

AUDIT COMMITTEE – TERMS OF REFERENCE

A. Introduction

The Board has established an Audit Committee. The Audit Committee shall be governed by the following Terms of Reference, as well as the Articles of Association of the Company, where relevant.

B. Role

The role of the Audit Committee shall be to assist the Board in fulfilling its monitoring responsibilities in respect of control in the broadest sense, including responsibilities for the financial reporting process, the system of internal control and risk management (including the Company's process for monitoring compliance with laws and regulations) and the external audit process.

C. Responsibilities

The Audit Committee is responsible for the following duties in respect of financial reporting:

- monitoring the integrity of the financial information (interim and year-end) before release and assessing whether it is correct, complete, and consistent with information known to the Committee members and reflects relevant and consistent accounting principles used by Ablynx; review shall be based on an audit program adopted by the Audit Committee;
- reviewing the periodic information before it is published, as well as assessing the relevance and the consistent character of the accounting standards used, the impact of new accounting rules, the treatment of "estimated entries" in the annual accounts, forecasts, work of the internal auditor (if such function is set up) and the statutory auditor in the matter;
- discussing with the Executive Committee, the Board and the statutory auditor and reviewing the financial annual reports prepared by the statutory auditor, including statements in management interviews, analyses and disagreements between the statutory auditor and the management;
- discuss with the Executive Committee, the Board and the statutory auditor and verifying the periodic financial information before it is published;
- discussing with the Executive Committee, the Board and the statutory auditor the Company's annual audited financial statements, related disclosures, including the quality as well as acceptability of the accounting principles applied in the financial statements, including new or changed accounting policies, significant estimates, judgements, uncertainties or unusual transactions; and accounting policies relating to significant financial statement items;
- discussing and reviewing reports of the statutory auditor on: (i) significant accounting principles, policies and practices followed by the Company; (ii) significant accounting and reporting issues, including significant and unusual transactions and recent professional and regulatory pronouncements where the accounting treatment may be open to different approaches, and understanding their impact on the financial statements; and (iii) other

significant written communication between the statutory auditor and the Board or one of its members, for instance management letters;

- discussing with the Executive Committee and the Board the main financial risks for the Company and the internal control systems which were installed by the Board in order to assess that the main risks are being properly identified, managed and brought to its attention, including the internal control and risk management systems;
- reviewing the assessment of the statutory auditor relating to the adequacy of the Company's system of internal controls related to financial accounting and reporting; this includes the qualitative judgements expressed by the statutory auditor as to the accounting principles employed, related disclosures by the Company, and the conclusions expressed in the financial reporting of the Company;
- reviewing all significant litigation or potential litigation in which the Company is or may be engaged, as well as the anticipated or potential impact of such litigation on the Company.

The Audit Committee is responsible for the following duties in respect of internal control and risk management:

- reviewing, at least once a year, the internal control and risk management systems set up by the Executive Committee, with a view to ensuring that the main risks (including those relating to compliance with existing legislation and regulations) are properly identified, managed, and disclosed;
- reviewing the statements included in the annual report on internal control and risk management;
- reviewing the specific arrangements made by which the Company's personnel may, in confidence, raise concerns about possible improprieties in financial reporting or other matters; arrangements shall be made for proportioned and independent investigation of such matters, for appropriate follow-up action and arrangements whereby the Company's personnel can inform the Chairman of the Audit Committee directly;
- reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; obtaining regular updates from management regarding compliance matters;
- reviewing the findings of any examinations by regulatory agencies and any auditor observations, together with management's responses;
- reviewing and approving all related party transactions on a timely basis;
- reviewing the process for communicating the code of conduct to the Company's personnel, and for monitoring compliance therewith.

The Audit Committee is responsible for the following duties in respect of internal audit: each year, the Audit Committee shall assess the necessity for setting up an internal audit function, and if needed so, shall work out the necessary procedures.

The Audit Committee is responsible for the following duties in respect of external audit:

- making recommendations to the Board on the selection, appointment, and reappointment of the statutory auditor and the terms of its engagement (taking into account that the final

decision on the appointment of the statutory auditor shall be taken by the shareholders meeting upon proposal of the Board);

