

ABLYNX

Limited Liability Company
(“*naamloze vennootschap*”)

Technologiepark 21
B-9052 Zwijnaarde
Belgium

0475.295.446
Register of Legal Entities Ghent

CORPORATE GOVERNANCE CHARTER

Version 31 January 2016

Table of Contents

I. INTRODUCTION.....	3
II. STRUCTURE AND ORGANISATION OF ABLYNX.....	5
III. SHARE CAPITAL AND SHAREHOLDERS' STRUCTURE.....	7
IV. BOARD OF DIRECTORS: TERMS OF REFERENCE.....	21
V. CHAIRMAN OF THE BOARD.....	31
VI. COMPANY SECRETARY	32
VII. COMMITTEES OF THE BOARD.....	33
VIII. EXECUTIVE COMMITTEE	34
IX. RULES PREVENTING MARKET ABUSE.....	35
X. MISCELLANEOUS.....	36
SCHEDULE A: INDEPENDENCE STANDARDS.....	37
SCHEDULE B: ROLE AND RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	39
SCHEDULE C: NOMINATION & REMUNERATION COMMITTEE – TERMS OF REFERENCE	
40	
SCHEDULE D: AUDIT COMMITTEE – TERMS OF REFERENCE	45
SCHEDULE E: RESEARCH & DEVELOPMENT COMMITTEE – TERMS OF REFERENCE ...	51
SCHEDULE F: EXECUTIVE COMMITTEE – TERMS OF REFERENCE	54
SCHEDULE G: ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER.....	62
SCHEDULE H: CONFLICTS OF INTERESTS.....	64
SCHEDULE I: DEALING CODE	66

I. INTRODUCTION

On 9 December 2004, the Belgian Corporate Governance Committee published a Code on Corporate Governance, which it amended on 12 March 2009 (the “**Code on Corporate Governance**” or the “**CGC**”), which is a code of best practice applying to listed companies on a non-binding basis (“*comply or explain*” approach).

As a company incorporated and existing under Belgian law and listed on Euronext Brussels, Ablynx NV (“**Ablynx**” or the “**Company**”) is committed to follow the nine corporate governance principles set forth in the CGC.

On 6 April 2010, a law on Corporate Governance has been approved. The Company has added a separate section on Corporate Governance in its report of the Board including the remuneration report.

As required by the CGC, Ablynx has drawn up this Corporate Governance Charter in order to describe the main aspects of its corporate governance policy, such as its governance structure, the terms of reference of the Board of Directors (the “**Board**”) and its committees and other important topics such as the remuneration policy.

The Board is of the opinion that the Company is justified in not adhering to certain principles of the Belgian Code on Corporate Governance, considering the nature and size of the Company. Such deviations include:

- Provision 1.5 CGC: For reasons of continuity in the management of the Company, the positions of Chairman of the Board and CEO were exercised by the same person until 12 November 2013. On this date Dr. Peter Fellner took over as Chairman of the Board. Mr. Edwin Moses stays on as a member of the Board and as CEO of the company.
- Provision 2.1 CGC: gender diversity. The Board is currently composed of 2 women and 6 men. The Company commits to build a diverse list of candidates for new positions in the future and to comply with the requirements of Art. 518bis BCC in the course of 2017.
- Provision 2.9 CGC: the Company has no Company Secretary. The CFO acts as Company Secretary with the assistance of external counsels.
- Provision 7.7 CGC: Only the independent Directors shall receive a fixed remuneration in consideration of their membership of the Board and their attendance at the meetings of committees of which they are members. In principle, they will not receive any performance related remuneration, nor will any options or warrants be granted to them in their capacity as director. However, upon advice of the Nomination & Remuneration Committee, the Board may propose the shareholders meeting to deviate from the latter principle in case in the Board’s reasonable opinion the granting of options or warrants would be necessary to attract or to retain independent Directors with the most relevant experience and expertise.
- Provision 8.8 CGC: Only shareholders who individually or collectively represent at least 20% of the total issued share capital may submit proposals to the Board for the

agenda of any shareholders meeting. This percentage is in line with Article 532 of the Belgian Companies Code (relating to the convening of a shareholders meeting) but deviates from the 5% threshold set out by the Belgian Code on Corporate Governance.

In accordance with the Code on Corporate Governance, the Board of the Company will review its Corporate Governance Charter from time to time and make such changes as it deems necessary and appropriate. The Corporate Governance Charter is available, together with the articles of association (the "**Articles of Association**") of Ablynx, on Ablynx's website (www.ablynx.com) and will be updated as required in case of any change made to Ablynx' corporate governance policy.

In its annual report, the Board also includes a Corporate Governance Statement, describing the Company's corporate governance practices during that year and including explanations on any deviations from the CGC, in accordance with the requirement to "*comply or explain*".

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II. STRUCTURE AND ORGANISATION OF ABLYNX

A. General information and legal structure

Ablynx is a limited liability company (“naamloze vennootschap”) organized and existing under the laws of Belgium. Ablynx qualifies as a listed company (“*genoteerde vennootschap*”) within the meaning of Article 4 of the Belgian Companies Code and it is a company having made public calls on savings within the meaning of Article 438 of the Belgian Companies Code (“*een naamloze vennootschap die een openbaar beroep op het spaarwezen doet of heeft gedaan*”). The Company completed an IPO on Euronext Brussels (ABLX) on 7 November 2007 and an SPO in March 2010. Private placements were realized successfully on 28 February 2013, on 30 June 2014 and on 6 June 2016

On 27 May 2015 the company finished also successfully the placement of an unsecured convertible bond.

Ablynx is a biopharmaceutical company engaged in the discovery and development of Nanobodies®, a novel class of therapeutic proteins based on single-domain antibody fragments, for a range of serious human diseases, including inflammation, haematology, oncology and pulmonary diseases. Today, the Company has approximately forty programmes in the pipeline and eight Nanobodies at clinical development stage. Ablynx has ongoing research collaborations and significant partnerships with major pharmaceutical companies including Boehringer Ingelheim, AbbVie, Merck Serono, Novartis, Merck & Co, Eddingpharm, Taisho, Novo Nordisk and Genzyme. The Company is headquartered in Ghent, Belgium.

Nanobody® is a registered trademark of Ablynx NV.

B. Group structure

Until 15 February 2008, the Company had a branch (“*bijkantoor*”) in Portugal at the following address: 1021, Rua do Campo Alegre, 4150-180 Porto. On 15 February 2008, the Company has spun-off its Portuguese branch into a separate legal entity, Ablynx SA of which Ablynx NV is the 100% owner. In November 2011 the Board of Directors decided to transfer Ablynx SA from Porto to Ghent and to liquidate the company. The liquidation of the branch was finalized at the end of February 2014.

C. Main governance structure

The Company has opted for a “two-tier” governance structure. As a result, the principal governance structure of Ablynx is based on a distinction between:

- the management of Ablynx (including the daily management), a task conducted by the Executive Committee (“*directiecomité*”) within the meaning of Article 524*bis* of the Belgian Companies Code, within the framework of the general strategy defined by, and under the supervision of the Board; and
- the development of the general strategy of Ablynx, the supervision of the Executive Committee and the exercise of specific powers attributed by the Belgian Companies

Code, the Articles of Association and this Corporate Governance Charter which fall within the powers of the Board.

The Board's Terms of Reference, including its responsibilities, duties, composition and operation are set out hereafter in Chapter IV ("*Board of Directors – Terms of Reference*"). The terms of reference of the Chairman of the Board are set out in **Schedule B** ("*Role and responsibilities of the Chairman of the Board*")

The Terms of Reference of the Executive Committee, including its responsibilities, duties, composition and operation, are set out in **Schedule F** ("*Executive Committee – Terms of Reference*") to this Corporate Governance Charter. The Terms of Reference of the Chief Executive Officer (the "**CEO**"), including his responsibilities and duties, are set out in **Schedule G** ("*Role and responsibilities of the Chief Executive Officer*") to this Corporate Governance Charter.

In addition, the Board has established an Audit Committee, a Nomination & Remuneration Committee and a Research and Development Committee. These Committees have an advisory function. They assist the Board with specific tasks, it being understood that the final decision making power remains with the Board. The Terms of Reference of the Nomination & Remuneration Committee, including its responsibilities, duties, composition and operation, are set out in **Schedule C** ("*Nomination & Remuneration Committee – Terms of Reference*") to this Corporate Governance Charter. The Terms of Reference of the Audit Committee, including its responsibilities, duties, composition and operation, are set out in **Schedule D** ("*Audit Committee – Terms of Reference*") to this Corporate Governance Charter. The Terms of Reference of the Research & Development Committee, including its responsibilities, duties, composition and operation, are set out in **Schedule E** ("*Research and Development Committee – Terms of Reference*") to this Corporate Governance Charter.

Furthermore, the Board appointed a Company Secretary whose responsibilities are described in Chapter VI ("*Company Secretary*") to this Corporate Governance Charter.

The Board has delegated the Company's daily management to the Executive Committee, but has not appointed a specific body in charge of the daily management (such as, e.g., a managing director ("*gedelegeerd bestuurder*") within the meaning of Article 525 of the Belgian Companies Code.

By decision of the Board or the Executive Committee, a person who must not be a director or a member of the Executive Committee may be given a particular mandate to act on behalf of the Company.

D. Website of the Company

The Board ensures that all information which the Company is obliged to publish pursuant to legal provisions (including the Belgian Companies Code) and this Corporate Governance Charter is posted on and updated in a clearly recognisable part of the Company's website under the heading "Investors" separate from the commercial information.

III. SHARE CAPITAL AND SHAREHOLDERS' STRUCTURE

A. Share capital

Currently, the Company's share capital amounts to EUR 367,178,749.58 (EUR 114,158,903.67) subscribed capital and EUR 253,019,845.9 issuance premium) represented by 61,076,074 shares without nominal value. Ablynx also created various stock option plans under which warrants were granted to employees, consultants or Directors of the Company.

There are no other securities outstanding at the date of this Corporate Governance Charter.

In the event of a share issue, shareholders have a right of preferential subscription in proportion to the number of shares they hold. The shareholders meeting may decide upon a restriction or cancellation of the right of preferential subscription provided that all applicable legal requirements are met.

By virtue of the resolution of the extraordinary general shareholders meeting held on 18 July 2013, the Board of Directors has been expressly authorised to increase the share capital, including by way of the issue of warrants and convertible bonds, in one or more transactions with a total amount equal to the total share capital of the company, *i.e.*, ninety million six hundred ninety-five thousand four hundred and six Euro, twelve cents (EUR 90,695,406.12).

The Board of Directors may exercise this power for a period of five (5) years as of the date of publication of the relevant resolution of the extraordinary general shareholders meeting held on 18 July 2013 in the Annexes to the Belgian Official Gazette.

This authorisation may be renewed in accordance with the relevant legal provisions.

The capital increases to which may be decided under this authorisation, can take place in accordance with the conditions as are to be decided by the Board of Directors, such as:

- by means of a contribution in cash or in kind, subject to the mandatory limits and in accordance with the mandatory conditions provided for by the Belgian Company Code;
- through conversion of reserves, issuance premiums, profits carried forward and revaluation gains ("*herwaarderingsmeerwaarden*");
- with or without issuance of new shares, with or without voting rights, except that such shares cannot have an issue price lower than the par value of the then existing shares of the company;
- through issuance of convertible bonds, subordinated or not;
- through issuance of warrants or bonds to which warrants or other tangible values are attached; and/or
- through issuance of other securities.

In the framework of the use of its powers within the framework of the authorised capital, the board of Directors may limit or cancel the preferential subscription right of the shareholders in the interest of the company, subject to the mandatory limitations and in accordance with

the mandatory conditions provided for by the Belgian Company Code. This limitation or cancellation may also occur to the benefit of the employees of the company and its subsidiaries (to the extent the company should incorporate subsidiaries), and/or, except as prohibited under mandatory law, to the benefit of one or more specific persons that are not employees of the company or its subsidiaries (to the extent the company should incorporate subsidiaries).

If, following a capital increase that has been decided within the framework of the authorised capital, an issuance premium is paid, this shall be automatically booked onto a non-disposable account "Issuance Premiums", that constitutes a guarantee for third parties in the same manner as the company's share capital and which, apart from the possibility to convert this reserve into share capital, can only be decreased or reduced to zero in accordance with the conditions provided for by the Belgian Company Code for amendments to the articles of association.

