

**AFFIMED N.V.**  
**RULES GOVERNING THE MANAGEMENT BOARD**

These rules (the "**Rules**") were adopted by the management board (the "**Management Board**") of Affimed N.V. (the "**Company**") on 17 September 2014.

In its resolution of 17 September 2014 the Management Board unanimously declared that:

- (a) it will comply with and be bound by the obligations contained in these Rules to the extent that they apply to the Management Board and the managing directors;
- (b) it will cause newly appointed managing directors to issue a declaration as referred to in subparagraph (a).

**1 Status and contents of the Rules**

**1.1** These Rules are issued pursuant to article 7.4.2 of the Company's articles of association and complement any rules and regulations that apply from time to time to the Management Board under Dutch law, the Company's articles of association, or any applicable rules or regulations by which the Company is governed pursuant to a listing of the shares in its capital.

**1.2** The adoption and amendment of these Rules shall be subject to the approval of the supervisory board of the Company (the "**Supervisory Board**").

**1.3** If one or more provisions of these Rules are or become invalid, this shall not affect the validity of the remaining provisions. The Management Board shall replace the invalid provisions by valid provisions. Where possible, the effect of those valid provisions shall, given the content and purpose of these Rules, be similar to those of the invalid provisions.

**2 Responsibilities of the Management Board**

**2.1** The managing directors shall be collectively responsible for the management of the Company, the general conduct of the Company's business, and the conduct of business in the group companies affiliated with the Company.

**2.2** The managing directors shall allocate their duties by mutual agreement, subject to the prior approval of the Supervisory Board. If a managing director is absent, his/her duties and powers shall be exercised by the Management Board as a whole, as stated in article 7.2.6. of the Company's Articles of Association.

- 2.3** Each managing director shall be accountable to the Management Board for the performance of his/her duties and shall report to the Management Board on a regular basis and in such a manner as to give the Management Board – also having regard to its collective responsibility - a good understanding of that performance.
- 2.4** Each managing director shall be entitled to obtain information from other managing directors and employees where he/she deems this useful or necessary, also having regard to his/her collective responsibility for the management of the Company. He/she must consult with the other managing directors if the implementation of his/her duties affects the implementation of their duties or if the significance of the matter requires such consultation.
- 2.5** With regard to banking matters, the Management Board shall give further authorisation to managing directors, including in any event the chief executive officer of the Company (the “**CEO**”) and the director charged with financial matters. In addition, the Management Board shall give such authorisation to designated employees.
- 2.6** The Management Board shall ensure that instructions to managing directors of group companies are based on a resolution of the general meeting of shareholders of those group companies.
- 2.7** In carrying out its duties, the Management Board shall be guided by the Company's interests and its business. It shall take into account the relevant interests of all those involved in the Company (including the Company's shareholders). The Management Board is responsible for the quality of its own performance.
- 2.8** The responsibilities of the Management Board shall include:
- (a) realization of the Company's objectives;
  - (b) determining the Company's strategic objectives (including the corresponding risk profile) and establishing strategic and operational plans designed to realize those objectives;
  - (c) the general conduct of business in the Company, including the implementation of the strategic and operational plans;
  - (d) assessing and managing the risks connected with the Company's business activities;
  - (e) considering the social responsibility issues that are relevant to the Company;

- (f) ensuring that sound internal risk management and control systems are in place and reporting on this in the annual accounts;
- (g) maintaining and preparing the financial reporting process, which includes safeguarding the quality and completeness of the financial statements to be made public;
- (h) closely involving the Supervisory Board in any takeover process if a takeover bid is being prepared or made on the shares in the Company;
- (i) maintaining compliance with laws and regulations;
- (j) safeguarding the quality and completeness of published financial statements;
- (k) preparing the annual accounts and drawing up the annual budget and resolutions concerning important capital investments of the Company;
- (l) giving advice in connection with the nomination of the Company's external auditor.

**2.9** Not less than once every year, the Management Board shall prepare and present to the Supervisory Board the strategic plan for the Company and its group companies for the next three years. In addition, the Management Board shall annually draw up an operational plan for a period of two years, which will include the budget for the following year. The strategic and operational plans require the approval of the Supervisory Board.

