.4. approval of the appointment of such firm of auditors as may be specified by the Buyers as the auditors of the Company and each of the Subsidiaries with effect from the end of the relevant board meeting;

1.5. the accounting reference date of the Company and of each of the Subsidiaries shall be changed to such date as may be specified by the Buyers prior to Completion;

1.6. the address of the registered office of the Company and of each of the Subsidiaries shall be changed to such address as is required by the Buyer; and

1.7. all existing instructions and authorities to the bankers of the Company and the Subsidiaries shall be revoked and replaced with new instructions and authorities as the Buyer requires.

Schedule 4

Warranties

Part 1- General Warranties

Specific references in this Schedule 4 to the "Dutch Seller" shall be deemed to refer to the Dutch Seller only in connection with the Dutch Business (and not to any unrelated business or activity or assets or liabilities).

1. POWER TO SELL THE SALE SHARES AND THE DUTCH BUSINESS

1.1. The Seller and the Dutch Seller have all requisite power and authority to enter into and perform this Agreement and the other documents referred to herein (to which it is a party) in accordance with their respective terms.

1.2. This Agreement and the other documents referred to herein constitute (or shall constitute when executed) valid, legal and binding obligations on the Seller and the Dutch Seller in accordance with their respective terms.

1.3. The execution and delivery of and the performance by each of the Sellers of its obligations under this Agreement and the performance of any document entered into pursuant to this Agreement shall not breach or constitute a default under any order, judgment or decree of any court or governmental agency applicable to the Seller or the Dutch Seller.

2. SHARES IN THE COMPANY AND THE SUBSIDIARIES AND THE DUTCH ASSETS

2.1. The Sale Shares constitute the whole of the allotted and issued share capital of the Company and are fully paid or credited as fully paid.

2.2. The Seller is the legal and beneficial owner of the Sale Shares and is entitled to transfer the legal and beneficial title to the Sale Shares to the UK Buyer free from all Encumbrances, without the consent of any other person.

2.3. The Dutch Seller is the sole legal and beneficial owner of the Dutch Assets and the Dutch Records and is entitled to transfer the full legal and beneficial ownership in the Dutch Assets and the Dutch Records to the Dutch Buyer.

2.4. The Company or a Subsidiary is the sole legal and beneficial owner of the whole of the allotted and issued share capital of each of the Subsidiaries.

2.5. The issued shares of each Subsidiary are fully paid or credited as fully paid.

2.6. Except as required by this Agreement, no person has any right to require, at any time, the transfer, creation, issue or allotment of any share, loan capital or other securities (or any rights or interest in them) of the Company, and neither the Seller nor the Company has agreed to confer any such rights, and no person has claimed any such right.

2.7. No Encumbrance exists affecting:

2.7.1. the Sale Shares or any issued shares of the Subsidiaries; or

2.7.2. the Dutch Assets or the Dutch Records.

2.8. No commitment to create any such Encumbrance has been given, nor has any person claimed any such rights.

2.9. The Company does not:

2.9.1. hold or beneficially own nor has it agreed to acquire, any shares, loan capital or any other securities or interest in any company (other than the Subsidiaries and, prior to the implementation of the Pre-Completion Restructure, the Carved-Out US Entities); or

2.9.2. have any subsidiaries or subsidiary undertakings, other than the Subsidiaries and, prior to the implementation of the Pre-Completion Restructure, the Carved-Out US Entities; or

2.9.3. have nor has agreed to become, a member of any partnership or other unincorporated association, joint venture or consortium; or

2.9.4. have any branch or permanent establishment, outside its country of incorporation.

2.10. Other than as contemplated by the Pre-Completion Restructure, the Company has not within the last 3 years:

2.10.1. purchased, redeemed, reduced, forfeited or repaid any of its own share capital; or

2.10.2. allotted or issued any securities that are convertible into shares.

2.11. All dividends or distributions declared, made or paid by the Company within the last 3 years have been declared, made or paid in accordance with the Company's constitutional documents.

2.12. The Dutch Assets are all equipment, stock and other assets required to carry on the Dutch Business in the ordinary course and consistent with past practice.

3. CONSTITUTIONAL AND CORPORATE DOCUMENTS

3.1. Copies of the memorandum and articles of association (or other constitutional and corporate documents) of the Company are attached to the Disclosure Letter.

3.2. All statutory books and registers of the Company have been properly kept, are written up to date and contain an accurate record of all matters which should be contained in them.

3.3. The minute books of the Company and each of the Subsidiaries as delivered at Completion contain a summary of all meetings of and actions taken by the directors of those companies (including any committees thereof).

3.4. All returns, particulars, resolutions and other documents that the Company is required by law to file with, or deliver to, any authority in any jurisdiction have been correctly made up in all material respects and filed or delivered.

4. PARTICULARS OF THE COMPANY AND THE SUBSIDIARIES

The particulars of the Company and the Subsidiaries set out in Schedule 1 are true, accurate and complete.

5. COMPLIANCE WITH LAWS

5.1. The Company has at all times conducted its business in accordance with all applicable laws and regulations in all material respects.

5.2. The Dutch Seller has at all times conducted the Dutch Business in accordance with all applicable laws and regulations in all material respects.

6. LICENCES AND CONSENTS

6.1. The Company and the Dutch Seller hold all licences, consents, permits and authorities necessary to carry on the Business in the places and in the manner in which it is carried on at the date of this Agreement ("**Consents")**. A copy of each Consent is attached to the Disclosure Letter.

6.2. Each of the Consents is valid and subsisting, and neither the Company nor the Dutch Seller is in material breach of the terms or conditions of any of the Consents.

6.3. The transfer of the Dutch Business by the Dutch Seller pursuant to the terms of this Agreement does not require any Consent or consent or permit of any third party.

6.4. The sale of the Sale Shares by the Buyer pursuant to the terms of this Agreement does not require any Consent or consent or permit of any third party.

6.5. Neither the acquisition of the Sale Shares by the Buyer nor compliance with the terms of this Agreement will result in the loss or impairment of, or any default under, any material Consent.

7. INSURANCE

7.1. Copies of all insurance policies maintained:

(a) by the Company; and/or

(b) on behalf of the Company,

(together the "**Company Policies**") are set out in the Disclosure Letter. The Company Policies are on the same terms as those insurance policies which were in place for the immediately preceding policy period.

7.2. So far as the Sellers are aware, the Company Policies are in full force and effect, are not void or voidable and nothing has been done, or omitted to be done, which could make any of them void or voidable. All premiums due on the Company Policies have been paid and all other conditions of the Company Policies have been performed and observed in all material respects.

7.3. Details of all insurance claims made by the Company and/or the Dutch Seller during the period of 2 years ending on the date of this Agreement are contained in the Disclosure Letter.

7.4. There are no outstanding claims in connection with the Business under any of the Company Policies or insurance policies of the Dutch Seller and, so far as the Sellers are aware, there are no circumstances reasonably likely to give rise to any such claim.

7.5. The employment practices liability insurance policy which covers the members of the Target Group (the "**EPL Policy**") or the equivalent historical policy will respond to provide insurance cover to the members of the Target Group for a period of 36 months from Completion for all relevant claims/wrongful acts which occurred prior to Completion (the "**EPL Cover**"). The effective retroactive date for the EPL Cover is October 14, 2011.

7.6. The directors and officers insurance policy which covers the members of the Target Group (the "**D&O Policy**") or the equivalent historical policy will respond to provide insurance cover to the members of the Target Group for a period of 36 months from Completion for all relevant claims/wrongful acts which occurred prior to Completion (the "**D&O Cover**"). The effective retroactive date for the D&O Cover is October 16, 2002.

7.7. The liability insurance programme (including policies covering public liability, products liability and professional liability) which covers the members of the Target Group (the "**Liability Policies**) or the equivalent

historical policies will respond to provide insurance cover to the members of the Target Group for a period of 36 months from Completion for all relevant claims/wrongful acts that occurred between 1 January 1999 and Completion (the "**Liability Cover**"). The effective retroactive date for the Liability Cover is January 1, 1999.

8. POWER OF ATTORNEY AND POWER TO BIND

8.1. Other than powers of attorney granted to patent and trademark attorneys in the ordinary course of business, there are no powers of attorney of the Company which are currently in force.

8.2. No person, other than a director of the Company, is entitled or authorised in any capacity to bind or commit the Company to any obligation outside the ordinary course of the Business.

9. DISPUTES AND INVESTIGATIONS

9.1. Neither the Company nor the Dutch Seller is currently engaged or involved in any of the following matters:

9.1.1. litigation or administrative mediation, arbitration or other proceedings, or any claims, actions or hearings before any court, tribunal or governmental or regulatory body (except for debt collection in the normal course of business); or

9.1.2. so far as the Sellers are aware, any investigation, inquiry or enforcement proceedings by a governmental or regulatory body in any jurisdiction.

9.2. So far as the Sellers are aware, neither the Company nor the Dutch Seller is currently engaged or involved in any dispute.

9.3. No proceedings, investigation, inquiry or enforcement proceedings as are mentioned above have been threatened in the last 3 years or, so far as the Sellers are aware, are pending against the Company or the Dutch Seller and, to the Sellers' knowledge, there are no circumstances reasonably likely to give rise to any such proceedings, investigations, inquiry or enforcement proceedings as are mentioned above.

9.4. Neither the Company nor the Dutch Seller is affected by any existing or pending judgment and ruling and they have not given any undertaking to any court, tribunal, arbitrator, governmental or regulatory body.

10. DEFECTIVE PRODUCTS AND SERVICES

10.1. Neither the Company nor the Dutch Seller has manufactured or sold any products or supplied any services which were at the time they were manufactured, sold or supplied, faulty or defective or which did not comply with:

10.1.1. any specifications, warranties or representations expressly or impliedly made by or on behalf of the Company or the Dutch Seller as the case may be; or

10.1.2. any laws, regulations, guidelines, standards and requirements applicable to such products or services,

and neither the Company nor the Dutch Seller has received any written notification of any claims or threatened claims from any third party in respect of any of the foregoing matters.

11. CUSTOMERS AND SUPPLIERS

11.1. In the period from 1 January 2013 up to and including the date of this Agreement neither the business carried on by the Company nor the Dutch Business has been materially adversely affected by:

11.1.1. the loss of any of its customers or its suppliers; or

11.1.2. a reduction in trade with its customers or in the extent to which it is supplied by any of its suppliers; or

11.1.3. a change in the terms on which it trades with or is supplied by any of its customers or suppliers.

11.2. No customer, client or supplier accounted for more than 5 per cent. of the aggregate sales or purchases (as applicable) made by the Company in respect of the business carried on by the Target Group or by the Dutch Seller during the period of 12 months ending on the date of this Agreement.

11.3. In the period of 12 months ending on the date of this Agreement no customer or supplier of the Company or the Dutch Business has ceased or indicated in writing, or so far as the Sellers are aware otherwise indicated, that it will cease to contract with or supply to the Company or the Dutch Seller. In the period of 12 months ending on the date of this Agreement no customer or supplier of the Company or the Dutch Business has substantially reduced or indicated in writing, or so far as the Sellers are aware otherwise indicated, an intention that it will substantially reduce its business with the Company or the Dutch Seller and the Sellers are not aware of any intention on the part of any customer or supplier to do so.

11.4. The Disclosure Letter includes complete and accurate details of the contracted pipeline and associated revenue of the Company and the Dutch Business as of 28 February 2014.

12. CONTRACTS

12.1. The definitions in this paragraph apply in this Agreement.

"**Key Customers**" means each of the customers of the Target Group listed in Parts A and B of Schedule 16 to this Agreement.

"**Material Contract**" means a Material Customer Contract or a Material Non-Customer Contract.

"**Material Customer Contract**" means the agreements regulating the relationship between the relevant members of the Target Group and the Key Customers, descriptions of which are set out in Parts A and B of Schedule 16 to this Agreement.

"**Material Non-Customer Contract**" means any agreement between the Company or the Dutch Seller and any third party (including any supplier, subcontractor or service provider) (i) under which services are provided to the Company or the Dutch Seller and used, directly or indirectly, in the performance of any Material Customer Contract; or (ii) which involves expenditure by the Company of £120,000 (or €145,000) or more in any 12 month period.

12.2. The Key Customers are (i) the top ten customers of BioFocus DPI Limited and (ii) the top ten customers of Argenta Discovery 2009 Limited, by revenue generated in the most recently completed financial year of the Target Group.

12.3. A true, accurate and complete copy of each of the Material Contracts is attached to the Disclosure Letter and the Company is not a party to any agreement or arrangement with a Key Customer which is not either attached to the Disclosure Letter or detailed in the Disclosure Letter.