By virtue of the resolution of the extraordinary general shareholders meeting held on 18 July 2013, the Board of Directors has also been expressly authorised to increase the share capital in one or more transactions following a notification by the Belgian Financial Services and Markets Authority (FSMA) that it has been informed of a public takeover bid on the company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more specific persons who are not employees of the company or of its subsidiaries (to the extent the company should incorporate subsidiaries)) or through contributions in kind, with issuance of shares, warrants or convertible bonds, subject to the mandatory terms and conditions provided for in the Belgian Company Code. The Board of Directors may exercise this power, provided that the relevant notification by the Belgian Financial Services and Markets Authority (FSMA) has been received within a period of three (3) years as of the date of the relevant resolution of the extraordinary general shareholders meeting held on 18 July 2013.

B. Shareholding structure of the Company

Approximately 63.60% of the total number of issued shares of the Company is publicly held. The remaining approximately 36.40% is held by the significant shareholders and a number of small shareholders listed below in Section III.C ("*Identity of the significant shareholders of the Company and description of their voting rights, special control rights and any shareholder agreements, if any*").

C. Identity of the significant shareholders of the Company and description of their voting rights, special control rights and any shareholder agreements, if any

Taking into account the number of shares indicated in the transparency declarations the Company has received pursuant to the applicable legislation on the disclosure of important participations in listed companies prior to the date of the latest update of this Charter, the significant shareholders of the Company are:

Investor	Address	% of total	# shares
Bank of America (US)	Wilmington, DE USA	5.22%	3,190,018
Boehringer Ingelheim (DE)	Binger Strasse 173 55216, Ingelheim am Rhein Germany	3.51%	2,142,857
Fidelity Management Research (US)	245, Summer Street Boston, MA 02210 USA	9.12%	5,571,055
Gam International (UK)	20, King Street London, SW1Y 6QY UK	3.94%	2,408,585
Perceptive Advisors (US)	51, Astor Place 10th floor New York, NY 10003 USA	4.54%	2,773,439
Van Herk Investments (NL)	Lichtenauerlaan 30 Rotterdam, 3062ME The Netherlands	10.07%	6,148,362
Other shareholders		63.60%	38,841,758

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC has been implemented in Belgian law by, *inter alia*, the Belgian Act of 2 May 2007 on the disclosure of large shareholdings in issuers whose securities are admitted to trading on a regulated market ("*Wet van 2 mei 2007 op de openbaarmaking van belangrijke deelnemingen in emittenten waarvan aandelen zijn toegelaten tot de verhandeling op een gereglementeerde markt en houdende diverse bepalingen*") and the Belgian Royal Decree of 14 February 2008 on the disclosure of large shareholdings ("*Koninklijk Besluit van 14 februari 2008 op de openbaarmaking van belangrijke deelnemingen*"). This transparency legislation entered into effect on 1 September 2008.

Pursuant to this legislation, Belgian law, in conjunction with Article 15 of the Company's Articles of Association, imposes disclosure requirements on any natural person or entity directly or indirectly acquiring or transferring securities carrying voting rights or securities which give a right to acquire existing securities carrying voting rights, as soon as, following such acquisition or transfer, the total number of voting rights directly or indirectly held by such natural person or legal entity, alone or in concert with others, increases above or falls below a (legal) threshold of 5%, or any multiple of 5%, of the total number of voting rights

attached to the Company's securities. Pursuant to Article 18 of the Act of 2 May 2007, the Company has exercised its right to reduce the disclosure thresholds to 3% but has not imposed any other optional disclosure thresholds. Any future amendment to these statutory disclosure thresholds shall be made public and simultaneously notified to the FSMA. All legal provisions applicable for the legal thresholds of 5% or any multiple of 5% also fully apply to the statutory threshold of 3%.

Pursuant to Article 6 of the Act of 2 May 2007, the above disclosure obligations will be triggered any time the above thresholds are crossed (downwards or upwards) as a result of, amongst other things: (i) the acquisition or the disposal of securities carrying voting rights, regardless of the way in which this acquisition or disposal takes place, for example, through purchase, sale, exchange, contribution, merger, de-merger, or succession; (ii) the passive crossing of these thresholds (as a result of events that have changed the breakdown of voting rights even if no acquisition or disposal took place); or (iii) the execution, amendment or termination of an agreement of concerted action.

It should be stressed that, pursuant to Article 6 of the Act of 2 May 2007, the disclosure provisions apply to each natural or legal entity that "directly" or "indirectly" acquires, disposes of or holds (at the time of the admission to trading, at the time of passive crossing the threshold or at the time of execution, amendment or termination of an agreement of concerted action) voting securities or voting rights. In this respect, a natural or legal entity is deemed to "indirectly" acquire, dispose of or hold voting securities of the Company:

- (i) when voting securities are acquired, disposed of or held by a third party that, regardless in whose name it is acting, acts on behalf of such natural or legal entity (for example, in case of an agreement of agency, commission, carrying ("*portage*"), name lending ("*naamlening*"), trust or an agreement with similar effect which leaves the principal elements of the ownership rights on the securities with the other contracting party);
- (ii) when voting securities are acquired, disposed of or held by an undertaking controlled (within the meaning of Articles 5 and 7 of the Belgian Companies Code) by such natural or legal entity (the notion "control" implies that possibly several persons will be deemed to be a controlling person (for example, the parent company, the parent company of such parent company, as well as the natural person controlling the latter) and therefore subject to the notification duty); or
- (iii) when such natural or legal entity acquires or transfers the control over an entity holding voting securities in the Company in which case there is no acquisition or disposal of a shareholding in the Company itself, but an acquisition or transfer of control over an entity holding voting securities of the Company (for example, if the entity over which control is acquired or transferred itself holds a holding in the Company which must be notified, or if the securities held by the entity over which control is acquired or transferred together with the securities the person acquiring or transferring control holds in a different manner, reaches, exceeds or falls below one of the thresholds).

In addition, persons subject to notification must include in their notification the total number of potential voting rights (provided they meet the requirements of Article 6, § 1 of the Belgian Royal Decree of 14 February 2008) (whether or not incorporated in securities) they own.

If a transparency declaration is legally required, such declaration must be notified to the FSMA and the Company as soon as possible and at the latest within a period of four trading days (as published by the FSMA). This term starts on the trading day following the day on which the event triggering the disclosure obligation took place.

The notification can be electronically transmitted to the Company and the FSMA. The forms required to make such notifications, as well as further explanations may be found on the website of the FSMA (www.fsma.be).

Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA may also impose administrative sanctions.

The Company must publish all information contained in such notifications no later than three trading days after receipt of such notification. In addition, the Company must mention in the notes to its annual accounts its shareholders structure (as it appears from the notifications received). Moreover, the Company must publish the total share capital, the total number of voting securities and voting rights, as well as the total number of voting securities and voting rights for each class (if any) at the end of each calendar month during which one of these numbers has changed. Furthermore, the Company must disclose, as the case may be, the total number of bonds convertible in voting securities (if any) and rights, whether or not incorporated in securities, to subscribe to voting securities not yet issued (if any), the total number of voting rights that can be obtained upon the exercise of these conversion or subscription rights and the total number of shares without voting rights (if any).

To the Board's best knowledge no shareholders' agreement exists among shareholders of the Company with respect to the Company.

D. Cross shareholdings exceeding 5%

There are no cross-shareholdings among the Company and any of its shareholders.

E. Any other direct or indirect relationship between the Company and its significant shareholders

No direct or indirect relationships exist between the Company and its significant shareholders.

The Board has formulated a policy on conflicts of interest situations which is set out in **Schedule H** ("*Conflicts of Interest*") to this Corporate Governance Charter.

F. Summary of existing warrant plans

The Company created various stock option plans under which warrants were granted to employees, consultants or Directors of the Company ("Personnel Warrants"). The details of

the Personnel Warrants that have been exercised each year are disclosed in the relevant annual report.

The table below gives an overview of the outstanding Personnel Warrants at the date of the latest update of the Charter.

<u>Issue Date</u>	<u>Term</u>	<u>Issued Warrants⁽¹⁾ in number of Shares⁽²⁾</u>	<u>Warrants granted in number of shares⁽²⁾</u>	<u>Exercise Prices share (€)</u>	<u>Warrants no longer exercisable in number of shares⁽²⁾</u>	<u>Warrants outstanding in number of shares⁽²⁾</u>	<u>Exercise periods vested warrants⁽³⁾</u>
13 July 2006	From 13 July 2006 till 12 July 2018	880,000	875,000	2.00 €	595,000	280,000	January 2010 till April 2018
29 December 2006	From 29 December 2006 till 28 December 2018	82,500	67,500	2.80 €	62,750	4,750	January 2010 till July 2018
14 June 2007	From 14 June 2007 till 13 June 2019	265,000	212,500	2.80 €	212,500	0	January 2011 till January 2019
12 October 2007	From 12 October 2007 till 11 October 2017	10,713	10,713	7.00 €	7,142	3,571	October 2008 till July 2017
22 August 2008	From 22 August 2008 till 21 August 2020	378,333	375,000	4.88 €	301,083	73,917	January 2012 till April 2020
23 January 2009	From 23 January 2009 till 22 January 2014	135,000	135,000	4.52 €	135,000	0	January 2012 till July 2013
9 July 2009	From 9 July 2009 till 8 July 2016	190,000	187,500	5.79 €	187,500	0	January 2013 till April 2016
29 September 2009	From 29 September 2009 till 28 September 2016	205,850	205,400	6.99 €	205,400	0	January 2013 till April 2016
30 October 2009	From 30 October 2009 till 29 October 2014	170,000	170,000	8.19 €	170,000	0	January 2013 till July 2016
29 April 2010	From 29 April 2010 till 28 April 2015	381,650	287,700	7.59 €	287,700	0	January 2014 till February 2015
3 December 2010	From 3 December 2010 till 2 December 2017	97,500	85,500	8.24 €	64,250	21,250	January 2014 till July 2017
28 April 2011	From 28 April 2011 till 27 April 2016	177,100	177,100	8.68 €	107,200	69,900	January 2015 till January 2016
28 April 2011	From 28 April 2011 till 27 April 2018	267,500	209,950	8.68 €	209,950	0	January 2015 till January 2018
1 February 2012	From 1 February 2012 till 31 January 2017	350,000	350,000	3.21 €	350,000	0	January 2016 till October 2016
1 February 2012	From 1 February 2012 till 31 January 2019	505,000	398,750	3.21 €	241,694	157,056	January 2016 till October 2018
26 April 2012	From 26 April 2012 till 26 April 2017	162,500	162,500	3.23 €	162,500	0	January 2016 till April 2017
6 november 2012	From 6 November 2012 till 6 November 2017	12,868	12,868	5.44 €	12,599	269	January 2016 till July 2017
6 november 2012	From 6 November 2012 till 6 November 2019	7,500	5,000	5.44 €	5,000	0	January 2016 till July 2019
29 January 2013	From 29 January 2013 till 29 January 2020	264,250	188,580	6.43 €	47,502	141,078	January 2017 till October 2019
29 January 2013	From 29 January 2013 till 29 January 2020	172,500	172,500	6.44 €	72,500	100,000	January 2017 till October 2019
29 January 2013	From 29 January 2013 till 29 January 2020	7,500	7,500	7.37 €	7,500	0	January 2017 till October 2019
29 January 2013	From 29 January 2013 till 29 January 2020	12,500	12,500	7.15 €	12,500	0	January 2017 till October 2019
29 January 2013	From 29 January 2013 till 29 January 2020	10,250	10,250	5.93 €	5,000	5,250	January 2017 till October 2019
5 August 2013	From 5 August 2013 till 5 August 2020	122,250	122,250	6.65 €	120,000	2,250	January 2017 till April 2020
5 August 2013	From 5 August 2013 till 5 August 2020	150,000	150,000	6.81 €	0	150,000	January 2017 till April 2020
5 August 2013	From 5 August 2013 till 5 August 2020	10,000	10,000	6.96 €	5,500	4,500	January 2017 till April 2020
5 August 2013	From 5 August 2013 till 5 August 2020	5,028	5,028	6.96 €	0	5,028	January 2017 till April 2020
5 August 2013	From 5 August 2013 till 5 August 2020	25,000	15,500	7.54 €	7,500	8,000	January 2017 till April 2020
5 August 2013	From 5 August 2013 till 5 August 2020	9,562	9,562	7.32 €	0	9,562	January 2017 till April 2020
5 August 2013	From 5 August 2013 till 5 August 2020	12,500	12,500	7.37 €	12,500	0	January 2017 till April 2020
25 November 2013	From 25 November 2013 till 25 November 2018	50,000	50,000	7.27 €	0	50,000	January 2016 till July 2018
24 April 2014	From 24 April 2014 till 24 April 2019	153,168	153,168	8.85 €	20,001	133,167	January 2018 till January 2019
24 April 2014	From 24 April 2014 till 24 April 2021	197,129	133,556	9.09 €	11,754	121,802	January 2018 till January 2021
24 April 2014	From 24 April 2014 till 24 April 2021	28,000	28,000	9.18 €	0	28,000	January 2018 till January 2021
24 April 2014	From 24 April 2014 till 24 April 2021	12,500	12,500	8.25 €	0	12,500	January 2018 till January 2021
16 March 2015	From 16 March 2015 till 16 March 2022	248,188	149,490	9.50 €	24,687	124,803	January 2019 till October 2021
16 March 2015	From 16 March 2015 till 16 March 2022	295,133	295,133	10.22 €	0	295,133	January 2019 till October 2021
16 March 2015	From 16 March 2015 till 16 March 2022	20,000	20,000	10.13 €	0	20,000	January 2019 till October 2021
14 September 2015	From 14 September 2015 till 14 September 2022	80,000	55,500	12.29 €	14,700	40,800	January 2019 till April 2022
14 September 2015	From 14 September 2015 till 14 September 2022	177,500	177,500	10.13 €	0	177,500	January 2019 till April 2022
24 February 2016	From 24 February 2016 till 24 February 2023	405,479	405,479	12.02 €	12,527	392,952	January 2020 till October 2022
24 February 2016	From 24 February 2016 till 24 February 2023	1,500	1,500	13.31 €	0	1,500	January 2020 till October 2022
24 February 2016	From 24 February 2016 till 24 February 2023	12,500	12,500	13.31 €	0	12,500	January 2020 till October 2022
24 February 2016	From 24 February 2016 till 24 February 2023	10,000	10,000	12.02 €	0	10,000	January 2020 till October 2022
TOTAL		7,266,201	6,641,727		4,018,647 ⁽⁴⁾⁽⁵⁾	2,457,038 ⁽⁵⁾	