**2.10** The Management Board shall be responsible, subject to the Supervisory Board's supervision, for introducing and maintaining internal procedures to ensure that the Management Board is aware of all important financial information, so as to safeguard timely, complete and accurate external financial reporting. For that purpose, the Management Board shall ensure that the financial information originating from group companies is directly reported to it and that the integrity of the information is not affected.

**2.11** The Management Board shall appoint and dismiss the secretary of the Company, subject to the Supervisory Board's prior approval.

### **3 Composition, expertise and independence of the Management Board**

**3.1** The Management Board shall have the number of members set in accordance with the articles of association.

- 3.2** If there is more than one managing director, the Supervisory Board shall appoint one of the managing directors as CEO.
- 3.3** The CEO shall be responsible for the proper performance of the Management Board as a whole. In addition, Management Board shall charge one of its members specifically with the Company's financial matters.
- 3.4** In carrying out its duties, the Management Board shall be independent from instructions of third parties outside the Company.
- 3.5** A managing director may not:
- (a) enter into competition with the Company;
  - (b) demand or accept (substantial) gifts from the Company for him/herself or for his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - (c) provide unjustified advantages to third parties to the detriment of the Company; and
  - (d) take advantage of business opportunities to which the Company is entitled for him/herself or his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

#### **4 CEO**

In addition to the coordination of the policy of the Management Board, the CEO shall also be responsible for:

- ensuring that the Management Board is functioning effectively;
- ensuring that the budgets and policy plans are drawn up in a timely manner;
- supporting the other managing directors and mediating in any differences of opinion between those managing directors;
- ensuring that there is ample time for consultation, discussion, and the other aspects of preparing resolutions at, and reporting of the meetings, of the Management Board, and supervising the implementation of resolutions of the Management Board;
- drawing up the draft annual accounts and corresponding annual report and the six-monthly and quarterly figures, and sending these documents to the Supervisory Board;
- chairing the meetings of the Management Board;

- ensuring that information to the managing directors, as necessary for the proper fulfilment of their duties, is submitted in a timely and adequate manner;
- preparing decision-making at, and reporting of, meetings between the Management Board and the management of group companies and meetings with the head of the designated staff departments;
- maintaining intensive and frequent contacts with the Supervisory Board and in particular the chairman of the Supervisory Board, and providing the other supervisory directors with timely and adequate information about the outcome of those contacts;
- receiving and deciding on reports by employees of the Company of alleged irregularities of a general, operational and financial nature within the Company, insofar as the Company's arrangements for whistle blowers do not require those reports to be made to the chairman of the Supervisory Board, the chairman of the audit committee of the Supervisory Board or a staff member designated for that purpose by any applicable policies of the Company;
- ensuring that information to supervisory directors, as necessary for the proper fulfilment of their duties, is submitted in a timely and adequate manner;
- cooperating in the annual assessment of the performance the Management Board and the individual managing directors by the Supervisory Board.

## **5 (Re-) appointment, term and resignation**

- 5.1** Managing directors shall be appointed in the manner set out in the Company's articles of association.
- 5.2** The General Meeting shall determine the term of appointment of the individual managing directors.
- 5.3** Management positions at group companies of the Company shall be deemed to arise from the position as managing director and shall accordingly be subject to the provisions of these Rules.
- 5.4** A managing director must obtain the Supervisory Board's approval before putting him/herself forward as a candidate for a position at a non-group company. The position must not be in conflict with the Company's interests.
- 5.5** A managing director shall not accept a supervisory directorship and/or non-executive membership of another listed company without the Supervisory Board's prior approval. The provisions of article 2:132a of the Dutch Civil Code shall be observed in this respect.

