
MERUS N.V.

Code of Business Conduct and Ethics

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CODE OF BUSINESS CONDUCT AND ETHICS

1. INTRODUCTION

The Company's reputation and continued success is dependent upon the conduct of the employees, senior management, members of the Board of Directors, consultants of the Company and others temporarily assigned to perform work or services for the Company. This Code of Conduct is intended to deter wrongdoing and to promote the conduct of all Company business with high standards of integrity and in compliance with all applicable laws and regulations.

Although this Code of Conduct covers a wide range of business practices and procedures, this Code of Conduct does not cover every issue that may arise or every situation in which ethical decisions must be made, but rather sets forth key guiding principles for every Person involved in the Company's business.

This Code of Conduct should be read carefully. Any questions concerning this Code of Conduct may be submitted to the Board of Directors.

2. DEFINITIONS

In this Code of Conduct, the following expressions shall have the following respective meanings:

Board of Directors means the board of directors of the Company;

Code of Conduct means this code of business conduct and ethics;

Company means Merus N.V., a public limited company (*naamloze vennootschap*) under the laws of the Netherlands, whose corporate seat is in Utrecht, including (where appropriate) any company belonging to the same group as the Company as referred to in Article 2:24b of the Dutch Civil Code (*Burgerlijk Wetboek*); and

Persons means the employees, senior management, members of the Board of Directors, consultants of the Company and others temporarily assigned to perform work or services for the Company.

3. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The Company requires that all Persons comply with all laws, rules and regulations applicable to the Company wherever it does business. Persons are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations. No Person shall knowingly engage in any unlawful activity in conducting the Company's business or in performing his or her day-to-day activity in conducting duties nor shall any Person instruct others to do so.

4. COMPLIANCE WITH THIS CODE AND OTHER COMPANY'S POLICIES

Each Person is expected to comply with the provisions of this Code of Conduct and all other Company policies as in effect from time to time. You are expected to familiarize yourself with all of the Company's policies.

5. **INSIDER TRADING**

Persons who have material non-public information about the Company are prohibited by applicable law and Company policy from trading in securities of the Company, as well as from communicating such information to others who might trade on the basis of such information. To help ensure that you do not engage in prohibited insider trading and avoid even the appearance of an improper transaction, the Company has adopted an insider trading policy. Please contact the Company's Head of Legal for a copy of the insider trading policy or with any questions you may have about insider trading laws.

6. **CONFLICT OF INTEREST**

Persons have an obligation to conduct themselves in an honest and ethical manner and to act in the best interest of the Company. Persons should endeavor to avoid situations that present a potential/actual conflict between their interest and the interest of the Company. Persons have an obligation to advance the Company's interests whenever the opportunity to do so arises.

A conflict of interest exists, in any event, if a Person intends to enter into a transaction on behalf of the Company with a legal entity: (i) in which a Person personally has a material financial interest, being in any event an amount of EUR 50,000 or more; (ii) which has a management board member who has a relationship under family law with a Person; or (iii) in which a Person has a management or supervisory position.

All transactions that would give rise to a conflict of interest involving the Company's executive officers who are not members of the Board of Directors (including, unless they are members of the Board of Directors, the Company's chief financial officer, chief accounting officer or controller, or persons performing similar functions) must disclose such potential conflict to and have it be approved by the Board of Directors, and any such approval, though confirming such transaction will not be a conflict of interest, will not be considered a waiver of the other provisions of this Code of Conduct.

The rules set out in this Section 6 do not apply to members of the Board of Directors. Conflicts of interest between members of the Board of Directors and the Company shall be dealt with in accordance with the internal rules of the Board of Directors, the Company's articles of association and applicable law.

7. **FAIR DEALING**

Each Person should endeavor to deal honestly, ethically and fairly with each other and the Company's employees, collaborators, licensors, licensees, business partners, suppliers, customers, and competitors. Statements regarding the Company's business activities and services must not be untrue, misleading, deceptive or fraudulent. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

8. **PROTECTION AND PROPER USE OF CORPORATE ASSETS**

Each Person should seek to protect the Company's assets, including proprietary information. Theft, carelessness and waste have a direct impact on the Company's financial performance. Therefore, Persons must use the Company's assets and services

solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else.