- (1) Each issue of Personnel Warrants occurred under the condition precedent of the Personnel Warrant being granted and accepted.
- (2) The numbers reflect the number of shares for which the holders of Personnel Warrants can subscribe upon exercise of all relevant Personnel Warrants, taking into account, where applicable, the two-for-one consolidation of the Company's common shares that occurred upon closing of the IPO of the Company's shares, and the corresponding reduction of the exercise ratio of the existing Personnel Warrants at that time.
- (3) The Personnel Warrants, (i) can only be exercised by the holder of Personnel Warrants if they have effectively vested, and (ii) at the earliest as of the fourth calendar year following the grant of the Personnel Warrants (further details and possible exceptions are explicitly stipulated in the respective warrant plans).
- (4) As at the date of the latest update of this Charter, in aggregate, 1,387,227 Personnel Warrants giving right to 1,227,528 shares have lapsed due to their beneficiary leaving the Company.
- (5) As at the date of the latest update of this Charter, in aggregate, beneficiaries exercised 5,227,465 Personnel Warrants in exchange for 3,462,508 Company shares.
- (6) As at the date of the latest update of this Charter 1.332.481 Personnel Warrants in respect of 1.047.731 shares are exercisable whilst the remaining Personnel Warrants (in respect of 1,407,057 shares) are not yet exercisable

G. Form of shares

Abylnx' shares can be held as either registered shares or dematerialised shares, at the discretion of the shareholders.

For registered shares, the names and addresses of all shareholders or holders of a right of usufruct or pledge are recorded in the shareholders' register. On request, holders of registered shares will be provided with an extract from the register at their expense.

Holders of registered shares may request that their registered shares be converted into dematerialised shares and *vice versa*. Any costs incurred in connection with the conversion of shares into another form will be borne by the shareholder.

H. Shareholders' rights

1. Shares

All shares are ordinary and confer equal rights.

Each share gives the right to one vote.

2. Shareholders meetings

Abylnx encourages its shareholders to participate at shareholders meetings. In order to facilitate this, voting in absentia may take the form of proxy voting. Agendas and all other

relevant information are available on the Company's website at least 30 days in advance of the shareholders meetings.

a) Dates and places

The annual general shareholders meeting of the Company is held every year on the last Thursday of the month April, at the registered office or at any other place as indicated in the convening notice.

Special or extraordinary shareholders meetings may be convened as often as the Board or the statutory auditor deems necessary. In addition, shareholders representing at least 20% of the issued capital may request that special or extraordinary shareholders meetings be convened. The request must specify the items to be discussed, and be addressed to the Board, which is obliged to convene meetings within three weeks as of receiving the request. This percentage is in line with Article 532 of the Belgian Companies Code, but as a smaller listed company, Ablynx hereby deviates from the 5% threshold provided for in provision 8.8 of the CGC.

One or more shareholders, who together own at least 3% of the authorised capital, can put forward items to be discussed on the agenda of the general meeting and submit proposals of resolution with regard to the items listed or to be listed on the agenda, at the latest by the twenty-second day prior to the date of the general meeting. This does not apply when the general meeting is convened as per a new notice due to the fact that the quorum was not reached with the first notice.

b) Convocation

The notices for the general meeting state the following:

- the agenda, including the items to be discussed and the proposals of resolution;
- the location and the date and hour of the general meeting, a clear and detailed description of the formalities, which must be fulfilled by the shareholders in order to be admitted to the general meeting and to exercise their voting rights, i.e. the term, within which the shareholder must make known his intention to participate in the meeting, as well as the information about the formalities relating to the admittance to the general meeting and the exercise of the voting right, the deadline for notification of participation, the procedure for the voting by proxy, and possibly remote participation and voting, insofar as this possibility is provided by the articles of association;
- the registration date and the communication that only persons, who are shareholder on that date, are entitled to participate and to vote in the general meeting;
- the location and how the documents, as stipulated in the Belgian Company Code, can be consulted;

- the website on which the following information is made available: the notice and the agenda of the general meeting; the total number of shares and voting rights on the date of the notice; the documents to be submitted to the general meeting; for each agenda item to be discussed in the general meeting, the proposal of resolution, or if no resolution is required, the comments of the Board; the forms to be used for voting by proxy, unless these forms are sent directly to every shareholder. If these forms are not available on the website for technical reasons, the Company will indicate in its website how to obtain copies of these documents.

At least 30 days (in case of a second notice at least 17 days) before the general meeting is taking place an invitation is sent by ordinary mail to the holders of registered shares, to the Directors and to the Auditor (unless the recipients have individually and explicitly agreed in writing to receive the notice by any other means).

A notice of the general meeting is also published in (a) the Belgian State Gazette and (b) in media, of which it is reasonably assumed that it can ensure an efficient distribution of the information with the public in the European Economic Area, and which is accessible in a rapid and non-discriminating way (for this purpose Ablynx will make the notice available on its website) and (c) in a national newspaper at least 30 days prior to the meeting. If the annual meeting is held in the municipality, the location, the day and the hour mentioned in the articles of association, with an agenda limited to the discussion of the annual report, the report of the statutory auditor, the voting on the discharge of the members of the Board and the statutory auditor, and the vote on the items mentioned in article 554 of the Belgian Company Code, the Company is exempt from the obligation to publish the notice in a national newspaper (the publication as in (a) and (b) however remains required).

If a second notice is necessary because the quorum required was not reached for the first meeting, the date of the second meeting is mentioned in the first notice and no new item is placed on the agenda, the notice for the second meeting must be published at least 17 days prior to the general meeting.

The agenda and other relevant information (as described above), which must be communicated to the holders of securities when the Company announces a meeting, must be published on the website of the Company on the day of the publication of the notice of the general meeting and continuously remain on the website till the day of the general meeting, and can be consulted at the registered offices of the Company, where a copy can be obtained.

The information mentioned in the previous paragraph will remain available on the website of the Company during a period of five years as from the date of the general meeting to which it relates.

c) Lodging of securities

A shareholder can only participate in the general meeting and exercise the voting right, pursuant to the strict registration of the shares in the name of the shareholder on the registration date, either by registration in the share register in the name of the Company, or by registration into the accounts of a recognized accountholder or clearing agency, or by

deposit of the bearer shares with a financial intermediate, irrespective of the number of shares the shareholders own at the general meeting. The fourteenth day prior to the general meeting, at 24:00 hours (Belgian time) is the registration date.

The owners of dematerialised shares, who wish to participate in the meeting, must submit a certificate from a financial intermediate or a recognised acountholder that states, as the case may be, the number of dematerialised shares that are registered on the registration date in their accounts in the name of the shareholders. This deposit must be made at the registered offices or at the institutions mentioned in the notice at the latest on the sixth day prior to the date of the general meeting.

The owners of nominal shares, who wish to attend the meeting, must notify the Company of their intention to participate in the meeting by letter, fax or e-mail at the latest on the sixth day prior to the date of the meeting.

In a register indicated by the Board, for every shareholder, who notified his intention to participate in the general meeting, name and address or registered offices are recorded, as well as the number of shares the shareholders possess on the registration date and with which they declare to participate in the general meeting, and a description of the documents, which evidence that they were in possession of the shares on the registration date.

d) Lodging of proxies

Without prejudice to article 549, first section, 1° of the Belgian Company Code (public request for prolongation of the proxies), a proxy can be given for one or more specific meetings or for the meetings held in a specific period. The proxy given for a certain meeting applies to the consecutive meetings that are convened with the same agenda. The proxyholder enjoys the same rights as the shareholder represented, and in particular the right to speak, to ask questions during the general meeting and to exercise the voting right.

A shareholder may for a certain general meeting only indicate one person as proxyholder. As an exception to this provision:

- the shareholder can designate another proxyholder for each form of shares he possesses, as well as for each of his securities accounts, if he has company shares in more than one securities account;
- the shareholder can give a proxy to a qualified person who, however, acts in his professional capacity for the account of other natural persons or legal bodies, and give a proxy to each one of the other natural persons or legal bodies or a third party indicated by them.

A person acting as a proxyholder can hold the proxy of more than one shareholder. If the proxyholder holds proxies given by different shareholders, he can vote on behalf of a certain shareholder differently than on behalf of another shareholder.

The designation of a proxyholder by a shareholder is done in writing or via an electronic form and must be signed by the shareholder, when the occasion arises, by means of an advanced electronic signature in accordance with article 4, §4 of the law of 9 July 2001 determining certain rules with regard to the legal framework of electronic signatures and certification

services, or with an electronic signature that meets the conditions set out in article 1322 of the Belgian Civil Code.

The notification of the proxy to the Company must be done in writing. This notification can also be done electronically on the address mentioned in the notice.

The Company must receive the proxy at the latest on the sixth day prior to the date of the meeting.

For the calculation of the rules concerning the quorum and majority, only the proxies are taken into account, which were submitted by the shareholders, who have fulfilled the formalities pursuant to article 536, §2 of the Belgian Company Code, which must be fulfilled in order to be admitted to the meeting.

Without prejudice to the possibility to deviate from the instruction in certain circumstances in accordance with article 549, second section of the Belgian Company Code, the proxyholder votes pursuant to the possible instructions of the shareholders of the Company, who designated him. The proxyholder must preserve a register with the voting instructions during at least one year, and at the request of a shareholder he should be able to confirm that he observed the voting instructions.

In the event of a potential conflict of interest, as determined in article 547bis, §4 of the Belgian Company Code, between the shareholder and the proxyholder he designated, the proxyholder must make public the exact facts, which are relevant to the shareholder in order to assess whether there is a danger that the proxyholder pursues any other interest than the interest of the shareholder. Moreover, the proxyholder can only vote on behalf of the shareholder provided that he has specific voting instructions for each item on the agenda.

e) Chairmanship

The shareholders meetings are chaired by the Chairman or, in his absence, by any other Board member.

The Chairman appoints a secretary, who does not have to be a shareholder, and chooses one or two scrutineers from among the shareholders present who together with the Directors present shall constitute the bureau.

The Chairman directs debates using the practices applicable in Belgium to assemblies of deliberation.

Observing the agenda, he ensures that questions at the meeting receive a response. In this he strives in particular to ensure that the answer to questions does not cause any serious prejudice to the Company, to its shareholders, or to its employees.

f) Votes

Each share confers the right to cast one vote. Blank votes and invalid votes are considered as not having been cast.

