

Dear shareholders and holders of subscription rights,

I'd like to share some information with you regarding the proposals for our AGM and EGM to be held on 28 April 2020.

This year's meetings proposals make steps forward in addressing some past discussion points with shareholders:

- Elimination of warrants from the compensation package for members of the supervisory board; instead, members will receive cash to purchase and hold GLPG shares for a minimum period
- Introduction of a malus clause in contracts of management board members
- Introduction of a minimum share ownership for management board members
- Creation of a two-tier governance structure with a clean line between the supervisory board and management board
- Supervisory board will have 62.5% independent membership and be 50% female

We hope you'll find the below information per proposal also relevant for your participation:

AGM proposals we would like to highlight

Proposed resolution **Item #5** – We submit this remuneration policy to shareholders ahead of the legal requirement to do so. Due to the new Belgian Code of Companies and Associations (CCA) and the new Belgian Corporate Governance Code, we propose several changes which are aligned with shareholder requests. We highlight the following changes:

*Please see bullets pertaining to remuneration policy above.

*Bad leaver policy remains applicable to variable remuneration.

*Introduction of restricted stock units (RSUs) as long-term incentive in remuneration package of management board members; these are intended to provide an incentive to retain and encourage participants to contribute to the performance of Galapagos by aligning their financial interests with those of shareholders.

*Vesting scheme of RSUs puts emphasis on long-term performance of the company, as majority of RSU awards vest over three years or more

*Vesting period of future warrant plans for the CEO changes from 1/36th per month in previous plans as a director to bullet vesting after three years.

The structure of the remuneration package of the management board, in addition to being compliant with the CCA, is largely aligned with the previous scheme in that a portion is fixed and paid out immediately and a portion is variable based on achievement of pre-determined objectives, with certain elements paid out immediately and certain elements paid out at a later date based on objective criteria.

Please note that the Discretionary RSU Plan was actually created to ensure a certain benchmarked ratio for warrants ("subscription rights" in the CCA) to RSUs in the regular remuneration package. The benchmark is based on US biotechs in our market cap range, and shows a substantial majority of warrants vs RSUs. Consequently, the warrants to be awarded to management will go down, and with the additional RSUs through the Discretionary RSU Plan, the % of RSUs will be in line with the ratio held by benchmarked US biotechs.

Although disclosure of detailed performance criteria is not common practice for European companies, we have described the criteria in our Annual Report 2019: Variable remuneration is merit-driven and based on our performance rating system that is based on individual performance (including exceptional deliverables) in combination with our overall performance, compared to individual and corporate objectives that are established annually. The corporate objectives and the CEO's objectives are established annually by the board of directors upon recommendation of the nomination and remuneration committee, and the objectives of the other members of the executive committee are established annually by the CEO and are in relation to the corporate objectives set by the board. These objectives are designed to be challenging to achieve.

The corporate objectives include elements of research progress, clinical trial progression, cash position, corporate development and commercial development; all of which are considered to be of equal importance. Our ambition is to become a fully integrated biopharmaceutical company focused on the development and commercialization of novel medicines in areas of unmet medical needs to improve the lives of people suffering from serious diseases. In order to

achieve this long term goal, we want to ensure we keep innovation in our research efforts while also making sound progress in our clinical trials each year and maintaining a healthy cash position. In addition, our corporate development goals aim to foster the growth of the company and the creation of value for all shareholders. Finally, our commercial development goal is intended to bring us closer to becoming a fully integrated biopharmaceutical company that can (subject to having obtained governmental approvals) bring novel medicines to market. ([Corporate Governance chapter, variable remuneration – general rules](#))

Proposed resolution **Item #6** – This is a standard request at our Annual Meeting. Here we request approval for the 2019 report on remuneration. In the report we not only disclose the detailed remuneration of the CEO, but ahead of the requirement to do so, we also disclose the individual remuneration of the remaining executive committee members in 2019.

Of special note is that the remuneration committee used its discretion to award a one-time special bonus related to the Gilead transaction in 2019, a transaction which was/is appreciated by shareholders. This special bonus totaled EUR 30M and was distributed amongst all employed by the company at the time of signing. A portion of this special bonus was allocated to the RSU Transaction Bonus Plan, created to further reward the management board for their contribution to securing the transaction with Gilead. 50% of RSUs in this plan vest after two years, 50% vest after three years.

Also in conjunction with the Gilead transaction, the RSU Retention Plan was created to ensure that certain employees have an additional incentive to stay on board and contribute to shareholder value over the longer term. The RSU Retention Plan vests in four yearly installments, in line with shareholder interest.

Proposed resolution **Item #11** – We are proud to nominate Dr. Elisabeth Svanberg as an independent director of Galapagos. Dr. Svanberg is a medical doctor and brings valuable knowledge regarding late stage development to the supervisory board of Galapagos. She also brings the percentage female membership to 4 out of 8, or 50%, and the percentage independent 5 out of 8, or 62.5%, under the proposed new two-tier governance structure.

Proposed resolution **Item #12** – The request for approval for remuneration of directors is standard. We propose to increase the director's remuneration based on a recent benchmark exercise. Next to a cash remuneration, we introduce an equity-based remuneration, replacing the previous practice of granting warrants to directors. The equity-based remuneration consists of a cash payment, subject to the requirement to acquire Galapagos shares and hold them during a certain time (at least one year after the director leaves the board and at least three years after the time of acquisition). This proposal is perfectly aligned with the provisions of the CCA and the new Belgian Corporate Governance Code. We also propose not to grant any remuneration to non-executive directors representing a shareholder

Proposed resolution **Item #13** – This proposal is requested to be implemented only in the event the EGM does not approve the changes to articles of association, implementing certain provisions of the CCA. Should that be the case, this proposal is to offer subscription rights (formerly warrants) to the executive director (our CEO). In the event the EGM would not approve the articles of association, then Onno van de Stolpe would still be a director, and only shareholders can approve a grant of subscription rights to directors.

EGM proposals we would like to highlight

Proposed resolution **Item #3** – The proposed changes to the company's articles of association are to bring them in line with the new Code of Companies and Associations (CCA). In article 13 specifically, a two-tier board structure is introduced to replace the previous governance structures. Note that under the proposed changes, CEO Onno van de Stolpe is no longer a member of the new supervisory board (formerly known as the board of directors). Article 14 reflects that the powers of the supervisory board and the management board are mutually exclusive. The supervisory board has all powers explicitly attributed to it under the CCA and the management board has all residual powers.

The investor relations team stands ready to answer any of your questions regarding these proposals. Please feel free to contact me at Elizabeth.goodwin@glpg.com, +1 781 460 1784, or Sofie Van Gijssel, Director IR, sofie.vangijssel@glpg.com, +32 485 19 14 15.

Thank you for your participation in our meetings.

Kind regards,

Elizabeth Goodwin
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Galapagos NV