9. **CORPORATE OPPORTUNITIES**

Persons are prohibited from taking for themselves business opportunities that arise through the use of corporate property, information or position. No Person may use corporate property, information or position for personal gain and no Person may compete with the Company (provided, however, that it is understood that certain members of the Board of Directors are representatives of investors for venture capital or similar funds and such funds may invest in companies that may be deemed competitive without violation of this Code of Conduct). Competing with the Company may involve engaging in the same line of business as the Company or any situation in which Persons take away from the Company opportunities for sales or purchases of property, products, services or interests. If a Person discovers or is presented with a business opportunity through the use of corporate property or information because of his or her position with the Company, the Person should first present the business opportunity to the Company before pursuing the opportunity individually. A Person should disclose to his or her supervisor the terms and conditions of each business opportunity covered by this Code of Conduct that such Person wishes to pursue. The supervisor will contact the Company's chief financial officer to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, the Person may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code of Conduct.

10. **BOOKS AND RECORDS**

Each Person must honestly and accurately report all business transactions. You are responsible for the accuracy of your records and reports. Accurate information is essential to the Company's ability to meet its legal and regulatory obligations. All Company books, records and accounts shall be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions recorded. The financial statements of the Company shall conform to International Financial Reporting Standards and the Company's accounting policies. No false or misleading entries shall be made in the Company's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation.

11. **ENVIRONMENT, HEALTH AND SAFETY**

We are committed to conducting our business in compliance with all applicable environmental and workplace health and safety laws and regulations. We strive to provide a safe and healthy work environment for our Persons and to avoid adverse impact and injury to the environment and the communities in which we conduct our business. Achieving this goal is the responsibility of the Company and all Persons jointly.

12. **DOING BUSINESS WITH OTHERS**

We strive to promote the application of the standards of this Code of Conduct by those with whom we do business. Our policies, therefore, prohibit the engaging of a third party

to perform any act prohibited by applicable law or by this Code of Conduct, and we shall avoid doing business with others who intentionally and continually violate law or the standards of this Code of Conduct.

13. **CONFIDENTIALITY**

Each person must maintain the confidentiality of confidential information regarding the Company's business affairs entrusted to them by the Company or other Persons, except when disclosure is authorized by the Board of Directors or required by applicable law.

Each Person should take appropriate precautions to ensure that confidential or sensitive business information relating to the Company is not communicated to other Persons within the Company, except when this is needed for the performance of ones responsibilities for the Company.

A Person's obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information is prohibited, could cause competitive harm to the Company or its customers or suppliers and could result in legal liability to such person and the Company. Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to the Company's chief financial officer.

14. **PUBLIC DISCLOSURES**

The information in the Company's public communications, including all reports and documents filed with or submitted to the Securities and Exchange Commission, must be full, fair, accurate, timely and understandable.

To ensure the Company meets this standard, all Persons (to the extent they are involved in the Company's disclosure process) are required to maintain familiarity with the disclosure requirements, processes and procedures applicable to the Company commensurate with their duties. Persons are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material facts about the Company to others, including the Company's independent auditors, governmental regulators and self-regulatory organizations.

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts the Company's reputation, positively or negatively. The Company's policy is to provide timely, accurate and complete information in response to public requests (from media, analysts, etc.), consistent with the Company's obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data.

In connection with its public communications, the Company's policy is that it will comply with a rule under the United States federal securities laws referred to as Regulation FD (which stands for "fair disclosure"). Regulation FD provides that, when the Company discloses material non-public information about the Company to securities market professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), the Company must also disclose the information to the public

at the same time. "Securities market professionals" generally include analysts, institutional investors and other investment advisors.