Except in cases stipulated by law or by the Articles of Association, the shareholders meeting resolves validly whatever the number of shares present or represented, and on a simple

majority of the votes cast. To validate the deliberations of certain extraordinary general shareholders meetings, the law stipulates a quorum of 50% of the share capital present or represented. Failing this, a new general shareholders meeting must be convened to deliberate validly without the need for any quorum. In accordance with the subject matter, votes for resolutions require a qualified majority as laid down by law.

Each shareholder is entitled to vote by letter by means of a form of which the model is determined by the Company and that must contain the following: (i) name and address of the registered offices of the shareholder; (ii) the number of shares with which he is participating in the voting; (iii) the form of the securities held; (iv) the full agenda including the proposals of resolution; (v) the term within which the Company must receive the form relating to the voting by letter; (vi) the signature of the shareholder; and (vii) the voting instructions of the shareholder (for, against or abstention). The shareholder may clarify and motivate his voting instructions. For the calculation of the quorum, only the forms are taken into account, which the Company received at the latest on the sixth day prior to the day of the meeting on the address indicated in the notice.

g) Minutes

Official signed copies of the minutes, or an extract thereof, can be made available to any shareholder on request and will be signed either by the Chairman or by two members of the Board or by a Director to whom the daily management is entrusted.

The results of votes and the minutes will be posted on the Company's website as soon as possible after the meeting.

3. Rights to dividends

a) Dividend policy

The Company has never declared or paid any dividends on its shares. The Company's dividend policy will be determined and may change from time to time by determination of the Company's Board, upon decision by the shareholders meeting. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the Board. The calculation of amounts available to be distributed as dividends or otherwise distributed to shareholders must be made on the basis of the Belgian statutory financial statements, taking into account the limits set out by Article 617 of the Belgian Companies Code.

Belgian law and the Company's Articles of Association do not require the Company to declare dividends. Currently, the Board expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future.

b) Interim dividends

According to Article 40 of the Articles of Association of the Company, the Board can, at its own risk and in compliance with the conditions as provided by the Belgian Companies Code, decide to pay interim dividends.

I. Information for shareholders

As a listed company, the Company must publish summaries of its annual and semi-annual consolidated financial statements prepared under IFRS, as adopted by the EU as well as its condensed annual statutory financial statements prepared under Belgian GAAP. The Company in the context of its ongoing reporting requirements will focus discussion on the consolidated financial statements prepared in accordance with IFRS, as adopted by the EU. These summaries will generally be made publicly available in the financial press in Belgium in the form of a press release. Copies thereof will also be available on the Company's website. The Company also has to disclose price sensitive information, information about its shareholders' structure, and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (as amended from time to time) (*"Koninklijk Besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een Belgische gereguleerde markt"*), such information and documentation will be made available through press releases, the financial press in Belgium, the Company's website, the communication channels of Euronext Brussels or a combination of these media.

IV. BOARD OF DIRECTORS: TERMS OF REFERENCE

These Terms of Reference have been adopted by the Company's Board to clarify its role and responsibilities. These principles and policies are in addition to and are not intended to change or interpret any law or regulation, or the Articles of Association of the Company. The Board will revise these Terms of Reference from time to time to adopt it to its evolving needs.

A. Role, responsibilities and authority

1. Role

As provided by Article 521 of the Belgian Companies Code, the Company is headed by a Board acting as a collegiate body.

The Board's role is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The Board should decide on the Company's values and strategy, its risk appetite and key policies. The Board should ensure that the necessary financial and human resources are in place for the Company to meet its objectives.

The Board believes that this involves a primary focus on long-term financial returns, while remaining sensitive to the interest of the stakeholders who are essential to a successful business: the Company's partners, shareholders, and employees of the Company as well as the community and environment in which the Company operates.

2. Responsibilities

The Company has opted for a "two-tier" governance structure: therefore, the principal governance structure of the Company is based on a distinction between:

- the management (including the daily management) of Ablynx, a task conducted by the Executive Committee within the meaning of Article 524*bis* of the Belgian Companies Code ("*directiecomité*") within the framework of the general strategy defined by, and under the supervision of the Board; and
- the development of the general strategy of the Company, the supervision of the Executive Committee and the exercise of specific powers attributed by the Belgian Companies Code, the Articles of Association and this Corporate Governance Charter which fall within the powers of the Board.

In light of this and as provided for by Article 522 of the Belgian Companies Code, the Board is the ultimate decision-making body in the Company, except with respect to such areas which are reserved by law or by the Company's Articles of Association to the shareholders meeting.

The key responsibilities of the Board include:

- The Board reviews, evaluates and decides, on a regular basis, on the strategic objectives and the general policy plan of the Company, its readiness to take risks, its

values and the policy guidelines with regard to the primary functional areas of the Company;

- The Board reviews, evaluates and approves the Company's budget and forecasts;
- The Board reviews, evaluates and approves major resource allocation and capital investments;
- The Board sees to it that the necessary financial and human resources are present so that the Company can achieve its objectives;
- The Board reviews the financial and operating results of the Company;
- The Board monitors and evaluates the performance of the Company against strategic goals, plans and budgets;
- The Board verifies the existence and functioning of the internal control system, including an adequate identification and management of risks (including e.g., risks relating to compliance with the existing legislation, regulations and internal policies and procedures);
- The Board chooses the structure of the Company's Executive Committee, defines its powers and duties and supervises and evaluates the performance of the Executive Committee;
- The Board maintains continuing interaction and dialogue and a climate of respect, trust and candour with the Executive Committee;
- The Board reviews, evaluates and approves compensation strategy as it relates to the members of the Executive Committee of the Company, including, any decision to implement incentive schemes for the benefit of members of the Executive Committee;
- The Board is responsible for the quality and completeness of the published financial reports, and in particular is responsible for the integrity of the financial statements;
- The Board selects the statutory auditor in view of its appointment by the shareholders meeting and supervises its work and is responsible for supervising the internal audit function (if such function is set up);
- The Board is responsible for the corporate governance structure of the Company and compliance with the CGC provisions;
- The Board supervises fulfilment of the obligations of the Company vis-à-vis its shareholders, and in so doing balances the interests coming into consideration of the parties involved with the Company.

In addition to the foregoing more general responsibilities of the Board, and notwithstanding the powers reserved by law to the Board, the Board has in particular also the following decision making responsibilities which have not been delegated to the Executive Committee:

- any material change in the company's debt structure and borrowings or the taking out of any mortgage or the pledging of assets if not foreseen in the approved annual budget;
- the disposal of the whole or a substantial part of the business of the Company;
- the acquisition or disposal of an equity participation in other companies;
- any decision to incorporate, create, acquire and/or transfer subsidiaries or branches or to acquire assets to which a material part of the Company's business will be attributable after such acquisition;
- any transaction between the Company and a director or shareholder or a person that is part of the same group as a director or shareholder or any of its affiliates within the meaning of Article 11 of the Belgian Companies Code;
- any proposal for the dissolution, liquidation, legal merger or legal de-merger of the Company in any manner;
- any material variation to the terms of the board-approved standard confidentiality, assignment of inventions and/or non-compete undertakings, in an employment agreement or services agreement that is being negotiated with a member of the Executive Committee;
- any decision relating to the entering into, amendment to or termination of material in- or out-licensing agreements; such decisions may only be taken by the Executive Committee in accordance with and on the basis of a specific mandate granted by the Board subsequent to such discussion, in which the Board shall set out guidelines for the relevant decision.

Furthermore, the Board is expressly competent to make decisions on matters which are presented to it by the Executive Committee.

In the implementation of its tasks, the Board must act in conformity with the interests of the Company.

3. Authority

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or, on an exception basis, directly by the director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board and any individual Board member after consultation with the Chairman have the power to engage experts or advisors, including independent legal counsel, deemed appropriate by the Board, without consulting or obtaining the approval of any officer of the Company. The Company will provide for appropriate funding, as determined by the Board, for payment of reasonable compensation to any such counsel, experts or advisors retained by the Board.

The Board has the authority and the duty to use adequate, necessary and proportional means in order to fulfil its responsibilities. The Board as a whole is collectively accountable to the Company for adequately exercising such authority, powers and duties.

B. Composition, nomination procedure and induction

1. Composition of the Board

The Company's Articles of Association prescribe that the number of Directors of the Company, who can be individuals or legal entities and who need not be shareholders, which shall constitute the whole Board, shall be at least 3. The exact number of Directors shall be resolved upon by the shareholders meeting from time to time upon proposal of the Board or as otherwise provided in accordance with applicable Belgian company law. In any event, the Board shall be small enough for efficient decision-making. It shall be large enough for its members to contribute experience and knowledge from different fields and for changes to the Board's composition to be managed without undue disruption. The Board currently believes that the optimum number of Directors is between 5 and 9.

At least half the Board shall comprise non-executive Directors and at least three of them shall be independent Directors.

Adequacy of size and composition will be regularly assessed by the Board upon the initiative of the Chairman and upon recommendation of the Nomination & Remuneration Committee.

The curricula vitae of the Directors and directorship candidates are available for consultation on the Company's website.

2. Nomination Procedure

For any new appointment to the Board, the skills, knowledge and experience already present and those needed on the Board shall be evaluated and, in the light of that evaluation, a description of the role and skills, experience and knowledge needed shall be prepared (a "profile").

When dealing with a new appointment, the Chairman of the Board shall ensure that, before considering the candidate, the Board has received sufficient information such as the candidate's résumé (CV), the assessment of the candidate based on the candidate's initial interview, a list of the positions the candidate currently holds, and, if applicable, the necessary information for assessing the candidate's independence.

The Board is responsible for proposing members for nomination to the Board, in each case based upon the recommendation of the Nomination & Remuneration Committee. Should any of the offices of director become vacant, whatever the reason may be, the remaining directors shall have the right to temporarily fill such vacancy until the next shareholders meeting, which shall make a final appointment.

Whenever a legal entity is appointed as a director, it must specifically appoint an individual as its permanent representative, chosen from among its shareholders, managers, Directors or employees, and who will carry out the office of director in the name and on behalf of such legal entity.

Any proposal for the appointment of a director by the shareholders meeting shall be accompanied by a recommendation from the Board, based on the advice of the Nomination & Remuneration Committee. The proposal shall specify the proposed term of the mandate, which shall not exceed four years. It shall be accompanied by relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds. The Board will indicate whether the candidate satisfies the independence criteria.

3. Director Qualifications

Not less than three members of the Board will meet the criteria for independence.

The Board's standards for determining the independence of a director are set forth in **Schedule A** ("*Independence standards*") to this Corporate Governance Charter.

Appointments to the Board shall be made on merit and on the basis of objective criteria. Directors should attain high standards of professional ability and judgment and should be committed, in conjunction with the other Directors, to serving the long-term interests of the Company.

Each director individually should have skills and experience that are complementary to the need of the Company, and should bring to the Board an inquisitive and objective perspective which gives him the ability, if needed, to challenge management. Taken as a whole, the Board should be composed out of persons to a certain extent complementing each other, and representing various areas of skill and expertise.

Non-executive Directors should spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities. They should be made aware of the extent of their duties at the time of their application, in particular as to the time commitment involved in carrying out those duties. They should not consider taking on more than five directorships in listed companies, including the directorship in Ablynx, provided that the Board can advise the shareholders to deviate from this rule. Changes to their other relevant commitments and their new commitments outside the Company should be reported to the Chairman of the Board as they arise.

4. Resignation from the Board

Any director may be dismissed at any time by the shareholders meeting (without being entitled to any notice period or termination indemnity).

Any director may resign at any time by giving notice in writing to the Chairman of the Board. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5. Term limits

Appointments are generally made for a term of maximum four years. When an independent Director has served on the Board for three terms, he is in principle not eligible for a fourth term in the capacity as an independent Director subject to exceptional circumstances in the

interest of the Company recognized by the Board. In such case the proposal to renew his mandate as independent Director will expressly indicate why the Board considers that his independence as a director is preserved.

Before proposing any director for re-election, the Board shall take into account the evaluations made by the Nomination & Remuneration Committee.

6. Director Induction

The Chairman will ensure that newly appointed Directors receive an appropriate induction to ensure their early contribution to the Board. The induction process should help the Directors to familiarize with their responsibilities as Directors, and with the fundamentals of the Company, such as its governance, key policies, strategic plans, finance and business challenges, its significant financial, accounting and risk management issues, its compliance programs, its Executive Committee, and its independent auditors.