- reviewing and confirming the independence of the statutory auditor, in particular in view of the provisions of the Belgian Companies Code and the Royal Decree of 4 April 2003, as amended from time to time; the Committee shall obtain a report from the statutory auditor describing all relationships between the external auditor (and other persons with whom it has entered into a professional co-operation relationship) and the Company;
- reviewing the nature and extent of non-audit services (including fees and terms thereof) performed by the statutory auditor; the Committee shall set and apply a formal policy specifying the types of non-audit services, taking into account the specific requirements under the Belgian Companies Code, a) excluded; b) permissible after review by the Audit Committee; c) permissible without referral to the Audit Committee;
- receiving and reviewing the statutory auditor's work programme (scope and approach); the Audit Committee shall coordinate audit efforts with internal audit if such internal audit is set up; the Audit Committee shall obtain timely information about the issues arising from the external audit;
- reviewing the effectiveness of the external audit process and the responsiveness of management to the recommendations made in the statutory auditor's management letter;
- investigating issues that give rise to the resignation of the statutory auditor and make recommendations as to any required action;
- meeting on a regular basis (at least twice a year) with the statutory auditor to discuss any matters that the Audit Committee or statutory auditor believes should be discussed privately.

The Audit Committee is responsible for the following duties in respect of reporting:

- regularly reporting to the Board on the exercise of its duties, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken;
- providing an open avenue of communication between internal audit if such function is set up, the statutory auditor, and the Board and acting as principal contact point, to the extent applicable, for the internal and statutory auditor; assuring direct and unrestricted access to the Chairman of the Audit Committee and the Chairman of the Board for the head of internal audit (if such function is set up-) and the external auditor.

Finally, the Audit Committee has the following other responsibilities:

- performing other activities related to these Terms of Reference as requested by the Board;
- instituting and overseeing special investigations relating to financial reporting as needed;
- reviewing and assessing the adequacy of the Audit Committee's Terms of Reference annually, requesting Board approval for proposed changes;
- evaluating the Audit Committee's and individual members' performance on a regular basis and recommending any necessary changes to the Board.

D. Composition

The Audit Committee shall consist of not less than three Directors, or such greater number as determined by the Board at any time.

All members shall be non-executive Directors and if possible at least a majority of its members shall be independent Directors. The Board can deviate from the requirement that at least a majority shall be independent Directors if it believes that another composition will contribute more relevant expertise to the Audit Committee.

The term of the mandate of an Audit Committee member shall never exceed the term of the appointment as a Board member of the relevant Director.

E. Chairman

The Chairman of the Board shall not be the Chairman of the Audit Committee. The Audit Committee members appoint one of them as Committee Chairman.

F. Meetings

The number of meetings of the Audit Committee shall be determined by the Committee Chairman with a view to allowing the Audit Committee to fulfil its obligations, but shall not be less than four per calendar year.

A meeting of the Audit Committee shall not be quorate unless a majority of its members is present or represented.

The Chairman is entitled to convene an Audit Committee meeting. All meetings shall be conducted according to an agenda, drawn up by the Chairman, in consultation with the relevant members of the Audit Committee and of the Executive Committee. The Audit Committee shall consider proposals made by relevant parties, including management and shareholders.

The meeting may also be organized by means of video- or teleconference.

The Chairman shall keep minutes of each meeting of the Audit Committee. The minutes shall be signed by the Committee Chairman, as well as at least one other member of the Audit Committee.

G. Attendance

The CEO and the CFO may attend each meeting of the Audit Committee in an advisory and non-voting capacity. The Audit Committee shall decide whether, and if so, when the senior employees responsible for finance, accounting, and treasury matters, the internal auditor (if such function is set up) and/or the statutory auditor should attend its meetings.

At least twice a year, the Audit Committee shall meet the internal auditor (if such function is set up) and statutory auditor to discuss matters relating to its Terms of Reference and any issue arising from the audit process.

H. Consensus Decisions

The Audit Committee shall decide on its proposals by consensus. Whenever the Audit Committee is unable to reach a consensus on a matter, the Chairman shall refer the matter to the Board, stating the various positions of the Audit Committee members.

I. Objectivity

No Committee member shall be present at the meeting at which his/her own performance is evaluated and will not be involved in any decision regarding those matters.

J. Access

The Audit Committee shall have a right of access to all of the Company's records, physical properties, management, staff, statutory and internal auditors (if such function is set up), attorneys, and consultants. In general, the Audit Committee may request specific audits or studies by external and/or internal auditors as needed.

K. Reporting and evaluation

The Chairman of the Audit Committee shall report to the Board subsequent to each Committee meeting on its activities, conclusions, recommendations and decisions.

The Chairman of the Audit Committee shall, on an annual basis, report to the Board on the Audit Committee's performance.

L. Limitation of the Audit Committee's role

While the Audit Committee has the responsibilities and powers set forth in these Terms of Reference, it is not the duty of the Audit Committee to plan or conduct audits, or to determine that the Company's financial statements and disclosures are complete, accurate, and in accordance with generally accepted accounting principles, applicable rules, and regulations. These are the responsibilities of the Board and the statutory auditor.