12.4. Except as contemplated by the Pre-Completion Restructure and the Transaction under this Agreement, the Company is not a party to, or otherwise subject to any agreement or arrangement which:

12.4.1. is a Material Contract; or

12.4.2. is not in the ordinary and usual course of the business carried on by the Target Group; or

12.4.3. is a Material Contract which may be terminated as a result of a change of Control of the Company or as a result of the Transaction; or

12.4.4. is a Material Contract which requires the Company to give notice to any third party as a result of a change of Control of the Company or as a result of the Transaction; or

12.4.5. restricts the freedom of the Company to carry on the whole or any part of the Business in any part of the world in such manner as it

thinks fit, including by agreeing not to undertake certain work/perform certain services for parties other than the relevant customer, except for such restrictions which individually or in aggregate do not give rise to a material adverse effect on the Services Division as carried on at the date of this Agreement; or

12.4.6. involves agency or distributorship; or

12.4.7. involves partnership, joint venture, consortium, joint development, shareholder or similar arrangements; or

12.4.8. requires the Company to pay any commission, finders' fee, royalty or the like; or

12.4.9. is a Material Contract which is for the supply of goods and/or services by or to the Company on terms under which retrospective or future discounts, price reductions or other financial incentives are given; or

12.4.10. is not on arm's-length terms.

12.5. As at the date falling two Business Days prior to the date of this Agreement there are no:

12.5.1. outstanding or ongoing negotiations of material importance to the business, profits or assets of the Company or the Dutch Business; or

12.5.2. outstanding quotations or tenders for a contract, that if accepted would or would be reasonably expected to give rise to a Material Contract.

12.6. Neither the Company nor the Dutch Seller has, in any material respect, defaulted under or breached any Material Contract and, so far as the Sellers are aware, no counterparty has defaulted under or breached a Material Contract in any material respect. So far as the Sellers are aware, no such default has been threatened and there are no facts or circumstances reasonably likely to give rise to any such default.

12.7. During the last 12 months, no notice of termination of a Material Contract has been received or served by the Company or the Dutch Seller, and, so far as the Sellers are aware, there are no reasonable grounds for the termination, rescission, avoidance, repudiation or a material change in the terms of any such contract.

13. TRANSACTIONS WITH THE SELLER

There is no outstanding indebtedness or other liability (actual or contingent) and no outstanding contract, commitment or arrangement between the Company and the Seller or any other member of the Retained Group.

14. FINANCE AND GUARANTEES

14.1. Save as provided in the 2013 Management Accounts, there is no outstanding debt owed by the Company and there are no loans, overdrafts or other financial facilities currently outstanding or available to the Company.

14.2. No Encumbrance, guarantee or indemnity has been given or entered into by the Company or any third party in respect of borrowings or other obligations of the Company and nor has any such person agreed to do so.

14.3. The Company has not given or entered into, or agreed to give or enter into, any Encumbrance, guarantee or indemnity in respect of the indebtedness of, or the default in the performance of any obligation by, any other person.

14.4. The Company is not subject to any arrangement for receipt or repayment of any grant, subsidy or financial assistance from any government department or other body.

14.5. Particulars of the balances of all the bank accounts of the Company, showing the position as at the day immediately preceding the date of this Agreement, are attached to the Disclosure Letter. Since the date of those particulars, there have been no payments out of those bank accounts other than routine payments in the ordinary course of the Business.

14.6. The Company has not:

14.6.1. factored or discounted any of its debts; or

14.6.2. engaged in financing of a type which would not need to be shown or reflected in the Accounts.

14.7. All debts due to the Company: (i) are reflected in the Accounts, the Management Accounts or where they have arisen since the date of the Management Accounts in the accounting records of the Company; (ii) have arisen only from bona fide transactions in the ordinary course of business consistent with past practice and are not overdue by more than ninety (90) days; (iii) represent valid and enforceable obligations; (iv) to the knowledge of the Sellers are undisputed and the Sellers have no reason to believe that they will not realise their full face value in the normal and ordinary course of business when due; (v) are due to the Company as the Original Creditors and are free of all Encumbrances; and (vi) represent billings made after the actual sale of goods or provision of services by the Company.

14.8. There is no debtor of the Company that has refused or, to the knowledge of the Sellers, threatened to refuse to pay sums due to the Company for any reason and, to the knowledge of the Sellers no debtor of the Company has filed for or has been declared bankrupt by a court of competent jurisdiction or is subject to any bankruptcy proceeding.

14.9. All accounts payable and accrued liabilities of the Company to third parties have arisen in the ordinary course of business, no such account payable or accrued liability is late in its payment or has been deferred (regardless of whether the Company and the third party have agreed to such deferral).

14.10. Neither the acquisition of the Sale Shares by the Buyer and/or the acquisition of the Dutch Business by the Dutch Buyer, nor compliance with the terms of this Agreement will result in any present or future indebtedness of the Company or the Dutch Seller becoming due and payable, or capable of being declared due and payable, prior to its stated maturity date, or cause any financial facility to be terminated or withdrawn.

15. BROKERAGE

Neither the acquisition of the Sale Shares by the Buyer and/or the acquisition of the Dutch Business by the Dutch Buyer, nor compliance with the terms of this Agreement will entitle any person to receive from the Company any finders fee, brokerage or other commission in connection with the Transaction.

16. INSOLVENCY

16.1. The Company:

16.1.1. is not insolvent or unable to pay its debts within the meaning of the Insolvency Act 1986 or any other applicable insolvency legislation; and

16.1.2. has not stopped paying its debts as they fall due.

16.2. So far as the Sellers are aware, no step has been taken in any applicable jurisdiction to initiate any process by or under which:

16.2.1. the ability of the creditors of the Company to take any action to enforce their debts is suspended, restricted or prevented; or

16.2.2. some or all of the creditors of the Company accept, by agreement or in pursuance of a court order, an amount less than the sums owing to them in satisfaction of those sums with a view to preventing the dissolution of the Company; or

16.2.3. a person is appointed to manage the affairs, business and assets of the Company on behalf of the Company's creditors; or

16.2.4. the holder of a charge over any of the Company's assets or over the Dutch Assets is appointed to control the business and/or any assets of the Company.

16.3. In relation to the Company:

16.3.1. no administrator has been appointed;

16.3.2. no documents have been filed with the court for the appointment of an administrator;

16.3.3. no notice of an intention to appoint an administrator has been given by the relevant company, its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986); and

16.3.4. no order has been made or petition presented or resolution passed for the winding-up or administration, bankruptcy or suspension of payment of the Company, nor so far as the Sellers are aware, has any person threatened to present such a petition or convened or threatened to convene a meeting of the Company to consider a resolution to wind up the Company, nor so far as the Sellers are aware, has any step been taken in relation to the Company under a law relating to insolvency or the relief of debtors in any part of the world.

16.4. So far as the Sellers are aware, no process has been initiated which could lead to the Company being dissolved and its assets being distributed among the relevant company's creditors, shareholders or other contributors.

16.5. No distress, execution or other process has been levied on an asset of the Company or the Dutch Assets.

16.6. None of the events referred to in paragraph 16.1 to paragraph 16.5 has occurred in relation to the Seller or the Dutch Seller.

17. ACCOUNTS

17.1. The Accounts have been prepared in accordance with UK GAAP and applicable laws and regulations in the UK.

17.2. The Accounts have been audited by an auditor or firm of accountants qualified to act as auditors in the UK and the auditors' report(s) required to be annexed to the Accounts is unqualified.

17.3. The Accounts give a true and fair view of the assets and liabilities and state of affairs of the Company as at the Accounts Date and of the profit or loss of the Company for the financial year ended on that date.

17.4. The Accounts have been prepared on a basis consistent with the audited accounts of the Company for the three prior accounting periods without any material change in accounting policies used.

17.5. The 2013 Management Accounts have been prepared in accordance with IFRS and have been prepared in good faith for the purposes of fairly representing the assets and liabilities and the profits and losses of the Services Division Operating Companies as at and to the date to which they have been prepared.

17.6. The 2014 Management Accounts have been prepared in good faith for the purposes of fairly representing the profits and losses of the Services Division Operating Companies to the date to which they have been prepared.

18. CHANGES SINCE ACCOUNTS DATE

18.1. Except as contemplated by the Pre-Completion Restructure and the Transaction under this Agreement or as reflected in the 2013 Management Accounts, since 31 December 2012:

18.1.1. the Company and the Dutch Seller have conducted the business carried on by the Target Group and the Dutch Business respectively in the normal course and as a going concern;

18.1.2. there has been no material adverse change in the turnover or financial position of the Company or the Dutch Business;

18.1.3. the Company has not issued or agreed to issue any share or loan capital;

18.1.4. no dividend or other distribution of profits or assets has been, or agreed to be, declared, made or paid by the Company;

18.1.5. the Company has not borrowed or raised any money or given or taken any form of financial security;

18.1.6. no capital expenditure has been incurred on any individual item by the Company in excess of £100,000 or €120,000 and the Company has not acquired, invested or disposed of (or agreed to acquire, invest or dispose of) any individual item in excess of £100,000 or €120,000;

18.1.7. no shareholder resolutions of the Company have been passed; and

18.1.8. the Company has paid its creditors within the applicable periods agreed with the relevant creditor.

19. ASSETS

19.1. The assets included in the Accounts, together with any assets acquired since the Accounts Date in connection with the Business (except for those disposed of since the Accounts Date in the normal course of business) are:

19.1.1. legally and beneficially owned by a member of the Target Group, and the relevant owner has good and marketable title to such assets;

19.1.2. not the subject of any lease, lease hire agreement, hire purchase agreement or agreement for payment on deferred terms, or any licence or factoring arrangement; and

19.1.3. in the possession and control of the Company.

19.2. The Dutch Assets are:

19.2.1. legally and beneficially owned by the Dutch Seller which has good and marketable title to such assets;

19.2.2. not the subject of any lease, lease hire agreement, hire purchase agreement or agreement for payment on deferred terms, or any licence or factoring arrangement; and

19.2.3. in the possession and control of the Dutch Seller.

19.3. None of the assets, undertaking or goodwill of the Company is subject to an Encumbrance or any agreement or commitment to create an Encumbrance, and no person has claimed to be entitled to create such an Encumbrance.

19.4. None of the Dutch Assets is subject to an Encumbrance or any agreement or commitment to create an Encumbrance, and no person has claimed to be entitled to create such an Encumbrance.

19.5. The assets owned by the Company and the Dutch Assets together comprise all the assets necessary for the continuation of the Business as it is carried on at the date of this Agreement and no other real or personal property is necessary to the operations of the Business as presently conducted (consistent with historical practice).

19.6. Neither the acquisition of the Sale Shares by the Buyer and/or the acquisition of the Dutch Business by the Dutch Buyer, nor compliance with the terms of this Agreement will cause the Company or the Dutch Business to lose the benefit of any material asset.

20. PLANT AND EQUIPMENT

The plant, machinery, office and other equipment used by the Company in connection with the Business and the Dutch Assets are in good working order.

21. INTELLECTUAL PROPERTY

21.1. Details of all Business Intellectual Property (with the exception of any Licensed IPR) which is registered, or the subject of an application for registration is set out in the Disclosure Letter ("**Registered IPR**").

21.2. Details of all licences and sub-licences of third party IPR to the Company or the Dutch Seller (collectively, "**Licensed IPR**") and all licences and sub-licences of IPR to third parties by the Company or the Dutch Seller are set out in the Disclosure Letter. Such details are accurate and complete in all material respects. Copies of such licences and sub-licences are attached to the Disclosure Letter. None of the said licences is capable of termination by reason of the transactions contemplated by this Agreement.

21.3. Except for any Licensed IPR as referred to in paragraph 21.2, the Company and/or the Dutch Seller are the sole, legal and beneficial owners (and for Registered IPR, the registered proprietors) of all IPR that is used in the Business or necessary to lawfully conduct the Business as carried on at or prior to the date of this Agreement.

21.4. Except for the licences referred to in paragraph 21.2 above, there are no agreements or arrangements to which the Company or the Dutch Seller is a party: (i) under which the Company or the Dutch Seller has been given rights in or over third party IPR; or (ii) which impose obligations on the Company or the Dutch Seller to pay royalties or other monies in respect of use or exploitation of the Business Intellectual Property; or (iii) which prevent, restrict or otherwise inhibit the Company's or the Dutch Seller's freedom to use, exploit, licence, sub-licence, transfer or assign the Business Intellectual Property; or (iv) under which the Company or the Dutch Seller has granted any third party any rights in (including any rights to obtain an assignment, licence or other rights in the future or on the happening of any event), or options over, any of the Business Intellectual Property.

21.5. All of the Business Intellectual Property owned by the Company or the Dutch Seller is free and clear of all Encumbrances.

21.6. All fees due up to, the date of this Agreement for the prosecution and maintenance of the Registered IPR have been paid in full and official deadlines have been met and there are no such fees or deadlines due within 30 days of the date of this Agreement.

21.7. So far as the Sellers are aware, there are no grounds on which any third party could reasonably claim that any of the Registered IPR should be revoked, invalidated or rendered unenforceable.

21.8. The Seller is not aware, and neither the Company nor the Dutch Seller has been notified of any reason why the applications forming part of the Registered IPR should not proceed to grant in their current form in all material respects.

21.9. No compulsory licences or licences of right have been granted in relation to the Registered IPR.

21.10. So far as the Sellers are aware:

21.10.1. no third party is infringing or making unauthorised use of, or has infringed or made unauthorised use of, any Business Intellectual Property owned by the Company or the Dutch Seller or has acted in such a way as to constitute passing off or unfair competition of the Business Intellectual Property owned by the Company or the Dutch Seller; and

21.10.2. no third party is threatening to do so.