For Directors joining Board Committees, the induction provided shall encompass a description of their specific role and duties and any other information linked to the specific role of that Committee. For new Audit Committee members, this programme shall cover the Audit Committee's Terms of Reference and provide an overview of the Company's internal control organisation and risk management systems.

C. Organisation

1. Board meetings

The Board shall meet as frequently as the interest of the Company shall require but in any case not less than five times per year. Meetings will be called by the Chairman or two Directors.

As a principle, at least five days notice of the Board meetings shall be given to the Board members. Where duly justified by emergency and by the corporate interest of the company, the above notice period of five business days may be waived by the unanimous consent of the Directors expressed in writing. If all Directors are present or represented at such meeting, they shall be deemed to have waived the above notice period.

If an urgent issue arises, the Board can meet by a conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. Moreover, where duly justified by emergency and by the corporate interest of the Company, decisions may be adopted, without a meeting, by the unanimous written consent of the Directors. However, this procedure may not be used for the approval of the annual accounts and the use of the authorised capital.

Each meeting is chaired by the Chairman and, in his absence, by the oldest director present.

The Board can only validly deliberate and decide if at least half of its members are present or represented. A new meeting must be convened if such quorum is not attended. The second meeting can validly deliberate and decide on the items that were already on the agenda of the first meeting regardless of the number of Directors present or represented, to the extent

at least two members of the Board are present. Any director can represent more than one other director. Resolutions are taken by a simple majority of the votes cast.

The number of Board (and Board Committee) meetings shall be disclosed in the Corporate Governance Statement included in the annual report.

2. Agenda Items for Board meetings

A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the Directors approximately three days prior to each Board meeting.

3. Minutes

The Company Secretary drafts minutes of each meeting reflecting the issues which were discussed, the decisions which were taken and, if any, the reservations which were voiced by dissenting Directors. The minutes will be approved by the Chairman and subsequently by the Board during its next meeting.

4. Conflicts of Interest

Directors should arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director shall abide with the rules on conflicts of interests as set forth in **Schedule H** ("*Conflicts of interests*") to this Corporate Governance Charter.

5. Representation of the Company by its Directors

The Company is validly represented by any two of its Directors acting jointly. For acts within the scope of their specific powers, the Company is also validly represented by special representatives who are appointed by the Board.

D. Performance evaluation of the board

Under the lead of the Chairman, the Board will conduct, every three years, a self-evaluation to determine whether it and its Committees are functioning effectively. The evaluation shall have the following objectives:

- assessing how the Board operates;
- checking that the important issues are suitably prepared and discussed;
- evaluating the actual composition of each director's work, the director's presence at Board and Committee meetings and his constructive involvement in discussions and decision-making;
- checking the Board's current composition against the Board's desired composition.

The non-executive Directors shall annually assess their interaction with the Executive Committee. In this respect, non-executive Directors shall meet at least once a year in absence of the CEO and the other executive Directors, if any. No formal Board decision can be taken at such meeting.

At the time of their re-election, the Directors' commitments and contributions are evaluated within the Board, and the Board ensures that any appointment or re-election allows an appropriate balance of skills and experience to be maintained on the Board. The same applies at the time of appointment or re-election of the Chairman (of the Board and of the Board Committees).

The Board shall act on the results of the performance evaluation by recognising its strengths and addressing its weaknesses. Where appropriate, this will involve proposing new members for appointment, proposing not to re-elect existing members or taking any measure deemed appropriate for the effective operation of the Board.

E. Director remuneration

The level of remuneration should be sufficient to attract, retain and motivate Directors who have the profile determined by the Board.

Only the independent Directors shall receive a fixed remuneration in consideration of their membership of the Board and their attendance at the meetings of Committees of which they are members. They will not receive, in principle, any performance related remuneration, nor will any option or warrants be granted to them in their capacity as director. However, upon advice of the Nomination & Remuneration Committee, the Board may propose to the shareholders meeting to deviate from the latter principle in case in the Board's reasonable opinion the granting of options or warrants would be necessary to attract or retain independent Directors with the most relevant experience and expertise.

All other non-executive or executive Directors shall receive no (additional) compensation for serving as member of the Board.

The Nomination & Remuneration Committee recommends the level of remuneration for Directors, including the Chairman of the Board, subject to approval by the Board and, subsequently, by the shareholders meeting when it approves the annual accounts. The Nomination & Remuneration Committee benchmarks Directors' compensation against peer companies to ensure that it is competitive.

The General Meeting of Shareholders of 28 April 2016 decided to increase all fixed annual remuneration of independent Directors by 2%. The annual remuneration of the independent Directors who are ordinary members of the Board of Directors increased from EUR 30,000 to EUR 30,600. The additional fixed annual remuneration for the independent Directors who are Chairman of the Nomination & Remuneration Committee, the Audit Committee or the Research & Development Committee increased from EUR 10,000 to EUR 10,200. The additional fixed annual remuneration for the independent Directors who are ordinary members of the Board of Directors and member of one of the Committees of the Board increased from EUR 5,000 to EUR 5,100 per committee.

During this Annual Meeting of Shareholders it was also decided to increase the fixed annual remuneration of the Chairman of the Board from EUR 100,000 to EUR 102.000. (provided that the mandate of Chairman of the Board and CEO are executed by different persons.)

Without prejudice to the powers granted by law to the shareholders meeting, the Board sets and revises, from time to time, the rules and level of compensation for Directors carrying out a special mandate or sitting on one of the committees and the rules for reimbursement of Directors' business-related out-of-pocket expenses. Remuneration of Directors will be disclosed to the Company's shareholders in accordance with applicable laws and regulations.

F. Access to management

Non-executive members of the Board shall not intervene directly in the operations of the Company other than in exceptional circumstances and on a "needs only" basis.

Non-executive members of the Board ordinarily shall not give instructions to, or interfere with the activities of Company management and employees. By exception to this principle, members of the Audit Committee shall at all times have full and free access to the CFO and any other employee to whom they may require access in order to carry out their responsibilities.

G. Access to advisors

The Board, and the Board Committees shall have the authority, at the reasonable expense of the Company, to retain such independent accounting, financial, legal and other advisors as they deem necessary or appropriate to carry out their mandate after informing and consultation with the Chairman of the Board with due consideration for the financial consequences for the Company.

H. Duty of confidentiality

Directors have access to all corporate information needed to fulfil their fiduciary duties. This right of access is subject, in the case of personal information concerning employees of the Company, to applicable privacy laws. The Company Secretary is available to supply the requested information.

In order to facilitate open discussion both in Board and Committee meetings, Board members undertake to maintain the confidentiality of information and deliberations, in accordance with legal requirements.

Members of the Board shall treat all information with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Board, made public or otherwise made available to third parties, even after resignation from the Board, unless it has been made public by the Company or it has been established that the information is already in the public domain.

I. Board interaction with institutional investors, analysts, media, customers and members of the public

Except where directed by the CEO or the CFO of the Company, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must be made only by specifically designated representatives of the Company. If a director receives any inquiry relating to the Company from the media, securities analysts, brokers or investors, including informal social contacts, he or she should decline to comment and ask them to call the Company's CFO or the Investor Relations Responsible.

J. Corporate governance in the annual report

In its annual report, the Board includes a Corporate Governance Statement, describing the Company's corporate governance practices during that year and including explanations on any deviations from the CGC, in accordance with the requirement to "*comply or explain*".

V. CHAIRMAN OF THE BOARD

The Chairman of the Board provides leadership to the Board in discharging its duties and acts as liaison among the shareholders, the Board and the Company. He is responsible for taking the lead, supported by the Board Committees as necessary, in all initiatives that are designed to ensure the Board functions effectively and in line with the Terms of Reference as set forth in **Schedule B** (*Role and responsibilities of the Chairman of the Board of Directors*) to this Corporate Governance Charter.

VI. COMPANY SECRETARY

The Board appoints a Company Secretary, who assists and advises the Board, the Chairman, the Chairs of the Board Committees and all Board members and members of the Executive Committee in exercising their general and specific roles and duties.

The core responsibilities of the Company Secretary include (i) ensuring that the Company's corporate bodies comply with their requirements under the law, the Articles of Association and internal rules and procedures, including those laid down in this Corporate Governance Charter, (ii) organising the general shareholders meetings, and (iii) acting as secretary of the Board, the Executive Committee and the other Board Committees.

The Company Secretary is responsible to the Board and is accountable to the Board through the Chairman on all matters relating to his core duties. He has the authority and the duty to use adequate, necessary and proportional means in order to efficiently fulfil its responsibilities.

VII. COMMITTEES OF THE BOARD

A. Role

A substantial portion of the analysis and preparatory work of the Board is done by standing Board Committees. The decision-making remains within the collegiate responsibility of the Board, the Committees have an advisory function. They assist the Board in specific areas, which they cover in appropriate detail and upon which they make recommendations to the Board.

B. Committees – terms of reference

The Board will have at all times a Nomination & Remuneration Committee and an Audit Committee. The Board may, from time to time, establish or maintain additional Committees as necessary or appropriate.

The role and responsibility of each Board Committee are determined by the Board and laid down in its Terms of Reference. The Chairman of the Board shall ensure that the Board appoints Committee members and a Chairman of each of those Committees in accordance with the Terms of Reference of each Board Committee.

The Terms of Reference of the Nomination & Remuneration Committee are set out in **Schedule C** ("*Nomination & Remuneration Committee – Terms of Reference*") to this Corporate Governance Charter. The Terms of Reference of the Audit Committee are set out in **Schedule D** ("*Audit Committee – Terms of Reference*"). The Terms of Reference of the Research & Development Committee are set out in Schedule E ("*Research & Development Committee- Terms of Reference*") to this Corporate Governance Charter.

VIII. EXECUTIVE COMMITTEE

In view of the fact that the Company has opted for a "two-tier" governance structure, the management of Ablynx (including the daily management) is conducted by the Executive Committee ("*directiecomité*") within the meaning of Article 524*bis* of the Belgian Companies Code.

The Board has determined both the Terms of Reference of the Executive Committee taken as a whole (as set forth in **Schedule F** ("*Executive Committee – Terms of Reference*") to this Charter) and of the CEO in particular (as set forth in **Schedule G** ("*Role and responsibilities of the Chief Executive Officer* ") to this Charter), detailing their respective role, responsibilities, duties, and powers, and for the Executive Committee, its composition and operation.

IX. RULES PREVENTING MARKET ABUSE

A Dealing Code, attached hereto as **Schedule I** ("*Dealing Code*"), ensures that all employees, and particularly the members of the Board and of the Executive Committee do not abuse, nor place themselves under suspicion of abusing, and maintain the confidentiality of inside information that they may have or be thought to have, especially in periods leading up to an announcement of financial results or of price-sensitive events or decisions.

To implement and monitor this Dealing Code, the Board shall designate one or more Compliance Officers who shall have the rights and obligations set out in the Dealing Code.

X. MISCELLANEOUS

A. Changes to the Corporate Governance Charter

The Board may amend this Corporate Governance Charter from time to time without prior notice. It may also decide at any time to deviate from this Corporate Governance Charter subject to disclosure thereof in the Corporate Governance Statement included in the annual Board report.

Any such modification or deviation will be published on the Company's website.

Third parties shall not derive any rights from such modification or deviation.

B. Priority

In case of any contradiction between a provision of this Corporate Governance Charter and an applicable mandatory law or regulation, such law or regulation shall supersede the provision of this Corporate Governance Charter.

C. Governing law and jurisdiction

This Corporate Governance Charter shall be governed by and construed in accordance with Belgian law.

The courts of Ghent (Belgium) shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Corporate Governance Charter.

SCHEDULE A: INDEPENDENCE STANDARDS

Each member of the Board, executive and non-executive alike, is required, in his capacity as a Board member (i) to be guided exclusively by the overall goal of the Company's Board which is to perpetuate a successful business; (ii) to maintain in all circumstances his independence of judgement, decision and action; and (iii) to clearly express his concern, and as the case may be, have recorded in the minutes his opposition to a proposal submitted to the Board if he is of the opinion that such proposal may harm the interests of the Company.

Besides this individual obligation imposed on each of its members, the Board determines whether there are relationships or circumstances which are likely to affect, or could appear to affect, the independence of non-executive Board members.