**6 Management Board meetings (agenda, teleconferencing, attendance, minutes) and resolutions**

- 6.1** The Management Board shall, where possible, hold at least once per month and whenever one or more managing directors have requested a meeting. Management Board meetings shall generally be held at the offices of the Company, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 6.2** The CEO shall chair the meetings of the Management Board. If the CEO is absent, the managing directors present at the meeting shall appoint a chairman for the meeting.
- 6.3** Meetings shall be convened in a timely manner by the CEO. Every other managing director may request that the CEO convenes a meeting.
- 6.4** The CEO shall set the agenda for each meeting. Every other managing director may submit agenda items to the CEO for discussion at the meeting. An item to be discussed which has not been submitted on time or is insufficiently supported by documents, shall not be placed on the agenda.
- 6.5** At the request of any managing director, urgent matters may be dealt with immediately or at an extraordinary meeting, provided that all managing directors agree, with the provision that managing directors who have a Conflict of Interest as referred to in article 8 shall not be taken into account when calculating this majority.
- 6.6** Notwithstanding article 8, the managing directors must attend the Management Board meetings. If they are unable to attend, the CEO of the meeting shall inform them of the resolutions passed and discussions held at the meeting.
- 6.7** Where possible, resolutions shall be passed by unanimous vote. If this is not possible, the resolution shall be taken by a majority of votes. In case of a tie vote, the CEO shall have a casting vote.
- 6.8** The CEO may choose to veto any of the resolutions of the Management Board.
- 6.9** If there is insufficient agreement on certain matters during the meeting, the CEO may defer these matters for further discussion.
- 6.10** The minutes of the Management Board meetings shall be adopted in the next meeting. Adopted minutes shall serve as evidence of the matters discussed and resolutions adopted. A copy of the minutes shall be sent to the chairman of the Supervisory Board.

- 6.11** The Management Board may also adopt resolutions in writing provided that all managing directors have had the opportunity to give their opinion in respect of the resolution concerned and that none of them has objected to this form of decision-making. In case a managing director has a Conflict of Interest as referred to in article 8, the other managing directors shall be informed thereof. The managing director who has a Conflict of Interest as referred to in article 8 shall receive a copy of the resolutions in writing. The CEO shall prepare and sign a report of the resolution adopted in this manner, enclosing any written replies received. The adoption of resolutions outside a meeting must be reported at the next meeting.

## **7 Conflict of interest**

- 7.1** If a managing director has a direct or indirect personal conflict of interest with the Company (a "**Conflict of Interest**"), he shall not participate in the deliberations and he shall not vote. If as a result thereof no resolution of the Management Board can be adopted, the resolution may be adopted by the Supervisory Board. In which situation all supervisory directors will be entitled to participate in the deliberations and to vote.
- 7.2** Each managing director shall immediately report any (potential) Conflict of Interest to the chairman of the Supervisory Board and the other managing directors.

## **8 Complaints, notification of irregularities**

- 8.1** The Management Board shall ensure that complaints received by the Company with regard to the financial reporting, the internal risk management and control systems, and the audit are received, recorded and dealt with.
- 8.2** The Management Board shall ensure that employees of the Company have the opportunity, without jeopardising their legal position, to report alleged irregularities within the Company of a general, operational and financial nature to the chairman of the Supervisory Board, the chairman of the audit committee of the Supervisory Board, the CEO, a managing director, or an employee designated by the applicable Company policies, either directly or anonymously through a whistleblower hotline.

## **9 Information, relationship with the Supervisory Board**

- 9.1** The Management Board shall provide the Supervisory Board with timely, and where possible, written, information on all facts and developments concerning the Company which the Supervisory Board may need to carry out its duties.