15. **WHISTLEBLOWER POLICY**

If you become aware of the violation of any of the provisions included in this Code of Conduct or any actual or alleged irregularities of general, operational or financial nature, it is your responsibility to promptly report the matter to the Company.

The Board of Directors has established a policy for reporting and handling of violations of this Code of Conduct and other actual or alleged irregularities, which is included in the Company's whistleblower policy attached hereto as **Annex I**.

16. **PUBLICATION AND AMENDMENT**

This Code of Conduct shall be distributed to each new Person of the Company upon commencement of his or her employment or other relationship with the Company and shall also be published on the Company's website.

The Board of Directors reserves the right to amend, alter or terminate this Code of Conduct at any time for any reason. The most current version of this Code of Conduct can be found on the Company's website.

ANNEX I: WHISTLEBLOWER POLICY

WHISTLEBLOWER POLICY OF MERUS N.V.

1. INTRODUCTION

This Policy is designed to enable Employees to raise concerns internally and to disclose information which the Employee believes shows malpractice or wrong doing.

An important aspect of accountability and transparency is a mechanism to enable employees to report concerns in a responsible and effective manner. It is a fundamental term of every contract of employment that an employee will faithfully serve his or her employer and not disclose confidential information about the employer's affairs. Nevertheless, where an individual discovers information which they believe shows serious malpractice or wrongdoing within the Company then this information should be disclosed internally without fear of reprisal, and there should be arrangements to enable this to be done independently of the line manager (although in relatively minor instances the line manager would be the appropriate person to be told).

2. DEFINITIONS

Article means an article of this Policy;

Board of Directors means the board of directors of the Company;

Chairman means the chairman of the Board of Directors;

Company means Merus N.V., a public limited company (*naamloze vennootschap*) under the laws of the Netherlands, whose corporate seat is in Utrecht;

Employee means any person employed by, or in any other relationship of authority to, the Company or any Group Company, irrespective of the length of the employment, including temporary employment agency workers, free lancers and members of the Board of Directors;

Group Company means the Company and the subsidiaries of the Company, including any company belonging to the same group as the Company as referred to in article 2:24b of the Dutch Civil Code (*Burgerlijk Wetboek*);

Policy means this Whistleblower Policy;

Record Date means the date on which the Employee reported the complaint in writing to the Reporting Officer;

Report means a written report containing the conclusions, findings and recommendations of the Reporting Officer with respect to the investigations of the reported complaint as stated in Article 5;

Reporting Officer means the reporting officer designated by the Chairman; and

Third-Party means any third-party vendor, customer, business partner, accountant and advisors of the Group Company.

3. **PROCEDURE**

- 3.1 Each Employee and any Third-Party may file a complaint regarding actual or alleged irregularities of a general, operational and financial nature in relation to the Group Company without jeopardizing his/her legal position. The Company encourages Employees and Third-Parties to submit complaints in writing confidentially to the Reporting Officer. Alternatively, complaints regarding questionable accounting or auditing matters may be made anonymously as described below.
- 3.2 Where a complaint is submitted confidentially to the Reporting Officer, the Reporting Officer shall send a confirmation of receipt to the Employee or Third-Party who reported the complaint, within five (5) business days upon receipt of such complaint. The Reporting Officer shall record the Record Date. If the matter in question so requires, the Reporting Officer shall also record the exact time on which the complaint was reported by the Employee or Third-Party. The Reporting Officer shall discuss the complaint with the relevant Employee or Third-Party and shall make a written record of the matters that are discussed. Both the Reporting Officer and the Employee or Third-Party shall sign such record for approval. The Reporting Officer shall start an investigation, in accordance with Article 5, after the confirmation of receipt has been sent to the Employee or Third-Party and without revealing the identity of the Employee or Third-Party concerned.
- 3.3 Although the Company encourages Employees and Third-Parties to submit complaints on all matters confidentially to the Reporting Officer, any complaints regarding accounting or auditing matters may alternatively be submitted anonymously through the Company's Ethics Hotline that is available 24 hours a day, 7 days a week at 1-844-416-5239, via email at MRUS@openboard.info, or online at <http://www.openboard.info/MRUS/>. For any accounting or auditing complaint submitted anonymously through the ethics hotline, the Reporting Officer shall start an investigation, in accordance with Article 5, promptly after the complaint has been received.
- 3.4 If the Dutch Act on the Whistleblowers' Institute (*Wet Huis voor Klokkenluiders*) is applicable in relation to the Company, actual or alleged irregularities may be reported to the Whistleblowers' Institute (*Huis voor klokkenluiders*), subject to and in accordance with the provisions of such Act.