An independent Director is one whom the Board affirmatively determines has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board has adopted the following categorical standards to assist it in the determination of each director's independence. The Board will determine the independence of any director with a relationship to the Company that is not covered by these standards and the Company will disclose such determinations in the Company's annual report or otherwise at least annually.

A director will be presumed to be independent if the Director complies with the below:

- Not being an executive member of the Board, or exercising a function as a member of the legal management committee or as a person entrusted with daily management of the Company or a related company or person (as defined in Article 11 of the Belgian Companies Code), and not having been in such a position for the previous five years before his nomination;
- Not having served for more than three terms as a non-executive director of the Board, without exceeding a total term of more than twelve years;
- Not being an employee of the senior management (as defined in article 19,2° of the Act of 20 September 1948 regarding the organisation of the business industry), of the Company or a related company or person (as defined in Article 11 of the Belgian Companies Code) and not having been in such a position for the previous three years before his nomination;
- Not receiving, or having received, any significant remuneration or other significant advantage of a patrimonial nature from the Company, or a related company or person (as defined in Article 11 of the Belgian Companies Code) apart from any bonus or fee he receives or has received as a non-executive member of the Board;
- (a) Not holding any shareholder rights representing one tenth or more of the Company's capital, the Company's social funds or of a class of shares of the Company; (b) If the independent Director holds shareholder rights representing less than one tenth: (i) not holding shareholder rights representing, together with the shareholder rights owned in the same company by companies controlled by the

- independent Director, one tenth or more of the Company's capital, the social funds or of a class of shares of the Company; or (ii) the disposal of those shares or the exercise of the related rights not being subject to contractual stipulations or unilateral undertakings given by the independent Director; (c) Not representing, in any circumstances, a shareholder fulfilling the conditions covered under this point;
- Not having, or having had within the financial reported year, a significant business relationship with the Company or a related company or person (as defined in Article 11 of the Belgian Companies Code), either directly or as partner, shareholder, member of the board, member of the senior management (as defined in Article 19,2° of the Act of 20 September 1948 regarding the organisation of the business industry) of a company or person who maintains such a relationship;
 - Not being or having been within the last three years, a partner or employee of the current or former external auditor of the Company or a related company or person (as defined in Article 11 of the Belgian Companies Code);
 - Not being an executive director of another company in which an executive director of the Company is a nonexecutive member of the board, and not having other significant links with executive Directors of the Company through involvement in other companies or bodies;
 - Not being a spouse, legal partner or close family member to the second degree of a director or member of the legal management committee or person entrusted with the daily management or employee of the senior management (as defined in Article 19,2° of the Act of 20 September 1948 regarding the organisation of the business industry) in the Company or a related company or person (as defined in Article 11 of the Belgian Companies Code) or of the persons referred to in any of the points above.

Each independent Director who ceases to satisfy the requirements of independency shall immediately inform the Chairman of the Board hereof.

The Company shall disclose on its website which Directors it considers to be independent.

Whenever legally required, the Company shall apply the criteria of independency set forth in the Belgian Companies Code. For the purposes of the Belgian Companies Code, a director may only be considered an independent Director if he or she meets at least the criteria set out in the Belgian Companies Code. The Law of 17 December 2008 regarding the incorporation of an audit committee in listed companies and financial companies has introduced a new set of (more stringent) criteria for the qualification as independent Director. Independent Directors who were appointed before 8 January 2009, such as the independent Directors of the Company, and who satisfy the criteria of (former) Article 524, paragraph 4, part 2 of the Belgian Companies Code, but not all criteria of (new) Article 526*ter* of the Belgian Companies Code, can continue to serve as independent Director until 1 July 2011.

SCHEDULE B: ROLE AND RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

A. Role

The Chairman of the Board provides leadership to the Board in discharging its duties and acts as liaison among the shareholders, the Board and the Company. He is responsible for taking the lead, supported by the Board Committees as necessary, in all initiatives that are designed to ensure the Board functions effectively and in line with the present Corporate Governance Charter.

B. Responsibilities

Without prejudice to the responsibilities of the Board as a whole, the Chairman, in particular:

- monitors whether the Company's governance, including its legal structure, is appropriate to accommodate the needs of the Company, and proposes changes to the Board when necessary;
- monitors compliance with this Corporate Governance Charter;
- calls for Board meetings and chairs the Board meetings (in his absence the meeting is presided by the most senior director);
- takes the necessary measures for providing an answer to relevant questions from shareholders, including the relevant questions raised on the annual report or on the items on the agenda of a shareholders meeting;
- presides the shareholders meetings (in his absence the meeting is presided by the most senior director);
- following consultation with the Chairman of the Nomination & Remuneration Committee, the Chairman of the Board gives recommendations as to the composition of the Board and of the Committees created by the Board (not being the Executive Committee); and
- coordinates the activities of the Board and ensures an efficient activity of the Board, e.g.: he prepares and defines the agenda in close collaboration with the Executive Committee; he ensures that the Directors receive timely, precise, clear, and complete information related to the decisions to be taken; he ensures that sufficient time is arranged to discuss complex and/or delicate issues and organizes informational pre-meetings if required; in general, he ensures that the Directors, in the exercise of their mandate, exercise the highest level of integrity.

SCHEDULE C: NOMINATION & REMUNERATION COMMITTEE – TERMS OF REFERENCE

A. Introduction:

The Charter of the Nomination and Remuneration Committee has been endorsed by the Board of Directors pursuant to the Belgian Corporate Governance Act of April 6th 2010 and the Belgian Corporate Governance Code of 2009.

B. Purpose:

- The Nomination and Remuneration Committee is appointed by the Board of Directors of Ablynx to advise the Board in its duties and responsibilities relating to the Nomination and the Compensation and Benefit programs* of Executive & Non-Executive Directors, the Chief Executive Officer and the Executive Committee including other terms of employment for the CEO and the Executive Committee. The Nomination and Remuneration Committee at the same time reviews possible warrant plans for Employees.
- The basic principle is that the level of remuneration should be sufficient to attract, retain and motivate on each level the most talented individuals for the job.

C. Membership and Chairmanship:

- The Nomination and Remuneration Committee will be comprised of not less than three members. All members of the Nomination and Remuneration Committee must also be a member of the Board of Directors.
- All members shall be Non-Executive Directors and at least a majority of its members shall be independent non-executive Directors as defined by the Belgian Corporate Code Article 526ter. The Board may deviate from these requirements if it believes that a different composition will contribute more relevant expertise to the Nomination & Remuneration Committee, if the number of independent non-executive Directors does not so permit or for other reasons it deems fit.
- One of the members shall be designated Chairman of the Committee by the Board of Directors.
- The Chairman of the Board of Directors can attend the meetings of the Committee in his capacity as Chairman of the Board of Directors.

*For the purpose of this Charter, Compensation and Benefit programs means (i) fixed salary, (ii) variable compensation, - both short term - and long term incentive programs -, including share and share-price related incentive programs, (iii) pension schemes, and (iv) other financial benefits

- The members of the Nomination and Remuneration Committee are appointed by the Board of Directors and may be replaced at any time by it.
- Each member of the Committee shall have appropriate knowledge and experience in compensation and benefit-related matters. Preferably, they shall be associates of Boards of other companies and as a result have knowledge of pay policies across the world.
- The CEO and the Vice-President Human Resources may be invited to attend the meetings of the Nomination and Remuneration Committee in an advisory and non-voting capacity on all matters. They will not attend during discussions concerning themselves.
- The Chairman will lead all meetings of the Committee, coordinate the evaluation of the performance of the CEO and shall act as Secretary, although he can delegate this duty or parts thereof to the Vice-President Human Resources.
- To fulfill their responsibilities the members of the Committee should dedicate a significant amount of their time to the Committee's activities.

D. Meetings:

- The Nomination and Remuneration Committee shall meet as often as needed in order to fulfill its functions. Meetings will preferably be scheduled 4 times a year and will precede the Board meetings. This will guarantee an accurate, up-to-date and fast communication of the Committee's proposals and recommendations to the full Board of Directors.
- Ad hoc meetings can be scheduled on an ongoing basis.
- The Nomination and Remuneration Committee can consult at a reasonable cost at any time internal or external Subject Matter Experts. Any independent expert may be invited to attend meetings for specific topics.
- The Nomination and Remuneration Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.
- Meeting minutes will be circulated as soon as possible after the meeting among all members of the Board of Directors. Every Board member shall have unrestricted access to all records of the Nomination & Remuneration Committee.
- The meeting minutes will for audit reasons be kept by the Vice-President Human Resources of the company.

E. Duties & Responsibilities:

- The Remuneration and Nomination Committee of Ablynx advises the Board of Directors on all aspects of the Compensation and Benefit programs* for the executive and non-executive Directors, the CEO and the Executive Committee and other terms of employment for the CEO and the Executive Committee. The Committee makes recommendations to the Board on appropriate Compensation and Benefit programs* (in respect of both amounts and composition) of:
 - The CEO and the other members of the Executive Committee, upon proposal by the CEO (except when it concerns his own remuneration), such as: (i) the principal contractual terms and arrangements for the termination of employment; and (ii) the principal components of the remuneration package (including, the relative importance of each component, the performance criteria applying to the variable elements, the benefits in kind, bonuses and long-term incentives, whether stock-related or not, in the form of stock options or other financial instruments); as well as Directors;
 - Drawing up the policy regarding warrant plans and overseeing the general policy for the granting of warrants to Employees, executive and non-executive Directors and members of the Executive Committee. The CEO shall propose the identity of the beneficiaries and the number of warrants to be allocated to each of them (individually in the case of members of the Executive Committee, and individually or per category in the case of other Employees) to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall evaluate such proposals. In the case of grants of warrants to the CEO, the initial proposal shall be made by the Committee itself.
 - Ensuring that remuneration levels take into account risks involved, demands and time requirements of each role, and relevant industry benchmarks.
 - Preparing the annual remuneration report.
 - Explaining the remuneration report during the Statutory General Meeting.
- As it is the Nomination and Remuneration Committee's duty to oversee the search for appropriate candidates for appointment to the Executive Committee or non-executive Director membership to the Board of Directors, the Committee will receive detailed and regular updates (while diligently respecting any confidentiality and

*For the purpose of this Charter, Compensation and Benefit programs means (i) fixed salary, (ii) variable compensation, - both short term - and long term incentive programs -, including share and share-price related incentive programs, (iii) pension schemes, and (iv) other financial benefits

conflict of interest issues) on the hiring of Executive Committee members from the CEO and will be given the opportunity (or designated members) to interview the final candidate(s) before their appointment.

- The Nomination & Remuneration Committee is together with the Executive Committee engaged in the Succession Planning of Executive Committee members, including the CEO. In the latter case the Nomination & Remuneration Committee will coordinate closely with the Chairman any and all activities involved in planning for CEO succession.
- Any recommendations made in respect of the recruitment or succession planning requires discussion and endorsement by the Board of Directors before becoming effective.
- The Nomination & Remuneration Committee (or designated members) has the option to schedule exit interviews with departing members of the Executive Committee.
- The Nomination & Remuneration Committee, with the input of the Executive Committee, yearly reviews and presents the Annual Goals and Objectives for the Board of Directors in order to finalize and approve the final Goals and Objectives by the Board of Directors.
- The Nomination and Remuneration Committee will also advise the Board of Directors on the accomplishment of the targets set earlier and consequently initiates a discussion on the Board which finally eventually adjusts and/or approves the recommendations.

F. Compensation for serving on the Nomination & Remuneration Committee:

- Only independent non-executive Directors shall receive a fixed remuneration in consideration of their membership the Nomination & Remuneration Committee. They will not receive, in principle, any performance-related remuneration, nor will any options or warrants be granted to them. However, upon advice of the Nomination & Remuneration Committee itself, the Board may propose to the Shareholders Meeting to deviate from the latter principle in the event that, in the Board's reasonable opinion, the granting of warrants would be necessary or useful to attract or retain in general independent non-executive Directors with the most relevant experience and expertise.
- The other Directors receive no compensation for serving as a member of the Nomination & Remuneration Committee.
- The remuneration of the Non-Executive Directors will be disclosed to the Company's Shareholders in accordance with the applicable laws and regulations.
- The additional fixed annual remuneration of the Chairman of the Nomination & Remuneration Committee is ten thousand two hundred Euro.

- The additional fixed annual remuneration related to the membership of the Nomination & Remuneration Committee for the independent non-executive Directors is five thousand hundred Euro.
- Changes in the remuneration of members of the Nomination & Remuneration Committee are subject to approval by a Shareholders Meeting.