21.11. The Company and the Dutch Seller have not made any threat nor instituted proceedings against a third party claiming that such third party is infringing or making unauthorised use of, or has infringed or made unauthorised use of, any Business Intellectual Property owned by the Company or the Dutch Seller or has acted in such a way as to constitute passing off or unfair competition of the Business Intellectual Property owned by the Company or the Dutch Seller.

21.12. Neither the Company nor the Dutch Seller nor, as far as the Sellers are aware, none of the other parties to the licences and sub-licences as referred to in paragraph 21.2 is in material breach of its obligations thereunder and there exists no event, condition, or occurrence which (with or without due notice or lapse of time, or both) would constitute such a material breach or alleged material breach by any of the parties thereto and no such material breach has been threatened or received by the Company or the Sellers.

21.13. Carrying on the Business as carried on at and prior to the date of this Agreement (a) does not and did not at the time it was so carried on, infringe or make unauthorised use of IPR of any third party or amount to passing off or unfair competition; and (b) does not and did not give rise to any obligation to pay royalties, fees, compensation or other sums, except pursuant to the licences referred to in paragraph 21.2 above. Neither the Company nor the Dutch Seller has received any written notification of, and the Sellers are not aware of, any claims or threatened claims from any third party in respect of any of the foregoing matters.

21.14. The Company, the Seller and the Dutch Seller have taken reasonable steps to protect and preserve the confidential nature of their proprietary information, know-how and trade secrets relating to the Business including the Company and the Dutch Seller's compound libraries (the "**Information**") including without limitation ensuring that all Information is fully documented, is kept in a secure location in the possession and control of the Company and is not disclosed to any person except employees and third parties to whom

disclosure is necessary in the normal course of the Business and who are bound by written obligations of confidentiality in relation thereto. As far as the Sellers are aware, where the Information has been disclosed to an employee or third party subject to written confidentiality obligations, those obligations have not been breached by the relevant other party.

21.15. All material source code, code listings, source code comments, flow charts, tapes, indices, programming notes, designs, documentation and know-how relating to software developed by or on behalf of the Company, the Seller or the Dutch Seller used in the Business as carried on at the date of this Agreement ("**Source Materials**") are recorded in human readable form and are in the possession or custody or under the control of the Company. All agreements relating to Source Materials are attached to the Disclosure Letter. The Company and the Sellers have kept confidential the Source Materials and have not disclosed the same to any third party.

21.16. The Company is not liable to pay compensation to any of its employees or ex-employees under section 40 of the Patents Act 1977 (or any equivalent provisions in any other country) in respect of any of the patents or patent applications comprising the Registered IPR and as far as the Sellers are aware there are no claims or threatened claims by employees in that respect.

22. INFORMATION TECHNOLOGY

22.1. Details of the computer hardware and computer systems (including software and associated documentation, network and communication equipment) (the "**IT System**") used by the Dutch Seller in the Dutch Business are set out in the Disclosure Letter. Such details are complete and accurate in all material respects.

22.2. Details of the material IT System used by the Target Group in the Business are set out in the Disclosure Letter. Such details are complete and accurate in all material respects.

22.3. Details of all agreements and arrangements under which any third party provides an element of, or services in respect of, the IT System (including leasing, hire purchase, and sale on deferred terms and all licensing, maintenance and support contracts) (the "**IT Contracts**"), to which the Dutch Seller is a party are set out in the Disclosure Letter. Such details are complete and accurate in all material respects.

22.4. Details of all material IT Contracts to which the Company is a party are set out in the Disclosure Letter. Such details are complete and accurate in all material respects.

22.5. The IT System:-

22.5.1. save to the extent provided in the IT Contracts, is owned by the Company (or by the Dutch Seller, in which case such IT System assets will be transferred as part of the Dutch Assets) free from any encumbrances and any other rights exercisable by third parties;

22.5.2. does not contain and has not in the 12 months prior to the date of this Agreement contained any material defects or errors in functionality, which may adversely affect, or have adversely affected its performance or the Business;

22.5.3. has not in the 12 months prior to the date of this Agreement, so far as the Sellers are aware, been infected by any virus or malware, nor been accessed by any unauthorised person; and

22.5.4. has been satisfactorily and regularly maintained (and the Company or the Dutch Seller as the case may be are in possession of full servicing records which in the case of the Dutch Business are part of the Dutch Assets) and there are in place appropriate hardware and software support and maintenance (including emergency cover) agreements for it.

22.6. The Company and the Dutch Seller have in place (and have maintained) adequate security systems for the IT System (including systems to protect the confidentiality and integrity of the data stored within it) and systems for taking and storing back up copies of software and data).

22.7. The Company has in place a written disaster recovery plan in respect of the IT System. A copy of the plan is attached to the Disclosure Letter.

22.8. Save as set out in an IT Contract, the IT System is under the sole control of the Company, is not shared with or used by or on behalf of or accessible by any other person and the Company has the right to make exclusive and unrestricted use of the IT System.

22.9. The Company and the Dutch Seller have possession or control of the source code of all software forming part of the IT System ("**Business Software**"), or have the right to gain access to such code under the terms of source code deposit agreements with the owners of rights in the relevant Business Software.

22.10. The Company and the Dutch Seller have taken all reasonable steps and have in place adequate systems to seek to ensure that all Software forming part of the IT System is free of any viruses.

23. DATA PROTECTION

23.1. In this paragraph 23, the terms "**data protection principles**", "**data subject**", "**data controller**", "**Information Commissioner**" and "**personal data**" have the meanings set out in the DPA.

23.2. To the extent that the Company is a data controller under the DPA it has:

23.2.1. during the 3 years prior to the date of this Agreement, and so far as the Sellers are aware in the period prior to such time period, complied with all relevant requirements of the DPA, including, without limitation, with the data protection principles set out in the DPA;

23.2.2. made an appropriate notification to the Information Commissioner pursuant to the DPA and details of the notification are listed in the Disclosure Letter and the information contained in the Company's notification under the DPA is correct, complete and up to date; and

23.2.3. complied with requests to the Company made by data subjects requesting access to personal data held by the Company and any mandatory applications for rectification or erasure of personal data.

23.3. The Company has received no notice (including any enforcement notice, de-registration notice or transfer prohibition notice) from either the Information Commissioner or a data subject alleging non-compliance with the DPA nor is the Seller aware of any circumstances which could reasonably give rise to the giving of any such notice to the Company.

23.4. The Company has received no claim for compensation from any individual under the DPA in respect of inaccuracy, loss, unauthorised destruction or unauthorised disclosure of personal data by the Company, there is no outstanding order against the Company in respect of the rectification or erasure of personal data and the Seller is not aware of any circumstances which could reasonably give rise to the making of any such claims or orders.

23.5. The Company has complied with their obligations under the Privacy and Electronic Communications (EC Directive) Regulations 2003 in respect of the use of electronic communications (including email, text messaging, fax machines, automated calling systems and non-automated telephone calls) for direct marketing purposes.

23.6. The Company has during the 3 years prior to the date of this Agreement, and so far as the Sellers are aware in the period prior to such time period, taken reasonable steps to comply with the requirements of The Human Tissue Act 2004 and has adopted an equivalent approach to data protection and data processing in respect of other relevant jurisdictions.

24. EMPLOYMENT

24.1. The definitions in this paragraph apply in this Agreement.

"**Employment Legislation**" means legislation applying in the applicable jurisdiction affecting contractual or, in respect of the employment of the Employees, other relations between the Company or the Dutch Seller and any Employee.

"**Employee**" means any person employed by the Company under a contract of employment and any Dutch Employee.

24.2. The Disclosure Letter includes anonymised particulars of each Employee and the principal terms of their contract of employment including:

24.2.1. the company which employs them;

24.2.2. their current remuneration (including any contractual benefits and privileges that the Company or the Dutch Seller provides or is bound to provide to them or their dependants;

24.2.3. the date on which the Employee's continuous service began;

24.2.4. the length of notice necessary to terminate each contract or, if a fixed term, the expiry date of the fixed term and details of any previous renewals;

24.2.5. the type of contract (whether full or part-time or other);

24.2.6. their date of birth;

24.2.7. any country in which the Employee works or performs services and/or is paid and the law governing the contract.

24.3. The Disclosure Letter includes anonymised details of all Employees who are on secondment, maternity, paternity or adoption leave or are absent due to long-term sickness, being in excess of five consecutive Business Days or for any other reason and have been so absent in excess of twenty consecutive Business Days.

24.4. No person works for or provides services to the Company or the Dutch Seller in connection with the Services Division who is not an Employee.

24.5. The Dutch Employees are all of the employees required to carry on the Dutch Business.

24.6. No notice to terminate the contract of employment of any Employee is pending, outstanding or threatened and no dispute under any Employment Legislation is outstanding between the Company or the Dutch Seller and any current or former Employees relating to their employment or its termination and no Employee is currently subject to a disciplinary sanction or procedure.

24.7. None of the Employees are bound by any collective labour agreement.

24.8. The Company has undertaken all reasonable steps to confirm that every Employee who requires permission to work in the jurisdiction in which such person works for the Company or the Dutch Seller has current permission to work in the relevant jurisdiction.

24.9. No offer of employment has been made by the Company or the Dutch Seller in connection with the Services Division that has not yet been accepted.

24.10. The compliance with the terms of this Agreement will not entitle any Employees of the Company or the Dutch Seller to terminate their employment or receive any payment or other benefit.

24.11. All employment contracts between the Company and its Employees are terminable at any time on not more than three months' notice without compensation (other than for unfair dismissal or a statutory redundancy payment) or any liability on the part of the Company or the Dutch Seller other than wages, commission or pension. All employment contracts between the Dutch Seller and the Dutch Employees are terminable on not more than four months' notice without compensation (other than for unfair dismissal or a statutory redundancy payment) or any liability on the part of the Dutch Seller other than wages, commission or pension.

24.12. The Company and the Dutch Seller are not a party to, bound by or proposing to introduce in respect of any Employee any redundancy payment scheme in addition to statutory redundancy pay.

24.13. In the period of three years preceding the date of this Agreement, neither the Company nor the Dutch Seller has been a party to a relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (or equivalent legislation in any jurisdiction implementing the requirements of the Acquired Rights Directive (2001/23/EC) including in relation to the Netherlands sections 7:662 *et seq.* DCC) affecting any of the Employees.

24.14. The Company and the Dutch Seller are not a party to, bound by or proposing to introduce in respect of any Employees of the Dutch Seller or the Target Group any Employee Benefit Plan/incentive scheme or arrangement (including, without limitation, any share option arrangements, commission, profit sharing or bonus scheme).

24.15. Neither the Dutch Seller nor the Company has incurred any actual or contingent liability in connection with the termination of the employment of any of its Employees (including redundancy payments) or for a failure to comply with any order for the reinstatement or re-engagement of any Employee.

24.16. Neither the Company nor the Dutch Seller have incurred any liability in the last 36 months for a failure to provide information or to consult with Employees under any Employment Legislation.

24.17. Neither the Company nor the Dutch Seller have in the last 12 months made or agreed to make a payment or provided or agreed to provide a benefit to a current or former Employee or to their dependents in connection with the actual or proposed termination or suspension of employment or variation of an employment contract.

24.18. Neither the Company nor the Dutch Seller is involved in any material industrial or trade dispute or negotiation regarding a claim with any trade union, works council, group or organisation of employees or their representatives representing Employees and so far as the Sellers are aware there is nothing reasonably likely to give rise to such a dispute or claim.

24.19. Neither the Company nor the Dutch Seller has offered, promised or agreed to any future variation in the contract of any Employee.

24.20. There are no sums owing to or from any Employee other than reimbursement of expenses, wages for the current salary period and holiday pay for the current holiday year.

24.21. All amounts required to be paid by the Dutch Seller in connection with its Employee Benefit Plans in the period up to the Completion Date have been paid in full, and all amounts accrued under the Employee Benefit Plans in the period up to the Completion Date for the benefit of Employees, whether or not due and payable at the Completion Date, have been (pre)paid in full by the Dutch Seller to the relevant Employees.

24.22. There are no loans or notional loans to any current or former Employee or any of their nominees or associates made or arranged by the Company or the Dutch Seller.

24.23. All Employees of grade 9 and above who have left employment with the Company or the Dutch Seller during the past 12 months are currently bound to a clause regarding confidentiality, non-competition, non-solicitation of clients, non-solicitation of employees and intellectual property.

24.24. The Disclosure Letter includes:

24.24.1. anonymised copies of all handbooks, policies and other documents describing any material terms and conditions of any Employees which terms and conditions have not otherwise been disclosed which apply to any of the Employees; and

24.24.2. (a) all pro forma contracts used by the Company (the "**Pro Forma Contracts**"); and (b) the existing individual contracts for David Smith, Angus McLeod, Kate Hilliard, John Montana, Steve Price and Ian Richards (the "**Named Employees**"); and (c) the existing individual contracts for the US Employees, and all Employees, other than the Named Employees and US Employees, are employed in accordance with contracts in the form of the Pro Forma Contracts; and

24.24.3. copies of all agreements or arrangements with any trade union, works council, employee representative or body of employees or their representatives which affect any Employee.

