

Charter of the Nomination & Remuneration Committee

Introduction:

This Charter 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.

Purpose:

- 1.1 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.
- 1.2 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.

Membership and Chairmanship:

- 2.1 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.
- 2.2 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.
- 2.3 One of the members shall be designated Chairman of the Committee by the Board of Directors.
- 2.4 The Chairman of the Board of Directors can attend the meetings of the Committee in his capacity as Chairman of the Board of Directors.
- 2.5 The members of the Nomination and Remuneration Committee are appointed by the Board of Directors and may be replaced at any time by it.
- 2.6 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.
- 2.7 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.
- 2.8 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.

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2.9 To fulfill their responsibilities the members of the Committee should dedicate a significant amount of their time to the Committee's activities.

Meetings:

- 3.1 The Nomination & 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.
- 3.2 Ad hoc meetings can be scheduled on an ongoing basis.
- 3.3 The Nomination & 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.
- 3.4 The Nomination & Remuneration Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.
- 3.5 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.
- 3.6 The meeting minutes will for audit reasons be kept by the Vice-President Human Resources of the company.

Duties & Responsibilities:

- 4.1 The Remuneration & 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:
 - 4.1.1 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;
 - 4.1.2 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.

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- 4.1.3 Ensuring that remuneration levels take into account risks involved, demands and time requirements of each role, and relevant industry benchmarks.
- 4.1.4 Preparing the annual remuneration report.
- 4.1.5 Explaining the remuneration report during the Statutory General Meeting.
- 4.2 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 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.
- 4.3 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.
- 4.4 Any recommendations made in respect of the recruitment or succession planning requires discussion and endorsement by the Board of Directors before becoming effective.
- 4.5 The Nomination & Remuneration Committee (or designated members) has the option to schedule exit interviews with departing members of the Executive Committee.
- 4.6 The Nomination & Remuneration Committee, with the input of the Executive Committee, yearly reviews and presents the Annual Goals/Objectives for the Board of Directors in order to finalize and approve the final Goals and Objectives by the Board of Directors.
- 4.7 The Nomination & 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.

Compensation for serving on the Nomination & Remuneration Committee:

- 5.1 Only Independent Non-Executive Directors shall receive a fixed remuneration in consideration of their membership of 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.
- 5.2 The other Directors receive no compensation for serving as a member of the Nomination & Remuneration Committee.
- 5.3 The remuneration of the Non-Executive Directors will be disclosed to the Company's Shareholders in accordance with the applicable laws and regulations.
- 5.4 The additional fixed annual remuneration of the Chairman of the Nomination & Remuneration Committee is ten thousand Euro.

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- 5.5 The additional fixed annual remuneration related to the membership of the Nomination & Remuneration Committee for the Independent Non-Executive Directors is five thousand Euro.
- 5.6 Changes in the remuneration of members of the Nomination & Remuneration Committee are subject to approval by a Shareholders Meeting.

Miscellaneous:

- 6.1 The Board of Directors can in the interest of the company in general and the performance of the Committee in particular amend this Charter.
- 6.2 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.
- 6.3 The Annual Report shall state the composition of the Nomination & Remuneration Committee and the number of meetings held by the Committee.
- 6.4 This Charter is posted on the Ablynx website.

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