G. Miscellaneous:

- The Board of Directors can in the interest of the company in general and the performance of the Committee in particular amend this Charter.
- On a regular basis (at least every 2 to 3 years) the Nomination & Remuneration Committee shall evaluate its performance and if needed, shall take the necessary steps to improve its effectiveness.
- The Annual Report shall state the composition of the Nomination & Remuneration Committee and the number of meetings held by the Committee.
- This Charter is posted on the Ablynx website.

SCHEDULE D: 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.

M. Compensation for serving on the Research and Development Committee:

- Only independent non-executive Directors shall receive a fixed remuneration in consideration of their membership of the Audit Committee. They should not in principle receive any performance-related remuneration, nor will any options or warrants be granted to them. However, upon advice of the Nomination & Remuneration Committee the Board may propose to the Shareholders Meeting to deviate from the latter principle in the event that, in the Board's reasonable opinion, the granting of warrants would be necessary or useful to attract or retain independent non-executive Directors with the most relevant experience and expertise.
- The other Directors receive no compensation for serving as a member of the Audit Committee.
- The remuneration of the Non-Executive Directors will be disclosed by the Company in accordance with the applicable laws and regulations.
- The additional fixed annual remuneration of the Chairman of the Audit Committee is ten thousand two hundred Euros per annum.
- The additional fixed annual remuneration related to the membership of the Audit Committee for the independent non-executive Directors is five thousand hundred Euros per annum.
- Changes in the remuneration of members of the Audit Committee are subject to approval by a Shareholders Meeting.

SCHEDULE E: RESEARCH & DEVELOPMENT COMMITTEE – TERMS OF REFERENCE

A. Introduction:

The Charter of the Research and Development Committee has been endorsed by the Board of Directors pursuant to the Belgian Corporate Governance Act of April 6th 2010 and the Belgian Corporate Governance Code of 2009.

B. Purpose:

- The Research and Development Committee is appointed by the Board of Directors of Ablynx to advise the Board on its duties and responsibilities related to the long term Research and Development strategy of the Company in general and the development of the Company's Nanobody platform and programmes in particular.

C. Membership and Chairmanship:

- The Research and Development Committee will be comprised of not less than three members. All members of the Research and Development Committee must also be a member of the Board of Directors.
- A majority of the Committee's members shall be independent non-executive Directors as defined by the Belgian Corporate Code Article 526ter. The Board may deviate from these requirements if it believes that a different composition will contribute more relevant expertise to the Research and Development Committee, if the number of independent non-executive Directors does not so permit or for other reasons it deems fit.
- One of the members shall be designated Chairman of the Committee by the Board of Directors.
- The Chairman of the Board and other Board members can attend the meetings of the Committee in case they are not a member.
- The members of the Research and Development Committee are appointed by the Board of Directors and may be replaced at any time by it.
- Each member of the Committee shall have relevant scientific, research, medical or other related expertise. The Chairman will lead all meetings of the Committee, and shall act as Secretary, although he can delegate this duty.
- To fulfill their responsibilities the members of the Committee should dedicate a significant amount of their time to the Committee's activities.

D. Meetings:

- The Research and Development Committee shall meet as often as needed in order to fulfill its functions. Meetings will preferably be scheduled 4 times a year and will generally precede the Board meetings. This will guarantee an accurate, up-to-date and fast communication of the Committee's proposals and recommendations to the full Board of Directors.
- Ad hoc meetings can be scheduled on an ongoing basis.
- The Research and Development Committee can consult, at a reasonable cost, at any time with internal or external Subject Matter Experts provided appropriate confidentiality provisions are in place. Any independent expert may be invited to attend meetings for specific topics.
- The Research and Development Committee shall exercise the utmost discretion when making written records of its deliberations and recommendations.
- Meeting minutes will be circulated as soon as possible after the meeting among all members of the Board of Directors. Every Board member shall have unrestricted access to all records of the Research and Development Committee.
- The meeting minutes will for audit reasons be kept by the CFO of the company.

E. Duties & Responsibilities:

- To advise the Board on the overall strategy, direction and effectiveness of the Company's research and development programs. To evaluate the Company's progress and success in achieving its long-term strategic research and development goals and objectives.
- To advise the Board on significant emerging trends and issues in science, medicine and technology which are relevant to the Company.
- To advise the Board and the Management on risk management in areas relating to IP and research and development.
- To regularly review and to provide advice on the Company's selection of targets, the internal pipeline, IP portfolio, etc...
- To assist the Board and Management in setting research and development targets and assessing the results in connection with the Company's incentive plans.
- To review and make recommendations on any other topics as determined by the Board.

G. Compensation for serving on the Research and Development Committee:

- Only independent non-executive Directors shall receive a fixed remuneration in consideration of their membership of the Research & Development Committee. They should not in principle receive any performance-related remuneration, nor will any options or warrants be granted to them. However, upon advice of the Nomination & Remuneration Committee the Board may propose to the

Shareholders Meeting to deviate from the latter principle in the event that, in the Board's reasonable opinion, the granting of warrants would be necessary or useful to attract or retain independent non-executive Directors with the most relevant experience and expertise.

- The other Directors receive no compensation for serving as a member of the Research & Development Committee.
- The remuneration of the Non-Executive Directors will be disclosed by the Company in accordance with the applicable laws and regulations.
- The additional fixed annual remuneration of the Chairman of the Research & Development Committee is ten thousand two hundred Euros per annum.
- The additional fixed annual remuneration related to the membership of the Research & Development Committee for the independent non-executive Directors is five thousand hundred Euros per annum.
- Changes in the remuneration of members of the Research & Development Committee are subject to approval by a Shareholders Meeting.

H. **Miscellaneous:**

- The Board of Directors can in the interest of the Company in general and the performance of the Committee in particular amend this Charter.
- On a regular basis (at least every 2 to 3 years) the Research and Development Committee shall evaluate its performance and if needed, shall take the necessary steps to improve its effectiveness.
- The Annual Report shall state the composition of the Research and Development Committee and the number of meetings held by the Committee.
- This Charter is posted on the Ablynx website.

SCHEDULE F: EXECUTIVE COMMITTEE – TERMS OF REFERENCE

A. Introduction

The Board has established an Executive Committee within the meaning of Article 524*bis* of the Belgian Companies Code and Article 24 of its Articles of Association. The Executive Committee is guided by the following Terms of Reference, in conjunction with the Articles of Association of the Company and the Belgian Companies Code so far as it may be relevant.

B. Role

The Executive Committee is bestowed with the management powers within Ablynx, except for the determination of the Company's strategy, the supervision of the Executive Committee, and the powers explicitly reserved by law, by the Articles of Association or this Corporate Governance Charter to the Board and the shareholders meeting.

In general, the role of the Executive Committee is to run the Company in keeping with the values, strategies, policies, plans and budgets endorsed by the Board. The Executive Committee shall be collectively responsible for the company's management and the general affairs of the Company's business. In discharging its duties, the Executive Committee shall be guided by the interests of the Company and its business; it shall take into account the relevant interests of all those involved in the Company, including the Company's shareholders. The Executive Committee is responsible for the quality of its own performance.

In the exercise of this role, the Executive Committee is responsible for complying with all relevant legislation and regulations, the Articles of Association and this Corporate Governance Charter.

C. Responsibilities

In these Terms of Reference and in accordance with the relevant legal provisions and the provisions of the Articles of Association, the Board has determined the responsibilities, powers and duties of the Executive Committee.

The Executive Committee may sub-delegate its specific powers and responsibilities.

The Executive Committee is responsible for, *inter alia*:

- studying, defining and preparing, under the leadership of the CEO, the strategic options and proposals that may contribute to the development of the Company. This responsibility includes amongst others:
 - strategic planning: analysing the strategies, business plans and budgets and developing a plan and budget for proposal to, discussion with and approval by the Board;
 - organisation: organising activities consistent with the Company's strategy and recommending to the Board changes when necessary;
 - external development: making recommendations to the Board for the entering into, revision or termination of any alliance, spin-offs or mergers, investments,

acquisitions and divestitures or any transaction which in the judgment of the CEO should be decided by the Board because of the nature or importance of the risks involved;

- developing proposals for policies to be submitted to Board's approval and implementing such policies, which include amongst others:
 - financial management: financial strategy policies including funding and solvency matters;
 - without prejudice to the tasks of the Audit Committee, risk management: policies related to the risk profile of the Company, systems to identify, assess, manage and monitor financial and other risks;
 - business conduct: key policies on private investments, general business conduct, etc;
 - any other matter where the Board or the CEO consider that the Board should set a policy;
- Under the leadership of the CEO, ensuring the management of the Company by:
 - developing and implementing policies that fall within the Executive Committee's remit;
 - giving direction, guidance and support to the Company;
 - be responsible and accountable for the complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with the accounting standards and policies of the Company;
 - present the Board with a balanced and understandable assessment of the Company's financial situation;
 - provide the Board in due time with all information necessary for the Board to carry out its duties;
 - approving or deciding the entering into, revision or termination of any alliance, spin-offs or mergers, investments, acquisitions and divestitures, which are not reserved to the Board;
 - monitoring: performance as against strategic goals, plans and budgets; and compliance with applicable laws, regulations and policies and standards;
 - managing and organising the support functions covering matters such as: human resources (implementing group wide human resources strategy, policies and standards); and legal, compliance and tax matters;
- risk management: managing the different risks within the framework of the risk policies; this includes setting up risk management systems and internal controls;
- reporting: preparing the external financial statements, as well as other financial and non financial external reports and management information;

- internal and external communication, including investor relations;
- audit: without prejudice to the tasks of the Audit Committee, deciding whether to set up, and if so, setting up of internal audit systems and concurring with the nomination of the statutory auditor;
- assisting the CEO in fulfilling his other responsibilities;
- exercising other powers and duties entrusted by the Board in specific matters determined by the Board upon proposal by the CEO.

D. Composition and appointment of the members

The Executive Committee is composed at all times of at least three members, whether or not Directors. At least all executive Directors are members of the Executive Committee.

The Executive Committee is chaired by the CEO of the Company.

The members of the Executive Committee are appointed and can be dismissed by the Board at any time. The Board appoints them on the basis of the recommendations of the Nomination & Remuneration Committee.

Whenever a legal entity is appointed as a member of the Executive Committee, it must specifically appoint an individual as its permanent representative, chosen from among its shareholders, managers, Directors or employees, and who will carry out the office of member of the Executive Committee in the name and on behalf of such legal entity.

The members of the Executive Committee are appointed for an unlimited period. Persons who are no longer associated with the Company by an employment or management agreement can no longer form part of the Executive Committee. In addition, members of the Executive Committee shall resign early in the event of inadequate performance, structural differences of opinion, incompatibility of interests and other instances where resignation is deemed necessary at the discretion of the Board.

The appointment and dismissal of the members of the Executive Committee is published like the appointment and dismissal of Directors.

E. Organisation of the Executive Committee

1. Division of tasks

The Executive Committee is composed of the following members (to the extent such persons are in office):

- the Chief Executive Officer;
- the Chief Financial Officer;
- the Chief Scientific Officer;
- the Chief Commercial Officer
- the Chief Medical Officer;

- Chief Operations Officer;
- the Vice President Human Resources
- the Vice President IP & Legal

Without prejudice to the fact that the Executive Committee is a collegiate body and has a collective responsibility, every member of the Executive Committee has specific tasks and responsibilities.

The members of the Executive Committee have the possibility to divide the tasks and responsibilities among them in common consent, but without prejudice to the titles ("CEO", "CFO", "CCO", "CSO", "CMO", "COO", "VP HR", "VP IP& Legal") allocated to each of such members by the Board.

2. Meeting schedule, agenda and notice

The CEO leads the Executive Committee and ensures its organization and proper functioning.

A Secretary, irrespective whether or not he is the Company Secretary, assists the CEO and the members of the Executive Committee for the organization and functioning of the Executive Committee.

In principle, the Executive Committee meets every month. Additional meetings may be called at any time by the CEO or at the request of two members.

The CEO convenes by e-mail, fax or mail (at least three business days in advance, or, in case of urgency, to be justified in the notification, at least one business day in advance), prepares, chairs the meeting and sets his agenda. In case of its inability to attend, the most senior member (in age) shall chair the meeting. The notice shall include the agenda.