24.25. In respect of each of its Employees, the Company and the Dutch Seller has:

24.25.1. performed all material obligations and duties it is required to perform (and settled all outstanding claims) under Employment Legislation;

24.25.2. complied in all material respects with the terms of any relevant agreement or arrangement with any trade union, works council (including, without limitation, notifying the Works Council within the meaning of section 25 of the Dutch Works Council Act (*Wet op de ondernemingsraden*)), employee representative or body of employees or their representatives; and

24.25.3. maintained adequate records.

24.26. No Employee is subject to a current disciplinary written warning or procedure which is reasonably likely to result in the issue of a written warning or more serious disciplinary action.

24.27. All death and disability benefits provided to the employees of the Company and the Dutch Seller are fully insured by an insurance policy with an insurer of good repute. The Sellers are not aware of any reason why these policies might be invalidated, or why the insurer might try to set them aside.

24.28. Neither the Company nor the Dutch Seller has discriminated against, or in relation to, any Employee on grounds of age, sex, disability, marital status, hours of work, fixed-term or temporary agency worker status, sexual orientation, religion or belief in providing pension, lump-sum, death, ill-health, disability or accident benefits.

25. RETIREMENT BENEFITS

25.1. The Pension Schemes are the only arrangements under which the Company or the Dutch Seller has or may have any obligation (whether or not legally binding) to provide or contribute towards pension benefits in respect of its past or present officers and employees ("**Pensionable Employees**"). No proposal or announcement has been made to any employee or officer of the Company or the Dutch Seller as to the introduction, continuance, increase or improvement of, or the payment of a contribution towards, any other pension benefits.

25.2. Neither the Company nor the Dutch Seller has any obligations (whether or not legally binding) to provide or contribute towards death, ill-health, disability or accident benefits as part of a pension scheme.

25.3. All material details of the Pension Schemes are set out in the Disclosure Letter in the form of:

25.3.1. copies of all documents governing the Pension Schemes and of any related announcements and explanatory booklets; and

25.3.2. a list of all Pensionable Employees who are members of the Pension Scheme, with all details relevant to their membership and necessary to establish their entitlements under the Pension Schemes.

25.4. No proposal or announcement has been made and neither the Company nor the Dutch Seller is bound to implement any material change to the Pension Schemes.

25.5. The Company has complied with its automatic enrolment obligations as required by the Pensions Act 2008 and associated legislation. The Dutch Seller has complied with all its obligations as required by the Dutch Pension Act (*Pensioenwet*) and associated legislation.

25.6. All contributions, insurance premiums, tax and expenses due to and in respect of the Pension Schemes have been duly paid. There were no liabilities outstanding in respect of the Pension Schemes as at 31 December 2013 which were not adequately provided for in the 2013 Management Accounts.

25.7. The UK Pension Scheme is a registered pension scheme for the purposes of Chapter 2 of Part 4 of the Finance Act 2004 and so far as the Sellers are aware there is no reason why HM Revenue & Customs might de-register the scheme. The Dutch Pension Scheme is a pension scheme that has been set up and is administrated in accordance with the Dutch Wages and Salaries Tax Act 1964 (*Wet op de loonbelasting 1964)* and associated legislation and so far as the Sellers are aware there is no reason why the Dutch Tax Authorities (*Belastingdienst*) might claim tax levies, fines or other penalties.

25.8. Each Pension Scheme has been designed to comply with, and so far as the Sellers are aware, has been administered in accordance with, all applicable legal and administrative requirements and in compliance with its governing documents. The Company has complied in all material respects with its obligations under and in respect of the UK Pension Scheme. The Dutch Seller and the pension operator of the Dutch Pension Scheme have complied in all material respects with their obligations under and in respect of the Dutch Pension Scheme.

25.9. The Company has complied with section 3 of the Welfare Reform and Pensions Act 1999.

25.10. Other than routine claims for benefits, no claims or complaints have been made or, to the Sellers' knowledge, are pending or threatened in relation to the Pension Schemes or otherwise against the Company or the Dutch Seller in respect of the provision of (or failure to provide) pension benefits by the Company or the Dutch Seller in relation to any of the Pensionable Employees. So far as the Sellers are aware, there are no facts or circumstances reasonably likely to give rise to such claims or complaints.

25.11. No Pension Scheme provides or has provided defined benefits.

26. PROPERTY

26.1. The definitions in this paragraph apply in this Agreement.

"**Current Use**" means the identified use for each Property as set out in Schedule 9;

"**Lease**" means the lease under which each Leasehold Property is held, and all documents that are supplemental or collateral to it;

"**Leasehold Properties**" means the Properties set out in Schedule 9 and Leasehold Property means any one of them or part or parts of any one of them;

"**Previously-owned Land and Buildings**" means land and buildings that have, at any time before the date of this Agreement, been owned (under whatever tenure) and/or occupied and/or used by a member of the Target Group, but which are either no longer owned, occupied or used by a member of the Target Group, or are owned, occupied or used by a member of the Target Group but pursuant to a different lease, licence, transfer or conveyance;

"**Planning Acts**" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Planning Act 2008, and any other legislation from time to time regulating the use or development of land;

"**Properties**" means the Leasehold Properties and **Property** means any one of them or any part or parts of any one of them;

"**Property Statutes**" means the Public Health Acts, Occupiers Liability Act 1957, Offices, Shops and Railway Premises Act 1963, Health and Safety at Work etc. Act 1974, Control of Pollution Act 1974, Occupiers Liability Act 1984, Environmental Protection Act 1990, Construction (Design and Management) Regulations 1994, Equality Act 2010, Control of Asbestos Regulations 2012, Construction (Design and Management) Regulations 2007 and all other regulations, rules and delegated legislation under, or relating to, such statutes;

"**Statutory Agreement**" means an agreement or undertaking entered into under section 18 of the Public Health Act 1936, section 52 of the Town and Country Planning Act 1971, section 33 of the Local Government (Miscellaneous Provisions) Act 1982, section 106 of the Town and Country Planning Act 1990, section 104 of the Water Industry Act 1991 and any other legislation (later or earlier) similar to these statutes;

26.2. The particulars of the Properties set out in Schedule 9 are complete and accurate.

26.3. The Properties are the only land and buildings owned, used or occupied by the Company or the Dutch Seller (in carrying on the Dutch Business only).

26.4. Complete and accurate copies of the Leases are attached to the Disclosure Letter.

26.5. The Company has no right of ownership, right of use, option, right of first refusal or contractual obligation to purchase, or any other legal or equitable right, estate or interest in, or affecting, any land or buildings other than the Properties.

26.6. The Company does not have any liability in respect of Previously-owned Land and Buildings and nor has it given any guarantee or indemnity for any liability relating to any of the Properties or any other land or buildings.

26.7. The member of the Target Group or the Dutch Seller (as applicable) which is identified as the tenant in Schedule 9, is in possession and actual occupation of each of the Properties on an exclusive basis, no member of the Target Group or the Dutch Seller has granted, or agreed to grant, any right of occupation or enjoyment in respect of any of the Properties to any third party and so far as the Sellers are aware, no right of occupation or enjoyment has been acquired or is in the course of being acquired by any third party in respect of any of the Properties.

26.8. The Company or the Dutch Seller (as applicable) has in its possession and control:

(a) all consents required under the Lease;

(b) copies of all assignments of the Lease; and

(c) evidence of the current annual rent payable under the Lease.

26.9. So far as the Sellers are aware, there is no circumstance that could render any transaction affecting the title of the Company or the Dutch Seller to any of the Properties liable to be set aside under the Insolvency Act 1986 or any equivalent legislation in any jurisdiction.

26.10. So far as the Sellers are aware, there are no insurance policies relating to any issue of title affecting the Properties.

26.11. There are, appurtenant to each of the Properties, all rights and easements necessary for their Current Use and enjoyment (without restriction as to time or otherwise).

26.12. The unexpired residue of the term granted by each Lease is vested in the Dutch Seller or the member of the Target Group identified as the tenant of each Lease in Schedule 9 and is valid and subsisting.

26.13. In relation to each Lease, the Dutch Seller or the member of the Target Group identified as the tenant of the Lease in Schedule 9 has, so far as the Sellers are aware, observed and performed in all material respects all covenants, restrictions, stipulations and other encumbrances and has not received notice of any breach of tenant covenant from any landlord which is subsisting or allegedly subsisting.

26.14. In relation to each Lease, all principal rent and additional rent and all other sums payable by each lessee, tenant, licensee or occupier under each Lease have been paid as and when they became due.

26.15. Any consents required for the grant of each Lease and for any assignment of each Lease, have been obtained and placed with the documents of title along with evidence of the registration of grant where required.

26.16. The Properties are not subject to the payment of any outgoings other than non-domestic local business rates, water and sewerage charges, principal rent, insurance premiums and service charges and all outgoings have been paid when due and none is disputed.

26.17. So far as the Sellers are aware, there are no covenants, restrictions, stipulations, easements, profits à prendre, wayleaves, licences, grants or other encumbrances (whether of a private or public nature, and whether legal or equitable) affecting the Properties which are of an onerous or unusual nature or which conflict with the Current Use of the Properties.

26.18. So far as the Sellers are aware, there are no circumstances which (with or without taking other action) would entitle any third party to exercise a right of entry to, or take possession of all or any part of the Properties, or which would in any other way affect or restrict the continued possession, enjoyment or use of any of the Properties.

26.19. The Current Use of each of the Properties is the permitted use for the purposes of the relevant Lease and the Planning Acts and, so far as the Sellers are aware, all necessary building regulation consents have been obtained.

26.20. So far as the Sellers are aware, no claim or liability (contingent or otherwise) under the Planning Acts in respect of the Properties, or any Statutory Agreement affecting the Properties, is outstanding, nor are the Properties the subject of a notice to treat or a notice of entry, and no notice, order resolution or proposal has been published for the compulsory acquisition, closing, demolition or clearance of the Properties.

26.21. So far as the Sellers are aware, there are no continuing conditions under any planning permissions, orders or regulations issued under the Planning Acts in relation to the Properties.

26.22. So far as the Sellers are aware, no Property is located in an area or subject to circumstances which makes it susceptible to subsidence or flooding and nor does any Property contain asbestos or deleterious materials.

26.23. There are no development works, redevelopment works or fitting-out works outstanding in respect of any of the Properties.

27. ENVIRONMENT AND HEALTH AND SAFETY

27.1. The definitions in this paragraph apply in this Agreement.

"**CRC**" means the CRC Energy Efficiency Scheme established by the CRC Order;

"**CRC Order**" means the CRC Energy Efficiency Scheme Order 2013 (SI 2013/1119) and 2010 (SI 2010/768) as amended;

"**Environment**" means the natural and man-made environment including all or any of the following media: air (including air within buildings and other natural or man-made structures above or below the ground), water, land, and any ecological systems and living organisms (including man) supported by those media;

"**EHS Laws**" means all applicable laws, statutes, regulations, subordinate legislation, bye-laws, common law and other national, international, federal, European Union, state and local laws, judgments, decisions and injunctions of any court or tribunal, codes of practice and guidance notes that are legally binding and in force as at the date of this Agreement to the extent that they relate to or apply to the Environment or to the health and safety of any person;

"**EHS Matters**" means all matters relating to:

(a) pollution or contamination of the Environment;

(b) the presence, disposal, release, spillage, deposit, escape, discharge, leak, migration or emission of Hazardous Substances or Waste;

(c) the health and safety of any person, including any accidents, injuries, illnesses and diseases;

(d) the creation or existence of any noise, vibration, odour, radiation, common law or statutory nuisance; or

(e) the condition, protection, remediation, reinstatement or restoration of the Environment or any part of it.

"**EHS Permits**" means any permits, licences, consents, certificates, registrations, notifications or other authorisations required under any EHS Laws for the operation of the Business as it is currently carried on, including the occupation of the Properties;

"**Harm**" means harm to the Environment, and in the case of man, this includes harm caused to any of his senses or harm to his property;

"**Hazardous Substances**" means any material, substances or organism which, alone or in combination with others, is capable of causing Harm, including radioactive substances, materials containing asbestos and Genetically Modified Organisms;

"**Waste**" means any waste, including any by-product of an industrial process and anything that is discarded, disposed of, spoiled, abandoned, unwanted or surplus, irrespective of whether it is capable of being recovered or recycled or has any value.

27.2. The electricity consumption of the Target Group when aggregated with the electricity consumption of all other UK based undertakings and subsidiaries of the Seller has not reached the threshold for participation in the CRC.

27.3. No Hazardous Substances have been emitted, escaped or migrated from, any of the Properties in violation of any EHS Laws.

27.4. So far as the Sellers are aware, there are no landfills, underground storage tanks, or uncontained storage treatment or disposal areas for Hazardous Substances or Waste (whether permitted by EHS Laws or otherwise) present at, on or under any of the Properties, and so far as the Sellers are aware no such operations are proposed.

27.5. At no time has the Company or the Dutch Seller either been required to hold, or applied for, a waste disposal licence or waste management licence under any EHS Laws.