4. **REPORTING OFFICER**

- 4.1 The Reporting Officer shall be designated by the Chairman.
- 4.2 The Reporting Officer shall ensure that the Chairman is informed regularly of any pending or expected complaints of Employees or Third-Parties pursuant to this Policy.
- 4.3 The Reporting Officer may in his sole discretion carry out any investigation which he considers to be necessary or desirable to carry out his duties properly. The Group Company shall cooperate in the investigation carried out by the Reporting Officer.
- 4.4 The Reporting Officer shall ensure that separate files are maintained for all reported complaints of Employees and Third-Parties. The Chairman shall have access to these files.
- 4.5 The Reporting Officer may in his sole discretion consult and instruct external experts and advisors, including the external legal advisors and external auditors of any Group

Company, as he deems necessary to carry out his duties properly. Any costs with respect to the consultation and instruction of such experts and advisors shall be borne by the Company, provided that such costs are (i) reasonable, and (ii) substantiated in writing.

5. **INVESTIGATION**

- 5.1 The Reporting Officer shall forthwith perform a preliminary investigation with respect to all reported complaints of the Employees and Third-Parties and shall ensure that all such reported complaints are duly processed. Based on the findings of such preliminary investigation, the Reporting Officer shall consider whether or not any further investigation is necessary. If the Reporting Officer considers it necessary to perform any further investigations, he shall inform the Chairman. If no further investigation is necessary, the Reporting Officer shall inform the Employee or Third-Party thereof in writing.
- 5.2 The Reporting Officer shall prepare a Report with respect to any further investigation performed within four (4) weeks after the Record Date, unless the urgency of the reported complaint requires otherwise. The Reporting Officer shall submit the Report to the Board of Directors. Unless there is a compelling reason for not doing so, the Report shall be submitted to the Employee or Third-Party concerned simultaneously, if the identity of such person is known.
- 5.3 The Employee or Third-Party concerned and the Board of Directors shall not disclose the contents of the Report, unless required by applicable law.

6. **PROTECTION AND CONFIDENTIALITY**

- 6.1 Pursuant to this Policy, Employees have the possibility of reporting actual or alleged irregularities without jeopardizing their legal position, if and to the extent the Employee reports an alleged irregularity while acting in good faith (*te goeder trouw*).
- 6.2 The Reporting Officer shall treat all information and documents obtained in his capacity as Reporting Officer as strictly confidential. Documents and information concerning any Employee of a Group Company shall not be disclosed without the prior consent of the Employee concerned, unless required by applicable law. The Reporting Officer shall ensure that this provision shall equally apply to the experts or advisors as referred to in Article 4.5.

7. **COMPLAINTS CONCERNING BOARD OF DIRECTORS AND THE REPORTING OFFICER**

Complaints concerning the functioning of the Board of Directors and/or the Reporting Officer shall be reported to the Chairman (and complaints concerning the functioning of the Chairman shall be reported to the Company's chief executive officer). Rights and obligations of the Reporting Officer stated in this Policy shall apply mutatis mutandis to the Chairman (or the Company's chief executive officer in case of complaints concerning the functioning of the Chairman) acting in the capacity of Reporting Officer for this purpose.

8. **MISCELLANEOUS**

8.1 A copy of this Policy is published on the website of the Company. The Board of Directors reserves the right to amend or alter this Policy at any time for any reason.

8.2 This Policy is governed by the laws of the Netherlands.