If all members are present or represented at the meeting, they may unanimously waive the right to receive a notice for the meeting (at least three or one business day(s) in advance, as the case may be).

Executive Committee members must attend the meetings either in person (including via telephone or video conference) (as a rule) or by proxy (exceptionally). Where they are unable to attend and the minutes require explanation, the CEO shall inform them about the resolutions passed and the discussions held during the meeting in question.

3. Quorum

The Executive Committee shall constitute a quorum when all members have been invited and the majority of the members are present or represented at the meeting. Absent members may give a power of attorney to another member of the Executive Committee.

The resolutions of the Executive Committee shall be passed unanimously. If unanimity cannot be reached, the matter shall be escalated to the Board, which shall decide upon the matter at its next meeting.

4. Minutes

Minutes of the meetings particularly comprise motions and resolutions as well as their substantiation. The minutes shall be kept by the Secretary. They must be signed by all members present or represented at the meeting and will be kept on file at the Company's offices. A copy thereof shall be submitted to all members before the next meeting. The minutes shall be deemed approved if no member lodges any objections at the next meeting subsequent to the delivery of the minutes.

5. Conflicts of Interest

Each member of the Executive Committee should arrange his/her personal and business affairs so as to avoid conflicts of interest with the Company. Any member of the Executive Committee shall abide by the rules on conflicts of interests as set forth in **Schedule H** ("*Conflicts of Interests*") to this Corporate Governance Charter.

6. Representation

The Company is represented in the areas of competence of the Executive Committee by the signature of the majority of its members or by a special proxy (who may or may not be a member of the Executive Committee).

F. Remuneration

The remuneration of the members of the Executive Committee is determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee and subsequent to the CEO's recommendation to this Committee (except for his own remuneration). Ablynx strives to be a competitive payer in the biotech market.

In our current two-year compensation strategy, the starting salary is primarily based on market data and the merit increase on individual performance. Via external compensation and benefit consultants, Ablynx annually receives a market salary and benefit survey. The remuneration package is determined by the market, and if data concerning the Biotech/Pharma industry are not available, general industry data will determine the compensation package.

The level and structure of the remuneration of the members of the Executive Committee shall be such that qualified and expert professionals can be recruited, retained and motivated taking into account the nature and scope of their individual responsibilities. An appropriate proportion (i.e. 30% for the members of the Executive Committee and 50% for the CEO) of the remuneration package of a member of the Executive Committee shall be structured so as to link rewards to corporate and individual performance, thereby aligning the interests of a member of the Executive Committee with the interests of the Company and its shareholders. The corporate goals and the individual objectives are based on the operational performance of the Company as measured by e.g. financial indicators, progress in the pipeline, the completion and/or extension of important collaboration agreements and other measures.

Schemes under which members of the Executive Committee are remunerated in shares, share options or any other rights to acquire shares shall in principle be subject to prior

shareholder approval by way of a resolution at the annual general shareholders meeting. The approval shall relate to the scheme itself and not to the grant to individuals of share-based benefits under the scheme. As a rule, shares shall not vest and options shall not be exercisable within less than three years.

The remuneration policy for the Executive Committee shall include at least:

- the main contractual terms including the main characteristics of pension schemes and termination arrangements;
- the key elements for determining the remuneration, including (i) the relative importance of each component of the remuneration; (ii) the performance criteria chosen for the variable elements; (iii) the fringe benefits.

Each year, the CEO prepares a corporate goal document which is approved by the Board of Directors before the start of the next year. The Board of Directors evaluates performance versus individual and corporate goals based on a document prepared by the CEO and reviews and approves final increases, bonuses and LTIs for the Executive Committee and the overall compensation plan for all Ablynx' employees.

Currently, all members of the Executive Committee are employed on the basis of a service agreement, which can be terminated at any time provided that a previously determined term of notice is observed, which, at the Company's discretion, can be replaced by a corresponding termination remuneration. There are no other termination remunerations foreseen. All service agreements contain non-competition clauses, as well as confidentiality obligations and obligations relating to the transfer of intellectual property. The Corporate Governance Charter requires that every contractual settlement agreed upon before or after 1 July 2009 concerning the remuneration of the CEO or any other member of the Executive Committee, clearly states that the amount of the exit remuneration, which is granted when the contract is prematurely terminated, should not exceed the basic and variable remuneration of twelve months. All existing contractual settlements reached with the CEO or any other member of the Executive Committee have been entered into before 1 July 2009 and do not contain any exit remuneration, which deviates from the Corporate Governance Charter.

G. Disclosure of remuneration

The Board has decided to disclose the remuneration of its CEO on an individual basis and to disclose the remuneration package of the other members of the Executive Committee in aggregate. This information shall be disclosed with a split between:

- basic remuneration;
- variable remuneration: any incentive relating to the financial reported year, indicating the form in which it is paid;
- pension: the amounts paid during the financial reported year with an explanation of the applicable pension schemes; and

- other components of the remuneration, such as cost insurance coverage, monetary value of other fringe benefits, with an explanation and, if appropriate, the amounts of the main components.

In addition, for the CEO and the other members of the Executive Committee, the Corporate Governance Statement included in the annual report shall disclose, on an individual basis, the number and key features of shares, share options or any other right to acquire shares, granted during the year.

Finally, the Company shall also disclose in the Corporate Governance Statement included in the annual report the main contractual terms of hiring and termination arrangements with members of the Executive Committee.

H. Access to advisors

The Executive Committee shall have the authority, at the reasonable expense of the Company, to retain such independent accounting, financial, legal and other advisors as they deem necessary or appropriate to carry out their mandate after informing and consultation with the Chairman of the Board with due consideration for the financial consequences for the Company.

I. Interaction between Board members and the Executive Committee

The members of the Executive Committee shall timely provide the Board with information, if possible in writing on all facts and developments concerning the Company which the Board may need to function as required and to properly carry out its duties.

The CEO (or, in the event the CEO should not be able to attend a meeting of the Board, another representative of the Executive Committee designated by him) shall report at every meeting of the Board on the material deliberations and material decisions of the previous meeting(s) of the Executive Committee. The Board may at any time invite members of the Executive Committee to attend the meetings of the Board to question them on the policy they pursue.

The Executive Committee shall draft at the end of each fiscal year a proposal for a budget and a business plan of the Company for the next fiscal year. The proposal for a budget and a business plan shall be submitted to the Board by the CEO no later than 1 December. The Board may invite the members of the Executive Committee to Board meetings to question them on the content of the budget and business plan and to request additional information.

The Executive Committee shall each year in March draft an Annual Activity Report which contains the information that should be included in the annual report, to be drawn up by the Board in accordance with Article 95 and 96 of the Belgian Companies Code. This Annual Activity Report shall be submitted to the Board by the CEO no later than 31 March. The Board may invite the members of the Executive Committee to Board meetings to question them on the content of the Annual Activities Report and to request additional information.

J. Duty of confidentiality

Members of the Executive Committee shall treat all information and documentation acquired within the framework of their position as member of the Executive Committee with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Board or Executive Committee, made public or otherwise made available to third parties, even after resignation from the Executive Committee, unless it has been made public to the Company or it has been established that the information is already in the public domain.

K. Discharge

Immediately following the deliberation on the Annual Activity Report presented by the Executive Committee to the Board, the Board shall deliberate and decide on the discharge to be granted to each member of the Executive Committee for the performance of its mandate during the past fiscal year.

This discharge will only be valid if the information provided by the Executive Committee is correct and complete.

SCHEDULE G: ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

A. Role

The CEO of the Company is responsible, together with the other members of the Executive Committee, for directing the business to achieve the mission of the Company, establishing current and long-term strategies, objectives, plans and policies subject to the approval of the Board, and representing the Company with its major partners, the financial community, the government and the public. The CEO is responsible to the Board for assuring the profitability, growth, high ethical standards and favourable image of the Company.

B. Responsibilities

Without prejudice of the role of the Executive Committee as a whole as set out in **Schedule F** ("*Executive Committee – Terms of Reference*") to this Charter, the CEO shall in particular:

- be the chief strategy officer and the top executive leader of the Company;
- chair, organize and lead the Executive Committee and proposing to the Board its composition, its powers and duties;
- give direction, support and guidance to the members of the Executive Committee in the performance of their individual responsibilities as determined by the Executive Committee;
- set the objectives for the members of the Executive Committee, evaluating (together with the Nomination & Remuneration Committee) their performance and make proposals for their remuneration;
- enable the Board to exercise its responsibilities:
 - submit to the Board or Board Committees proposals for matters reserved for Board decisions;
 - provide the Board with all information which is relevant to the exercise of its powers and duties, and report on a regular basis to the Board on the key initiatives and decisions which the CEO and the Executive Committee have taken in discharging their responsibilities;
- ensure the day-to-day management of the Company (together with the other members of the Executive Committee) and exercise other powers and duties entrusted by the Board or the Executive Committee in specific matters.

C. Evaluation

The Nomination & Remuneration Committee will conduct an annual review of the CEO's performance. The Board will review the Nomination & Remuneration Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term.

The Nomination & Remuneration Committee should make a review of management's plans for succession. The entire Board will work with the Nomination & Remuneration Committee to nominate and evaluate potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

SCHEDULE H: CONFLICTS OF INTERESTS

The Board and the Executive Committee shall function independently of any instruction of a third party outside the Company.

Each member of the Board and of the Executive Committee shall:

- exercise his or her function in a sound, sensible and ethical manner;
- not request or accept, either directly or indirectly, substantial donations for his or her own benefit;
- not develop any capacity whatsoever, or activities which are, directly or indirectly, in competition with the activities of the Company;
- not provide third parties with unjustified advantages at the expense of the Company;
- not seize, either directly or indirectly, an advantage or business opportunity to which the Company is entitled, for its own benefit;
- respect the confidentiality of information and deliberation during and after its membership of the Board and/or of the Executive Committee.

A member of the Board or Executive Committee shall in any event have a conflict of interests if:

- he has a personal financial interest in a company with which the Company intends to enter into a transaction;
- he, his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree is a member of the executive management of or board of a company with which the Company intends to enter into a transaction;
- he is a member of the board or executive management of, or holds similar office with, a company with which the Company intends to enter into a transaction;
- under applicable law, including the rules of any stock market on which the Company's shares may be listed, such conflict of interests exists or is deemed to exist.

Each member of the Board or each member of the Executive Committee shall immediately report any potential conflict of interests to the Chairman and to the other members of the Board or of the Executive Committee, as the case may be. The members concerned must provide the Chairman and the other members of the Board or of the Executive Committee, as the case may be, with all information relevant to the conflict, including information relating to the persons with whom he has a family law relationship (his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree) to the extent relevant for the assessment of the existence of a conflict of interest. The Chairman of the Board or of the Executive Committee will determine whether a reported (potential) conflict of interests qualifies as a conflict of interests.

If such is the case, a member of the Board or of the Executive Committee, as the case may be, shall not participate in the discussions or decision-taking process of the Board or of the Executive Committee, as the case may be, on a subject or transaction in relation to which he has a conflict of interests with the Company. Such transaction, if approved, must be concluded on terms customary in the sector concerned and be approved, in case of a decision by the Executive Committee, by the Board.

Without prejudice to the foregoing, each member of the Board or of the Executive Committee who is faced, directly or indirectly, with a financial interest conflicting with a decision or transaction within the competence of the Board or the Executive Committee, within the meaning of Article 523, or Article 524*ter* of the Belgian Companies Code, as the case may be, shall inform the other members of the Board or of the Executive Committee thereof prior to the deliberations. Its declaration, as well as its justification, must be included in the minutes of the relevant meeting of the Board or of the Executive Committee. The relevant member of the Board or of the Executive Committee must inform the statutory auditor of its conflict of interest. With a view to publication in the annual report, the Board or the Executive Committee must set out in its minutes the nature of the decision or transaction and the justification thereof, including the financial consequences of the decision or transaction for the Company.

In case of a conflict of interest within the Executive Committee, a copy of the minutes of the Executive Committee shall be submitted to the Board at its next meeting.

The Chairman shall procure that all these transactions involving conflicts of interests will be referred to in the annual report, with a declaration that the provisions in this Corporate Governance Charter have been complied with.

SCHEDULE I: DEALING CODE

On 12 October 2007, the Board approved a Dealing Code which is made available on the website of the Company, separately from this Corporate Governance Charter. This Dealing Code has been revised in accordance with the new European and Belgian regulations. The revised Dealing Code has been approved by the Board on 22 November 2016.