27.6. So far as the Sellers are aware, neither the Seller, the Dutch Seller nor the Company has in the last three years received any formal written claims, investigations, prosecutions or other proceedings against them in respect of Harm arising from the operation of the Business or occupation of any of the Properties by the Company and/or the Dutch Seller for any breach or alleged breach of any EHS Permits or EHS Laws.

27.7. Copies of all:

27.7.1. material environmental and health and safety policy statements;

27.7.2. reports in respect of environmental and health and safety audits, investigations or other assessments carried out by the Company in the previous three years;

27.7.3. registrations, reports and evidence packs required to be submitted or kept pursuant to a legal requirement in the CRC Order;

27.7.4. records of reportable accidents, illnesses and diseases which occurred in the previous two years; and

27.7.5. written correspondence on EHS Matters between the Company and any relevant enforcement authority within the last three years;

relating to the Business or any of the Properties are attached to the Disclosure Letter.

27.8. All Waste disposal of the Target Group and of the Dutch Seller is carried out by authorised contractors.

28. ANTI-CORRUPTION

28.1. The definition in this paragraph applies in this Agreement.

"**Associated Person**" means in relation to a company, a person (including an employee, agent or subsidiary) who performs or has performed services for or on behalf of that company.

28.2. The Company has not at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or the US Foreign Corrupt Practices Act or, so far as the Sellers are aware, any other applicable anti-corruption laws, anti-bribery laws or import-export laws.

28.3. No Associated Person of the Company has bribed another person (within the meaning given in section 7(3) of the Bribery Act 2010) intending to obtain or retain business or an advantage in the conduct of business for the Company and the Company has put in place adequate procedures and in line with the guidance published by the Secretary of State under section 9 of the Bribery Act 2010 designed to prevent their Associated Persons from undertaking any such conduct.

28.4. Neither the Company nor any of its Associated Persons is or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body or any customer regarding any offence or alleged offence under the Bribery Act 2010 or the US Foreign Corrupt Practices Act, and, so far as the Sellers are aware, no such investigation, inquiry or proceedings have been threatened or are pending and there are no circumstances reasonably likely to give rise to any such investigation, inquiry or proceedings.

29. COMPETITION

29.1. The definition in this paragraph applies in this Agreement.

"**Competition Law**" means the relevant legislation of any applicable jurisdiction which governs the conduct of companies or individuals in relation to restrictive or other anti-competitive agreements or practices (including, but not limited to, cartels, pricing, resale pricing, market sharing, bid rigging, terms of trading, purchase or supply and joint ventures), dominant or monopoly market positions (whether held individually or collectively) and the control of acquisitions or mergers.

29.2. The Company is not engaged in any agreement, arrangement, practice or conduct which amounts to an infringement of the Competition Law of any jurisdiction in which the Company conducts its Business and, so far as the Sellers are aware, none of its directors, officers or employees is or has been engaged in any activity which would be an offence or infringement under any such Competition Law.

29.3. So far as the Sellers are aware, the Company is not the subject of any investigation, inquiry or proceedings by any relevant government body, agency, authority or court in connection with any actual or alleged infringement of the Competition Law of any jurisdiction in which the Company conducts its Business.

29.4. So far as the Sellers are aware, no such investigation, inquiry or proceedings as referred to in paragraph 29.3 of Part 1 of this Schedule 4 have been threatened or are pending and there are no circumstances reasonably likely to give rise to any such investigation, inquiry or proceedings.

29.5. So far as the Sellers are aware, the Company is not in receipt of any payment, guarantee, financial assistance or other aid from the government or any state body which was not, but should have been, notified to the European Commission under Article 108 of the Treaty on the Functioning of the European Union for decision declaring such aid to be compatible with the internal market.

30. INTERNAL CONTROLS

30.1. The Company:

30.1.1. has established and maintains an effective system of internal control over financial reporting which is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Company's Accounts for external purposes in accordance with IFRS and UK GAAP;

30.1.2. maintains effective internal control systems in relation to the record keeping functions of the Target Group; and

30.1.3. has, so far as the Sellers are aware, disclosed, based on the most recent evaluation of internal control over financial reporting, to the Company's auditors and the Company's board of directors:

(a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

30.2. The Disclosure Letter contains details of all disclosures referred to in paragraph 30.1.3 above.

31. PRE-COMPLETION RESTRUCTURE

At the time of Completion, the Pre-Completion Restructure has been fully implemented.

32. VDR BUNDLE

The VDR Bundle is a true, complete and accurate copy of the contents of the Virtual Data Room as at 8.00 pm (GMT) on 5 March 2014.

Part 2 - Tax Warranties

1. Taxation payments and provisions

1.1. Proper provision has been made and shown in the Accounts for deferred Taxation in accordance with UK GAAP.

1.2. The Company has duly paid all Taxation (including withholding tax) which has become due and payable by it.

2. Taxation returns, disputes, records and claims etc.

2.1. The Company has made or caused to be made all submissions which have been required to be made for any Taxation purpose and the same have been made or given within the requisite periods and were materially correct when made or given and none of them is the subject of any dispute with any Taxation Authority.

2.2. There is no dispute or disagreement outstanding at the date of this Agreement with any Taxation Authority (i) which affects the Dutch Business or Dutch Assets or (ii) regarding liability or potential liability to any Taxation payable by or recoverable from the Company.

2.3. None of the Taxation returns or other filings that include the operations of the Company have been audited or investigated by any Taxation Authority within the last six years.

2.4. The Company has not within the period of six years ending on the date hereof paid or become liable to pay any penalty, fine or interest charged by any Taxation Authority.

2.5. The Company does not have any liability, actual or contingent, under any indemnity or other agreement entered into in respect of any Taxation of or primarily chargeable on or attributable to any other person, firm or company.

3. Company Residence

The Company is resident for Taxation purposes in the jurisdiction specified as the location of its registered office in Schedule 1 and has not been resident, treated or regarded as resident, nor had a permanent establishment or been liable to pay Tax anywhere else at any time since its incorporation (including under any relevant double tax agreement, treaty or convention or any double taxation relief arrangements).

4. VAT and Customs Duties

The Company (and the Dutch Business in respect of paragraph (c)):

(a) is registered for VAT solely in the jurisdiction specified as the location of its registered office in Schedule 1 and has been so registered at all times that it has been required to be registered by the relevant statutory or other binding provision;

(b) is not registered and never has been registered for the purposes of VAT as part of a group registration; and

(c) maintains complete, correct and up-to-date records, invoices and other documents and VAT accounting arrangements appropriate or required for the purposes of such legislation and has preserved such records in such form and for such periods as are required by the relevant statutory or other binding provision.

Schedule 5

Limitations

[*OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]*

Schedule 6

Completion Accounts

Part 1- General

1. DEFINITIONS

1.1. The definitions in this paragraph apply in this Agreement.

"Accounting Policies" means the accounting principles, practices, policies and procedures set out in Part 2 of this Schedule 6;

"Bank Debt" means the amount in Euros which is the aggregate of all amounts of indebtedness of the Target Group to any lenders at the Completion Date including:

(a) all bank loans and overdrafts;

(b) all amounts drawn under invoice discounting facilities;

(c) amounts owing under hire purchase and capital/finance lease agreements;

(d) debentures and/or loan stock outstanding (including amounts of accrued or rolled up interest);

(e) all interest, penalties, redemption premia and other costs connected with the same;

"Cash" means the amount in Euros which is the aggregate of the following in relation to the Target Group at the Completion Date:

(a) all deposits repayable on demand with any bank;

(b) cleared cash balances with any bank;

(c) cash in transit receivable by the Target Group and cheques received and paid into any bank account of the Target Group on or before the Completion Date and, in each case, which clear after the Completion Date;

(d) petty cash/cash in hand;

less

(e) cash in transit paid by any member of the Target Group and cheques issued on or before the Completion Date by any member of the Target Group which are to be cleared through the bank accounts of the Target Group after the Completion Date;

and, for the avoidance of doubt, (i) any item falling within more than one of paragraphs (a) to (e) above shall only be included once in the calculation of Cash and (ii) Cash shall exclude any item that is otherwise included in the calculation of Net Working Capital;

"Completion Accounts" means the consolidated statement of assets, liabilities and net equity of the Target Group plus an accrual for Dutch Employment Costs, Dutch Employment Liabilities, US Employment Costs and US Employment Liabilities assumed by the Buyers as at the Completion Date to be prepared and agreed or determined (as the case may be) in accordance with this Schedule;

"Completion Net Cash/Debt" means Net Cash/Debt of the Target Group at Completion being the sum of the Cash less the Debt Items, as derived from the Completion Accounts and set out in the Net Cash/Debt Statement;

"Completion Working Capital" means the Net Working Capital at Completion, as derived from the Completion Accounts and set out in the Working Capital Statement;

"Debt Items" means the Bank Debt;

"Dispute Notice" has the meaning set out in paragraph 2.4 of this Schedule 6;

"Draft Completion Accounts" means the draft Completion Accounts prepared by the Buyer in accordance with paragraph 2.1 of this Schedule 6;

"Net Cash/Debt Statement" means a statement showing the Completion Net Cash/Debt, as derived from the Completion Accounts;

"Net Working Capital" means the net working capital of the Target Group as at the Completion Date plus the accruals specified in (l) below which shall include amounts in respect of and shall be the sum of:

(a) trade debtors (including billed, accrued and other debtors);

(b) prepayments and accrued income;

(c) VAT receivable;

(d) other debtors;

less:

(e) trade creditors;

(f) deferred revenue

(g) payroll, employee benefits (including accrued holiday entitlement in respect of Employees) and payroll taxes;

(h) VAT payable and any equivalent overseas sales taxes payable and receivable;

(i) accruals (including with respect to rebates payable to CHDI Foundation, Inc.);

(j) other creditors;

(k) any other current assets/liabilities; and

(l) an accrual in respect of Dutch Employment Costs, Dutch Employment Liabilities, US Employment costs and US Employment Liabilities assumed by the Buyers as at the Completion Date;

but shall exclude:

(m) Tax (including any deferred tax and/or research and development tax credit) other than as specified in sub-paragraphs (h) and (i) above;

(n) Cash;

(o) any billed or accrued milestone trade receivables;

(p) Debt Items;

(q) Long term liabilities;

(r) certain accruals related to Basel, Stoke Court, deferred bonuses and HMRC review;

(s) intercompany accounts; and

(t) any deferred revenue balance remaining on the Access Fee.

"Pre-Completion Revenue Statement" means a statement, prepared in US GAAP, stating the Pre Completion Revenues (excluding revenues recognized related to the Access Fee and research and development tax credits);

"Resolution Period" has the meaning set out in paragraph 2.8 of this Schedule 6;

"Review Period" means the period of 45 calendar days commencing on the Business Day after the Seller receives the Draft Completion Accounts, the draft Working Capital Statement and the draft Pre-Completion Revenue Statement from the Buyer;

"Services Division Operating Companies' Revenues" means the aggregate revenues of the Services Division Operating Companies from third parties but excluding revenues received from other members of the Target Group, the Sellers and/or any other members of the Sellers' Group;

"Target Net Cash/Debt" means €0;

"Target Working Capital" means €5,210,000; and

"Working Capital Statement" means a statement showing the Completion Working Capital, as derived from the Completion Accounts.

1.2. Any period of time specified in paragraph 1 or paragraph 2 of this Schedule 6 may be extended by agreement in writing between the Buyer and the Seller.

2. PREPARATION OF COMPLETION ACCOUNTS

2.1. As soon as reasonably practicable, and in any event within the period ending on the earlier of 90 calendar days following the Completion Date or 15 July 2014, always provided that the period to prepare the Completion Accounts shall never be less than 75 calendar days , the UK Buyer shall prepare and deliver to the Seller for review:

2.1.1. a draft of the Completion Accounts prepared on the basis set out in paragraph 3 of this Schedule 6;

2.1.2. a draft of the Working Capital Statement based on the Draft Completion Accounts;

2.1.3. a draft of the Net Cash/Debt Statement based on the Completion Accounts; and

2.1.4. a draft of the Pre-Completion Revenue Statement based on the Draft Completion Accounts.

2.2. If the UK Buyer fails to prepare and deliver the draft documents as listed under paragraphs 2.1.1 to 2.1.4 (inclusive) of this Schedule 6 within the period specified in paragraph 2.1 of this Schedule 6, the Seller may elect that the Estimated Completion Net Cash/Debt shall be deemed to be the Completion Net Cash/Debt and the Estimated Completion Working Capital shall be deemed to be the Completion Working Capital for the purposes of this Agreement and the Buyers agree to be bound by such election.

2.3. The Sellers shall, upon reasonable notice and during normal business hours, provide the UK Buyer (and its agents or advisers) with such assistance and access to such information as the UK Buyer (or its agents or advisers) may reasonably require in connection with the preparation of the Draft Completion Accounts, the draft Working Capital Statement, the draft Net Cash/Debt Statement and the draft Pre-Completion Revenue Statement.