- 9.2** The Management Board shall provide the Supervisory Board on a not less than quarterly basis with a report prepared in a format as agreed from time to time and setting out detailed information on matters such as finance, R&D, business development, marketing, investments and staff and such other information as the Supervisory Board may reasonably require or the Management Board deems to be relevant.
- 9.3** If the Company has been approached by a third party regarding a potential acquisition of the Company, the Management Board shall ensure in good time that the Supervisory Board is closely involved in the takeover process.
- 9.4** If a takeover bid has been announced or made in respect of the Company and the Management Board of the Company receives a request from a competing bidder to inspect the Company's records, the Management Board shall discuss this request with the Supervisory Board without delay.
- 9.5** Each year, without prejudice to the above, the Management Board shall provide the Supervisory Board with the plans as referred to in paragraph 2.9, an up-to-date version of its long-term plans, as well as a description of the main features of the strategic policy, the general and financial risks, and the management and control systems of the Company. In addition, the Management Board shall issue an annual declaration that it has provided the Supervisory Board with all relevant information required for the due performance of its duties. Such information shall be provided in time so as to enable the Supervisory Board to approve the plans as referred to in paragraph 2.9 by the end of December of the then current year.
- 9.6** The Management Board shall require the approval of the Supervisory Board for the following resolutions:
- to acquire, encumber and dispose of real estate and other registered property;
  - to encumber movables and property rights other than in the ordinary course of business;
  - to enter into loan agreements for the Company's account aggregating an amount of EUR 500,000 or more during any one year period, with the exception of the drawing of funds as a result of which the Company shall have a debit balance with a bank designated by the managing board, with the approval of the Supervisory Board, up to an amount not exceeding the amount which, having been determined by the Supervisory Board, has been notified to the Management Board;
  - the application for admission of shares or debt instruments issued by the Company to the trade on a stock market or the application of a withdrawal of such an admission;



- to grant loans aggregating an amount of EUR 500,000 or more during any one year period;
- to grant an employee a fixed annual salary in excess of an amount of EUR 250,000 gross;
- to undertake the obligations of third parties, either by way of surety or in any other way;
- to conduct litigation as plaintiff either before an ordinary court or in arbitration or in order to obtain a "binding advice", except for legal actions which cannot be postponed or the purpose of which is solely to reserve rights;
- to exercise voting rights on shares in a subsidiary company as well as on shares which form a participation;
- to participate, or otherwise take an interest in, or to accept or dispose of the management of other business enterprises and to terminate or modify such participation or interest;
- to enter into, terminate and amend joint venture and pooling agreements;
- to deposit a proposal for a legal merger or a legal demerger at the office of the trade register;
- to acquire, encumber and dispose of intellectual property rights, specifically including industrial property rights and copyrights and furthermore the granting and acquisition of licences and sublicences other than in the ordinary course of business;
- to acquire fixed business assets for an amount in excess of EUR 250,000 or such higher amount as determined by the Supervisory Board and notified to the Management Board, each acquisition to be considered separately;
- to perform any legal acts other than referred to in this paragraph, if the interest or value of such acts to the Company exceeds an amount of EUR 500,000 or such higher amount as determined by the Supervisory Board and notified to the Management Board or by which the Company shall be bound for a period exceeding one year, to the extent not included in a Supervisory Board approved budget.

The Supervisory Board shall have the authority to subject additional resolutions of the Management Board to its approval and increase the financial thresholds, provided that the Management Board shall have been informed thereof in writing.

## **10 Relationship with the shareholders**

- 10.1** The managing directors shall attend general meetings of shareholders, unless they are prevented from attending on valid grounds.

- 10.2** The Management Board shall provide the General Meeting with any information it may require, unless important interests (*zwaarwegende belangen*) of the Company or any rules of law prevent it from doing so. The Managing Board shall clearly state the reasons for invoking important interests.
- 10.3** The Management Board shall treat shareholders in equal circumstances in the same way when supplying information.

## **11 Confidentiality**

Each managing director shall treat all information and documentation obtained in connection with his/her position as managing director of the Company with the necessary discretion, integrity, and, in the case of classified information, with the appropriate confidentiality. Managing directors and former managing directors shall refrain from disclosing confidential information outside the Management Board or the Supervisory Board, or making it public, or otherwise making it available to third parties, unless the information has been made public by the Company or it has been established that the information is already in the public domain.

## **12 Decision to render Rules inoperative, amendment**

- 12.1** The Management Board may, with the Supervisory Board's approval, from time to time resolve at its sole discretion not to comply with these Rules.
- 12.2** These Rules may be amended by a resolution of the Management Board subject to the Supervisory Board's prior approval.

## **13 Governing law and jurisdiction**

- 13.1** These Rules shall be governed by and construed in accordance with the law of the Netherlands.
- 13.2** The courts of the place where the Company has its corporate seat pursuant to the Company's articles of association shall have exclusive jurisdiction to resolve any dispute arising from or in connection with these Rules (including any dispute regarding the existence, validity or termination of these Rules).