2.4. During the Review Period, the Seller shall serve a written notice on the UK Buyer stating whether or not it agrees with the Draft Completion Accounts, the draft Working Capital Statement, the draft Net Cash/Debt Statement and the draft Pre-Completion Revenue Statement. In the case of any disagreement, the notice ("**Dispute Notice**") shall specify in reasonable detail:

2.4.1. each matter or item in dispute; and

2.4.2. any adjustments which, in the Seller's opinion, should be made to the Draft Completion Accounts, the draft Working Capital Statement, the draft Net Cash/Debt Statement and the draft Pre-Completion Revenue Statement.

2.5. During the Review Period, the UK Buyer shall, upon reasonable notice and during normal business hours, provide the Seller (and its agents or advisers) with such assistance and access to the books and records of the Services Division Operating Companies as the Seller (or its agents or advisers) may reasonably require for the purposes of reviewing the Draft Completion Accounts, the draft Working Capital Statement, the draft Net Cash/Debt Statement and the draft Pre-Completion Revenue Statement.

2.6. If, during the Review Period, the Seller serves a written notice on the UK Buyer confirming its agreement with the Draft Completion Accounts, the draft Working Capital Statement, the draft Net Cash/Debt Statement and the draft Pre-Completion Revenue Statement, those documents shall, with effect from the date of service of such notice, constitute the Completion Accounts, Working Capital Statement, the Net Cash/Debt Statement and Pre-Completion Revenue Statement and shall be final and binding on the parties.

2.7. If the Seller fails to serve a notice in accordance with paragraph 2.4 of this Schedule 6, the Seller shall be deemed to have agreed the Draft Completion Accounts, the draft Working Capital Statement, the draft Net Cash/Debt Statement and the draft Pre-Completion Revenue Statement and those documents shall, with effect from the expiry of the Review Period, constitute the Completion Accounts, Working Capital Statement, the Net Cash/Debt Statement and Pre-Completion Revenue Statement, and shall be final and binding on the parties.

2.8. If a Dispute Notice is served by the Seller during the Review Period the parties shall, during the period of 30 calendar days commencing on the Business Day after the service of the Dispute Notice ("**Resolution Period**"), negotiate in good faith with a view to reaching agreement on the disputed matters and any necessary adjustments to the Draft Completion Accounts, draft Working Capital Statement, the draft Net Cash/Debt Statement and the draft Pre-Completion Revenue Statement. If, during the Resolution Period, the disputed matters are:

2.8.1. resolved by agreement between the parties, the Draft Completion Accounts, draft Working Capital Statement, the draft Net Cash/Debt Statement and draft Pre-Completion Revenue Statement subject to any adjustments that are agreed by the parties, shall constitute the Completion Accounts, Working Capital Statement, the Net Cash/Debt Statement and Pre-Completion Revenue Statement and shall be final and binding on the parties; or

2.8.2. not resolved by agreement between the parties, then at any time following the expiry of the Resolution Period either party may, by written notice to the other party, require the disputed matters to be referred to an Expert for determination in accordance with Schedule 8 of this Agreement.

2.9. Save as provided in Schedule 8, the parties shall each bear and pay their own costs incurred in connection with the preparation, review and agreement of the Completion Accounts, Working Capital Statement, the Net Cash/Debt Statement and Pre-Completion Revenue Statement.

3. BASIS OF PREPARATION OF COMPLETION ACCOUNTS AND PRE-COMPLETION REVENUE STATEMENT

3.1. The Completion Accounts shall be prepared in accordance with UK GAAP, subject to the Accounting Policies which shall take precedence.

3.2. The Pre-Completion Revenue Statement shall be prepared in accordance with US GAAP, subject to the Accounting Policies which shall take precedence.

4. WORKED EXAMPLE

The worked example, in the agreed form summarized from the detailed worksheet prepared using Microsoft Excel and exchanged between Laure Verhaegen and Annie Hartford on the evening of March 12, 2014, reflects the calculations used to agree the Target Working Capital and the Target Net Cash/Debt and sets out the Working Capital Statement and the Net Cash/Debt Statement and the components comprised within the statements. The worked example is for guidance only and does not prejudice or qualify in any way the provisions of this Schedule 6.

Part 2- Accounting Policies

1. The Completion Accounts shall be prepared:

1.1. following those same policies and procedures as if the date to which such matters were measured was the last day of a financial year however the values in the Completion Accounts shall reflect those at the Completion Date;

1.2. such that assets and liabilities denominated in foreign currency shall be retranslated such that the rate of exchange for conversion between Euros and other currencies shall be the mid-closing rate on the Completion Date as reported in the first edition of the Financial Times published after such day to set out the mid-closing rate as at the Completion Date;

1.3. such that, except in respect to deferred revenue and/or the Pre-Completion Restructure, liabilities or provisions shall only be released in whole or in part to the extent that external and independent evidence has been received since the Accounts Date to indicate that the liability should be reduced (and not to be by reference to the application of any different judgement);

1.4. on the basis that there shall be no double counting so that no amount shall be included as an asset or liability or piece of revenue more than once;

1.5. no value shall be attributed to the Access Fee payments pursuant to the Biogen Collaboration Agreement;

1.6. such determination of the amounts of the Dutch Employment Costs and the Dutch Employment Liabilities, and the US Employment Costs and the US Employment Liabilities, shall originate from the balance sheet as of the Completion Date of, respectively, the Dutch Seller and the applicable employer of the US Employee as of the date of this Agreement; and

1.7. no accruals or liabilities shall include any amounts which arise due to actions or events occurring after the Completion.

Schedule 7

Revenue Growth Consideration

Part 1- General

1. DEFINITIONS

The definitions in this paragraph apply in this Agreement.

"Draft Post-Completion Revenue Statement" means a draft of the Post-Completion Revenue Statement prepared in accordance with the requirements of this Schedule 7;

"Post-Completion Revenue Statement" means a statement, prepared in accordance with US GAAP, stating the Post-Completion Revenues prepared in accordance with and subject to the provisions of this Schedule 7.

"Post-Completion Revenues" means the Services Division Operating Companies' Revenues recognised in the 12 month period commencing on the day following the Completion Date (excluding revenues recognized related to the Access Fee and research and development tax credits), stated in the Post-Completion Revenue Statement;

"Pre-Completion Revenues" means the Services Division Operating Companies' Revenues recognised in the 12 month period ending on the Completion Date (excluding revenues recognized related to the Access Fee and research and development tax credits), stated in the Pre-Completion Revenue Statement;

"Target Post-Completion Revenues" means the Pre-Completion Revenues multiplied by 1.15.

Part 2- Preparation of the Post-Completion Revenue Statement

2. PREPARATION OF THE POST-COMPLETION REVENUE STATEMENT

2.1. The UK Buyer shall prepare and deliver to the Seller the Draft Post-Completion Revenue Statement as soon as reasonably practical after the first anniversary of the Completion Date and in any event not later than 45 days thereafter;

2.2. The Seller shall give such assistance and access to information as the UK Buyer may reasonably require to enable the Draft Post-Completion Revenue Statement to be prepared within the period referred to in paragraph 2.1.

2.3. The UK Buyer shall deliver a copy of the Draft Post-Completion Revenue Statement to the Seller no later than 45 days after the first anniversary of the Completion Date.

2.4. The Seller shall, within 30 days starting on the day after delivery of the Draft Post-Completion Revenue Statement to the Seller, submit to the UK Buyer a

report stating whether or not the Seller agrees with the Draft Post-Completion Revenue Statement (and in the case of disagreement, the areas of dispute). The UK Buyer shall give such assistance and access to information as the Seller may reasonably require to enable it to evaluate the Draft Post-Completion Revenue Statement within such 30 day period.

2.5. If the Seller agrees with the Draft Post-Completion Revenue Statement, the UK Buyer and the Seller shall sign a copy of the Draft Post-Completion Revenue Statement as the Post-Completion Revenue Statement and this Draft Post-Completion Revenue Statement shall then become final and binding on the parties as the Post-Completion Revenue Statement for the purpose of this Agreement.

2.6. If the Seller disagrees with the Draft Post-Completion Revenue Statement, the UK Buyer and the Seller shall endeavour to agree any matter in dispute. If the matters in dispute are resolved by agreement between the UK Buyer and the Seller, the UK Buyer and the Seller shall sign a copy of the Draft Post-Completion Revenue Statement (updated to take account of any amendment agreed between them) and this Draft Post-Completion Revenue Statement (as amended) shall become final and binding on the parties as the Post-Completion Revenue Statement for the purpose of this Agreement.

2.7. If the parties are unable to resolve any disagreement within 10 Business Days of the delivery of the report pursuant to paragraph 2.3 of this Schedule 7, the matters in dispute may be referred to an Expert at the instance of either the UK Buyer or the Seller and to be determined in accordance with Schedule 8.

2.8. Save as provided in Schedule 8, the parties shall bear and pay their own costs incurred in connection with the preparation, review and agreement of the Draft Post-Completion Revenue Statement and Post-Completion Revenue Statement.

3. BASIS OF PREPARATION OF POST-COMPLETION REVENUE STATEMENT

The Post-Completion Revenue Statement shall be prepared on the basis of US GAAP, subject to the Accounting Policies which shall take precedence.

4. CALCULATION AND PAYMENT OF REVENUE GROWTH CONSIDERATION

4.1. In the event that:

4.1.1. the Post-Completion Revenues are less than the Target Post-Completion Revenues, the Revenue Growth Consideration shall be nil and no additional consideration shall be payable to the Sellers; or

4.1.2. the Post-Completion Revenues are equal to or exceed the Target Post-Completion Revenues, the Revenue Growth Consideration shall be €5,000,000 Euros and shall be paid to the Sellers in accordance with paragraph 4.2 of this Schedule 7.

4.2. Any Revenue Growth Consideration which becomes payable to the Sellers in accordance with this Schedule 7 shall be paid in cash by the Buyers to the Sellers' Solicitors within 5 Business Days of the agreement or determination of the Post Completion Revenue Statement.

5. CONDUCT OF BUSINESS DURING THE REVENUE GROWTH CONSIDERATION PERIOD

5.1. The Buyers and the Sellers undertake to each other to act in good faith in all matters relating to the calculation and payment of the Revenue Growth Consideration and confirm that they respectively shall not:

5.1.1. require or cause or permit the Services Division Operating Companies to enter into:

(a) any artificial transaction; or

(b) any other transaction (not being in the normal course of business of the Services Division); or

5.1.2. divert away from the Services Division Operating Companies any part of the Business as carried out by them at Completion or any opportunity to develop the Business to any other person (whether or not connected to the Buyer);

in either case where the principal or primary purpose of entering into that transaction is to increase, reduce or adversely affect the financial performance of the Services Division Operating Companies during the 12 months following Completion and consequently impact whether the Revenue Growth Consideration becomes payable to the Sellers.

5.2. As soon as reasonably practicable (and in any event within 40 calendar days) following each of 30 June, 30 September and 31 December (each, a "**Quarterly Date**"), the UK Buyer shall provide to the Seller an interim estimate (each, an "**Interim Post-Completion Revenue Estimate**") stating its estimate of the Services Division Operating Companies' revenues received in the period from Completion up to the relevant Quarterly Date. The Sellers undertake to keep each Interim Post-Completion Revenue Estimate strictly confidential and they shall not disclose any of the information contained in such estimates in whole or in part to any third party (other than the Sellers' agents, officers or advisers) without the prior written approval of the UK Buyer.

5.3. The UK Buyer shall give such assistance and access to information as the Seller may reasonably require to enable it promptly to evaluate the Interim Post-Completion Revenue Statement.

Schedule 8

Determination by an Expert

1. EXPERT DETERMINATION

1.1. An "**Expert**" is an independent person appointed in accordance with this Schedule 8 to resolve a dispute arising in relation to (i) the Completion Accounts; and/or (ii) the Post Completion Revenue Statement.

1.2. The Buyers and the Sellers shall agree on the appointment of an Expert.

1.3. If the Buyers and the Sellers are unable to agree on an Expert within fourteen days of either party serving details of a suggested expert on the other, either party may request the President for the time being of the Institute of Chartered Accountants in England and Wales to appoint a chartered accountant of repute as the Expert.

1.4. The Expert shall prepare a written decision and give notice (including a copy) of the decision to the Buyers and the Sellers within a maximum of two months of the matter being referred to him.

1.5. If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by paragraph 1.4 of this Schedule 8 then:

1.5.1. either party may apply to the President for the time being of the Institute of Chartered Accountants in England and Wales to discharge the Expert and to appoint a replacement Expert with the required expertise; and

1.5.2. this Schedule 8 applies in relation to the new Expert as if he were the first Expert appointed.

1.6. All matters under this Schedule 8 shall be conducted, and the Expert's decision shall be written, in the English language.

1.7. The parties are entitled to make submissions to the Expert including oral submissions and shall provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.

1.8. To the extent not provided for by this Schedule 8, the Expert may, in his reasonable discretion, determine such other procedures to assist with the conduct of the determination as he considers just or appropriate and the Expert shall have jurisdiction over the construction of the provisions of this Schedule 8. The Expert shall have power to appoint a legal adviser to assist with construction of this Agreement but if he does so the parties shall be entitled to see copies of any instructions to and advice received from such legal advisor and to make representations to the Expert in relation thereto.

1.9. The parties shall, with reasonable promptness, supply each other with all information and give each other access to all documentation and personnel as each other reasonably requires to make a submission under this Schedule 8.

1.10. The Expert shall act as an expert and not as an arbitrator. The Expert shall determine any dispute, which may include any issue involving the interpretation of any provision of this Agreement, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Expert's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.

1.11. Each party shall bear its or their own costs in relation to the Expert. The Expert's fees and any costs properly incurred by him in arriving at his determination shall be borne by the parties in such proportions as the Expert directs (or, failing such determination, shall be borne 50% by the Buyers and 50% by the Sellers).

Schedule 9

Particulars of the Properties

1.	**Description of the Property**	Part Second Floor, Building 30, Bio Park, Hertfordshire, Broadwater Road, Welwyn Garden City, Hertfordshire AL7 3AX
	Description of Lease (lease, underlease, licence, date and parties)	Underlease dated 19 December 2011 made between (1) Bio Park Hertfordshire Limited and (2) Argenta Discovery 2009 Limited
	Owner	Bio Park Hertfordshire Limited
	Registered/unregistered	Unregistered
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	31 October 2016
	Occupier	Argenta Discovery 2009 Limited
	Current Use	Use (as described in the superior lease) is as wet lab incubation centre in the bioscience healthcare, food and pharmaceutical sectors and by firms with links to those sectors under Use Class B1 (“Prime Use”) together with car parking and any other commercial activities reasonably deemed desirable, provided they do not adversely impact upon the use of the Premises for the Prime Use
2.	**Description of the Property**	Part Second Floor, Building 33, Bio Park, Hertfordshire, Broadwater Road, Welwyn Garden City, Hertfordshire AL7 3AX
	Description of Lease (lease, underlease, licence, date and parties)	Underlease dated 19 December 2011 made between (1) Bio Park Hertfordshire Limited and (2) Argenta Discovery 2009 Limited
	Owner	Bio Park Hertfordshire Limited
	Registered/unregistered	Unregistered
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	31 October 2016
	Occupier	Argenta Discovery 2009 Limited

	Current Use	Use (as described in the Superior Lease) is as wet lab incubation centre in the bioscience healthcare, food and pharmaceutical sectors and by firms with links to those sectors under Use Class B1 (“Prime Use”) together with car parking and any other commercial activities reasonably deemed desirable, provided they do not adversely impact upon the use of the Premises for the Prime Use
3.	**Description of the Property**	Building 17, Chesterford Park, Little Chesterford
	Description of Lease (lease, underlease, licence, date and parties)	Lease dated 23 May 2012 made between (1) Aviva Life & Pensions UK Limited, (2) BioFocus DPI Ltd and (3) Galapagos NV
	Owner	Aviva Life & Pensions UK Limited
	Registered/unregistered	Unregistered
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	30 November 2015
	Occupier	BioFocus DPI Ltd
	Current Use	The permitted use is as offices and research and development within Class B1(a) and (b) of the Town and Country Planning (Use Classes) Order 1987 or for ancillary purposes
4.	**Description of the Property**	Building 18, Chesterford Park, Little Chesterford
	Description of Lease (lease, underlease, licence, date and parties)	Lease dated 8 February 2011 made between (1) Aviva Life & Pensions UK Limited, (2) BioFocus DPI Ltd and (3) Galapagos NV
	Owner	Aviva Life & Pensions UK Limited
	Registered/unregistered	Unregistered
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	30 November 2015
	Occupier	BioFocus DPI Ltd
	Current Use	The permitted use is as offices and research and development within Class B1(a) and (b) of the Town and Country Planning (Use Classes) Order 1987 or for ancillary purposes

5.	**Description of the Property**	Land adjoining Buildings 50 & 72, Chesterford Park, Little Chesterford
	Description of Lease (lease, underlease, licence, date and parties)	Lease dated 7 September 2012 made between (1) Aviva Life & Pensions UK Limited and (2) BioFocus DPI Ltd
	Owner	Aviva Life & Pensions UK Limited
	Registered/unregistered	Unregistered
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	23 March 2015
	Occupier	BioFocus DPI Ltd
	Current Use	The occupier is not to use the premises otherwise than for placing thereon such plant and equipment to be used for the benefit of Buildings 50 & 72 as shall first be approved in writing by the landlord
6.	**Description of the Property**	Buildings 50 & 72, Chesterford Park, Little Chesterford
	Description of Lease (lease, underlease, licence, date and parties)	Lease dated 20 July 2007 made between (1) Norwich Union Life & Pensions Limited and (2) BioFocus DPI Ltd
	Owner	Aviva Life & Pensions UK Limited (formerly known as Norwich Union Life & Pensions Limited)
	Registered/unregistered	Registered
	Title number (if registered)	EX801363
	Contractual date of termination of lease	22 March 2025
	Occupier	BioFocus DPI Ltd
	Current Use	The permitted use is only as a laboratory and ancillary offices
7.	**Description of the Property**	Building 900, Chesterford Park, Little Chesterford
	Description of Lease (lease, underlease, licence, date and parties)	Sublease dated 20 July 2007 made between (1) Medivir UK Limited, (2) BioFocus DPI Ltd and (3) Galapagos NV
	Owner	Medivir UK Limited
	Registered/unregistered	Registered
	Title number (if registered)	EX791729
	Contractual date of termination of lease	22 March 2025
	Occupier	BioFocus DPI Ltd
	Current Use	The permitted use is for research and development within Class B1(b) of the Town and Country Planning (Use Classes) Order 1987

8.	**Description of the Property**	Robinson Building (Buildings 600 & 700), Chesterford Park, Little Chesterford
	Description of Lease (lease, underlease, licence, date and parties)	Lease to be entered into between (1) Aviva Life & Pensions UK Limited and (2) BioFocus DPI Ltd and (3) Galapagos NV, as per the Agreement for Lease dated 12 August 2013 made between (1) Aviva Life & Pensions UK Limited, (2) BioFocus DPI Ltd and (3) Galapagos NV
	Owner	Aviva Life & Pensions UK Limited
	Registered/unregistered	To be registered in due course
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	20 years from the Term Commencement Date
	Occupier	BioFocus DPI Ltd
	Proposed Use	The permitted use will be as offices and research and development within Class B1(a) and (b) of the Town and Country Planning (Use Classes) Order 1987 with ancillary fitted plant loft. No use for research and storage involving live animals will be permitted
9.	**Description of the Property**	Isis House, Transport Way, Oxford
	Description of Lease (lease, underlease, licence, date and parties)	Lease dated 3 April 2013 made among (1) Oxford Real Estate Owner Limited, (2) Argenta Discovery 2009 Limited and (3) Galapagos N V
	Owner	Tozi Limited
	Registered/unregistered	Registered
	Title number (if registered)	ON307781
	Contractual date of termination of lease	2 April 2028
	Occupier	Argenta Discovery 2009 Limited
	Current Use	The permitted use is for research and development and offices within Class B1 of the Schedule to the 1987 Order
10.	**Description of the Property**	Unit 7, Spire Green Centre, Harlow
	Description of Lease (lease, underlease, licence, date and parties)	The Property is subject to two leases, namely: (i) Lease dated 3 May 2001 made between (1) Industrial Property Investment Fund and (2) Argenta Discovery Limited (ii) Supplemental lease dated 3 July 2002 made between (1) Harlow Nominee No. 1 Limited and Harlow Nominee No. 2 Limited and (2) Argenta Discovery Limited

	Owner	Glasgow City Council (acting as the administrating authority for Strathclyde Pension Fund)
	Registered/unregistered	(i) unregistered (ii) unregistered
	Title number (if registered)	(i) Not applicable (ii) Not applicable
	Contractual date of termination of lease	(i) 2 May 2016 (ii) 2 July 2017
	Occupier	Argenta Discovery 2009 Limited
	Current Use	The permitted use is any use that falls within Classes B1(b)(c), B2 or B8 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 with ancillary offices
11.	**Description of the Property**	Unit 8, Spire Green Centre, Harlow
	Description of Lease (lease, underlease, licence, date and parties)	The Property is subject to three leases, namely: (i) Lease dated 14 August 2000 made between (1) Industrial Property Investment Fund and (2) Chemmedica Pharmaceuticals Limited (ii) Supplemental Lease dated 3 May 2001 made between (1) Industrial Property Investment Fund and (2) Argenta Discovery Limited (iii) Further Supplemental Lease dated 3 July 2002 made between (1) Harlow Nominee No. 1 Limited and Harlow Nominee No. 2 Limited and (2) Argenta Discovery Limited
	Owner	Glasgow City Council (acting as the administrating authority for Strathclyde Pension Fund)
	Registered/unregistered	(i) unregistered (ii) unregistered (iii) unregistered

	Title number (if registered)	(i) Not applicable (ii) Not applicable (iii) Not applicable
	Contractual date of termination of lease	(i) 23 June 2015 (ii) 2 May 2016 (iii) 2 July 2017
	Occupier	Argenta Discovery 2009 Limited
	Current Use	The permitted use is any that falls within Classes B1(b)(c), B2 or B8 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 with ancillary offices
12.	**Description of the Property**	Unit 9, Spire Green Centre, Harlow
	Description of Lease (lease, underlease, licence, date and parties)	The Property is subject to three leases, namely: (i) Lease dated 14 August 2000 made between (1) Industrial Property Investment Fund and (2) Chemmedica Pharmaceuticals Limited (ii) Supplemental Lease dated 3 May 2001 made between (1) Industrial Property Investment Fund and (2) Argenta Discovery Limited (iii) Further Supplemental Lease dated 3 July 2002 made between (1) Harlow Nominee No. 1 Limited and Harlow Nominee No. 2 Limited and (2) Argenta Discovery Limited
	Owner	Glasgow City Council (acting as the administrating authority for Strathclyde Pension Fund)
	Registered/unregistered	(i) unregistered (ii) unregistered (iii) unregistered
	Title number (if registered)	(i) Not applicable (ii) Not applicable (iii) Not applicable

	Contractual date of termination of lease	(i) 23 June 2015 (ii) 2 May 2016 (iii) 2 July 2017
	Occupier	Argenta Discovery 2009 Limited
	Current Use	The permitted use is any that falls within Classes B1(b)(c), B2 or B8 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 with ancillary offices
13.	**Description of the Property**	Unit 10, Spire Green Centre, Harlow
	Description of Lease (lease, underlease, licence, date and parties)	Lease dated 4 October 2012 made between (1) Glasgow City Council (acting as the administrating authority for Strathclyde Pension Fund) and (2) Argenta Discovery 2009 Limited
	Owner	Glasgow City Council (acting as the administrating authority for Strathclyde Pension Fund)
	Registered/unregistered	Unregistered
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	2 July 2017
	Occupier	Argenta Discovery 2009 Limited
	Current Use	The permitted use is any that falls within Classes B1(b)(c), B2 or B8 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 with ancillary offices
14.	**Description of the Property**	Rooms 323 and 325 in the Ingram Building, The University of Kent, Canterbury
	Description of Lease (lease, underlease, licence, date and parties)	Lease dated 29 November 2011 made between (1) The University of Kent and (2) Cangenix Limited
	Owner	The University of Kent
	Registered/unregistered	Unregistered
	Title number (if registered)	Not applicable
	Contractual date of termination of lease	14 August 2016
	Occupier	Cangenix Limited
	Current Use	The permitted use is for research and development and ancillary offices

15.	**Description of the Dutch Property**	The following parts of the Property located at the Darwinweg 24 in Leiden: (i) 606 square meters office space on the ground floor; (ii) 770 square meters laboratorial space on the third floor; (iii) 94.6 square meters archive and technical space on the fifth floor; and (iii) 21 parking spaces.
	Description of Lease (lease, underlease, licence, date and parties)	Lease signed on 3 July 2006 with an effective date being 1 July 2006 and an addendum to the Lease signed on 21 March 2007 between (1) Caransa Group B.V. as lessor and (2) Galapagos B.V. as lessee.
	Owner	Municipality of Leiden
	Leaseholder	Caransa Group B.V. **NB.** long lease in perpetuity
	Registered/unregistered	Registered with the Dutch Land Registry Office as “Leiden X 4326”
	Title number (if registered)	Establishment long lease: HYP4 18444/8 Transfer long lease: HYP4 62306/84
	Contractual date of termination of lease	30 June 2016 (with 1 year’ notice)
	Occupier	Galapagos B.V.
	Current Use	The permitted use is for research and development and ancillary offices

Schedule 10

Escrow Account

1. No amount shall be released out of the Escrow Account otherwise than in accordance with this Schedule 10.

2. Subject as otherwise provided in this Schedule 10, the amount (if any) standing to the credit of the Escrow Account (including any accrued interest but less any applicable bank charges) on the Release Date shall be released to the Sellers' Solicitors.

3. If a Relevant Claim has been notified by the Buyers to the Sellers prior to the Release Date, no amount shall be released to the Sellers' Solicitors from the Escrow Account otherwise than in accordance with the provisions of this Schedule 10.

4. If, prior to the Release Date, a Relevant Claim is settled and there is a Due Amount, the parties shall, unless such Due Amount has been paid to the Buyers, as soon as practicable following such settlement, instruct the Escrow Agents to pay to the Buyers out of the Escrow Account the lesser of the Due Amount and the amount standing to the credit of the Escrow Account (excluding any interest which has accrued on the amount so paid which shall be for the account of the Sellers).

5. As soon as practicable following the settlement of any Relevant Claim outstanding at the Release Date in respect of which there is a Due Amount, the parties shall, unless such Due Amount has been paid to the Buyers, instruct the Escrow Agents to pay to the Buyers out of the Escrow Account the lesser of the Due Amount and the amount standing to the credit of the Escrow Account.

6. Following settlement of all Relevant Claims outstanding (if any) at the Release Date and payment of all Due Amounts to the Buyers in respect of settled Relevant Claims in accordance with this Schedule 10, the parties shall, as soon as practicable, instruct the Escrow Agents to pay any balance standing to the credit of the Escrow Account (together with any interest which has accrued on any amounts standing to the credit of the Escrow Account less any applicable bank charges) to the Sellers' Solicitors.

7. A Relevant Claim shall be deemed settled for the purposes of this Schedule 10 if:

7.1. the Sellers and the Buyers so agree in writing; or

7.2. the Relevant Claim has been determined by a court of competent jurisdiction from which there is no right of appeal, or from whose judgment the Buyers or the Sellers (as the case may be) are debarred by passage of time or otherwise from making an appeal.

8. Save as provided elsewhere in this Agreement:

8.1. the amount of the Purchase Price paid into the Escrow Account shall not be regarded as imposing any limit on the amount of any claims under this Agreement or under any of the documents executed pursuant to this Agreement;

8.2. if a Due Amount is not satisfied in full from the Escrow Account, the Relevant Claim (to the extent not so satisfied) shall remain fully enforceable against the Sellers; and

8.3. nothing in this Schedule 10 shall prejudice, limit or otherwise affect any right, including to make any claim, or remedy the Buyers may have from time to time against the Sellers either under this Agreement or under any of the documents executed pursuant to this Agreement.

Schedule 11

Dutch Assets

[OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]

Schedule 12

Dutch Employees

[OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]

Schedule 13

Galapagos Patents

[OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]

Schedule 14

Agreed Form Documents

1. Disclosure Letter.
2. Dutch Deed of Transfer (substantially in the final form).
3. Escrow Letter (substantially in the final form).
4. Pre-Completion Restructure Paper.
5. Services Agreement (substantially in the final form).
6. Tax Deed.
7. TSA (in a substantially developed form).
8. Transfer of the Sale Shares executed by the registered holder in favour of the UK Buyer.
9. Share certificates of the Sale Shares in the name of the registered holder or an indemnity for any lost certificates.
10. Written resignation of the Directors and company secretaries of the Company and the Subsidiaries.
11. Written resignation of the auditors of the Company and each of the Subsidiaries.
12. Signed minutes of each of the board meetings required to be held pursuant to Part 3 of Schedule 3.
13. Sealed discharge or release of all charges, mortgages, debentures and guarantees to which the Company or any of the Subsidiaries is a party and any covenants connected with it.
14. Certified copy of the extract of the resolution adopted by the board of directors of the Seller authorising the Transaction.
15. The 2013 Management Accounts.
16. The 2014 Management Accounts.
17. Schedule 6 worked example.

Schedule 15

Guaranteed Leases

[OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]

Schedule 16

Material Customers

[OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]

Signed as a deed on behalf of **CHARLES RIVER LABORATORIES HOLDINGS LIMITED**, a company incorporated in **ENGLAND**, by **JOSEPH LAPLUME**, being a duly authorised attorney in the presence of:

/s/ Joseph W. LaPlume
Attorney

/s/ Robert Norman — Witness

Robert Norman — Name

16 Charlotte Square — Address

Edinburgh

Solicitor — Occupation

Signed as a deed on behalf of **CHARLES RIVER NEDERLAND B.V.,** a company incorporated in **THE NETHERLANDS**, by **JOSEPH LAPLUME**, being a duly authorised attorney in the presence of:

/s/ Joseph W. LaPlume
Attorney

/s/ Robert Norman — Witness

Robert Norman — Name

16 Charlotte Square — Address

Edinburgh

Solicitor — Occupation

Signed as a deed on behalf of **GALAPAGOS N.V.**, a company incorporated in **BELGIUM**, by **XAVIER MAES**, being a duly authorised attorney in the presence of:

/s/ Xavier Maes
Attorney

/s/ Robert Norman — Witness

Robert Norman — Name

16 Charlotte Square — Address

Edinburgh

Solicitor — Occupation

Signed as a deed on behalf of **GALAPAGOS B.V.**, a company incorporated in **THE NETHERLANDS**, by **XAVIER MAES**, being a duly authorised attorney in the presence of:

/s/ Xavier Maes
Attorney

/s/ Robert Norman — Witness

Robert Norman — Name

16 Charlotte Square — Address

Edinburgh

Solicitor — Occupation

DATED 1 APRIL 2014

PROJECT PENGUIN

AMENDMENT AGREEMENT TO THE

SALE & PURCHASE AGREEMENT

between

Charles River Laboratories Holdings Limited

Charles River Nederland B.V.

Galapagos N.V.

and

Galapagos B.V.

Dickson Minto W.S.
Edinburgh

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THIS AMENDMENT AGREEMENT is made as a DEED on the 1 day of April 2014 between:

PARTIES

(1) **CHARLES RIVER LABORATORIES HOLDINGS LIMITED** incorporated and registered in England and Wales with company number 03894892 whose registered office is at Manston Road, Margate, Kent CT9 4LT (the "**UK Buyer**");

(2) **CHARLES RIVER NEDERLAND B.V.** incorporated and registered in the Netherlands with company number 34137756 whose registered office address is at Amsterdam, The Netherlands and whose place of business is at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost (the "**Dutch Buyer**");

(3) **GALAPAGOS N.V.** incorporated and registered in Belgium with enterprise and VAT number 0466.460.429 whose registered office is at Industriepark Mechelen Noord, Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium (the "**Seller**"); and

(4) **GALAPAGOS B.V.** incorporated and registered in the Netherlands with company number 28083700 whose registered office is at Darwinweg 24, 2333 CR Leiden, The Netherlands (the "**Dutch Seller**").

BACKGROUND

(A) The parties entered into a sale and purchase agreement in relation to the sale and purchase of the entire issued share capital of the Company and the Dutch Business on 13 March 2014 (the "**SPA**").

(B) The parties wish to make certain amendments to the SPA.

IT IS AGREED AS FOLLOWS

1. INTERPRETATION

The definitions and rules of interpretation in clause 1 of the SPA shall apply in this Amendment Agreement except as set out below.

2. AMENDMENTS

2.1. The definitions of "**Pre-Completion Restructure Paper**" and "**Relevant Joint Contract**" in clause 1.1 of the SPA shall be deleted and replaced as follows:

2.1.1. ""**Pre-Completion Restructure Paper**" means the steps paper titled "Project Penguin Presale restructuring – Version 2 (Prepared by EY 27 March 2014)" in the agreed form setting out the steps to be taken to implement the Pre-Completion Restructure;"

2.1.2. ""**Relevant Joint Contract**" has the meaning given to that term in clause 11.5;"

2.2. The existing clause 4.11 of the SPA shall be deleted and replaced as follows:

"4.11 the Purchase Price shall be allocated between the Sale Shares and the Dutch Business as follows:

4.11.1 the amount allocated to the Dutch Business shall be the book value at the Completion Date of the Dutch Business calculated (i) in accordance with Dutch GAAP as applied in the statutory accounts of the Dutch Seller as of the Completion Date, and (ii) in compliance with Dutch Tax laws. Such book value shall be confirmed by an appropriately qualified independent auditor to be appointed jointly by the Dutch Buyer and the Dutch Seller ("**Independent Auditor**") and the Independent Auditor's resolution on this matter shall be binding on both Parties for Dutch tax purposes. In the event that the Dutch Buyer and the Dutch Seller cannot agree on the identity of an Independent Auditor they shall each nominate an independent auditor candidate and the two nominated candidates shall meet in good faith and agree the identity of a third party auditor who the Dutch Buyer and the Dutch Seller shall appoint as the Independent Auditor. The Sellers and the Buyers shall share equally the costs of the Independent Auditor and, in good faith, work together during the period of 120 calendar days following Completion to cooperate with the Independent Auditor and to facilitate the timely completion by the Independent Auditor of this task within such period; and

4.11.2 the balance of the Purchase Price not allocated to the Dutch Business in accordance with clause 4.11.1 shall be allocated to the Sale Shares."

2.3. In clause 11.8 of the SPA the definition of "**Restricted Person**" shall be deleted and replaced as follows:

""**Restricted Person**" means any US Employee and/or any person who is at Completion, a Dutch Employee or employed or directly or indirectly engaged by any member of the Target Group;"

2.4. In clause 11.9.4(a) of the SPA immediately following the words "the Dutch Buyer" will be added the words "or any member of the Buyers' Group".

2.5. In clause 11.19, clause 12.1.2, clause 12.2.2 and clause 12.4.1 of the SPA references to "clause 11.20" shall be deleted and replaced with "clause 12".

2.6. Immediately following the existing clause 11.22 there shall be added a new clause 11.23 as follows:

"The Buyer will cooperate with the Seller and provide it with such reasonable assistance as it may require in order to establish the profits and losses for the three month period ending on 31 March 2014, and the balance sheet as of 31 March 2014, for each Target Group Company."

2.7. In clause 23.2.1 the reference to “clause 6” shall be deleted and replaced with “clause 7”.

2.8. The contents of Schedule 11 of the SPA shall be deleted and replaced by the contents of Schedule 1 to this Amendment Agreement.

2.9. The contents of Schedule 12 of the SPA shall be deleted and replaced by the contents of Schedule 2 to this Amendment Agreement.

2.10. All other provisions of the SPA shall remain as set out therein.

3. INCORPORATION OF CERTAIN OF THE PROVISIONS OF THE SPA INTO THIS AMENDMENT AGREEMENT

The provisions of the following clauses of the SPA shall apply to this Amendment Agreement without any requirement that the provisions be set out in full below:

3.1. clauses 12.1 – 12.6 (inclusive) (Confidentiality and Announcements);

3.2. clause 14 (Assignment);

3.3. clause 16 (Variation and Waiver);

3.4. clause 17 (Costs);

3.5. clause 20 (Severance);

3.6. clause 22 (Agreement Survives Completion);

3.7. clause 24 (Successors);

3.8. clause 25 (Counterparts);

3.9. clause 26 (Rights and Remedies and Exclusion of Loss); and

3.10. clause 27 (Governing Law and Jurisdiction).

This DEED has been entered into on the date stated at the beginning of it.

SCHEDULE 1

Dutch Assets

[OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]

SCHEDULE 2

Dutch Employees

[OMITTED PER ITEM 601(B)(2) OF REGULATION S-K]

Signed as a deed on behalf of **CHARLES RIVER LABORATORIES HOLDINGS LIMITED**, a company incorporated in **ENGLAND**, by **JOSEPH LAPLUME**, being a duly authorised attorney in the presence of:

/s/ Joseph W. LaPlume
Attorney

/s/ Matthew Daniel — Witness

Matthew Daniel — Name

17 Liberty Road — Address

Bedford, MA, USA

Lawyer — Occupation

Signed as a deed on behalf of **CHARLES RIVER NEDERLAND B.V.,** a company incorporated in **THE NETHERLANDS**, by **JOSEPH LAPLUME**, being a duly authorised attorney in the presence of:

/s/ Joseph W. LaPlume
Attorney

/s/ Matthew Daniel — Witness

Matthew Daniel — Name

17 Liberty Road — Address

Bedford, MA, USA

Lawyer — Occupation

Signed as a deed on behalf of **GALAPAGOS N.V.**, a company incorporated in **BELGIUM**, by **XAVIER MAES**, being a duly authorised attorney in the presence of:

/s/ Xavier Maes
Authorised Attorney

/s/ Sophie De Ruydts — Witness

Sophie De Ruydts — Name

TerWider — Address

1785 Merchten, Belgium

Employee — Occupation

Signed as a deed on behalf of **GALAPAGOS B.V.**, a company incorporated in **THE NETHERLANDS**, by **XAVIER MAES**, being a duly authorised attorney in the presence of:

/s/ Xavier Maes
Authorised Attorney

/s/ Sophie De Ruydts — Witness

Sophie De Ruydts — Name

TerWider — Address

1785 Merchten, Belgium

Employee — Occupation

Exhibit 21.1

Subsidiaries of Galapagos NV

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Galapagos B.V.	The Netherlands
BioFocus DPI AG	Switzerland
Inpharmatica Ltd	United Kingdom
Galapagos S.A.S.U.	France
Fidelta d.o.o.	Croatia
Discovery Partners International GmbH	Germany
BioFocus, Inc.	United States
BioFocus DPI, LLC	United States
Xenometrix, Inc.	United States

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Registration Statement on Form F-1 of our report dated March 18, 2015 relating to the consolidated financial statements of Galapagos NV and subsidiaries (the "Company") appearing in the Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Prospectus.

Diegem, April 15, 2015

/s/ Gert Vanhees
DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises
BV o.v.v.e. CVBA/SC s.f.d. SCRL
Represented by Gert Vanhees