
MERUS N.V.

Code of Business Conduct and Ethics

December 11, 2019

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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 its wholly-owned subsidiary Merus US, Inc.; 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 Europe or the Company's General Counsel for a copy of the insider trading policy or with any questions you may have about insider trading laws.

6. **ANTI-CORRUPTION AND ANTI-BRIBERY**

Persons have an obligation to comply with the Company's anti-corruption policy and applicable local laws related to anti-bribery and anti-corruption, as well as the anti-bribery and anti-corruption laws and regulations of the United States. The Company's anti-corruption policy covers the Company's principles and standards relating to compliance with anti-bribery and anti-corruption laws and regulations and the maintenance of fair and accurate business documentation, financial records and controls. A copy of the policy is available on the Company's intranet site at:

<https://merusweb.merus.nl/Policies/Legal/Forms/AllItems.aspx> or upon request from the General Counsel or the Company's legal team.

For any questions relating to this policy, or any questions you may have about anti-corruption or anti-bribery matters, please direct them to the General Counsel or the Company's legal team.

7. **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, as well as the appearance of such a conflict of interest. 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 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, activities or actions that may appear as or would give rise to an actual or potential conflict of interest involving any Person that is not an executive officer of the Company or a member of the Board of Directors, must disclose such potential conflict to the General Counsel. The General Counsel may either approve the relevant transaction,

activity or action or provide further guidance on how to deal with the situation. All transactions that would give rise to an actual or potential 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 principal financial officer, principal 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 Board of Directors may either approve the relevant transaction, activity or action or provide further guidance on how to deal with the situation at hand.

The rules set out in this Section 7 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.

8. 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.

9. 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.

10. 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 General Counsel 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.

11. **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 US GAAP (with the financial statements in the Dutch Annual Report conforming 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.

12. **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.

13. **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.

14. **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 General Counsel.

15. **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 must 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. Persons are prohibited from disclosing internal matters or developments that relate in any way to material, nonpublic information to any person not directly authorized to have this information or not affiliated with the Company (including, without limitation, family members, relatives and friends), except as required in the performance of such Person's job duties, and are required to strictly adhere to the Company's corporate communications policy. Please contact the Company's General Counsel for a copy of the corporate communications policy or with any questions you may have about public disclosures. A copy of the policy is available on the Company's intranet site at: <https://merusweb.merus.nl/Policies/Legal/Forms/AllItems.aspx>. For any questions relating to this policy, or any questions you may have about external communications, please direct them to the General Counsel or the Company's legal team or those persons otherwise provided for in the corporate communications Policy.

16. **PRIVACY**

The Company shall abide by the laws and directives providing for the processing of personal information. This includes the General Data Protection Regulation (EU) 2016/679. Any questions or concerns regarding the collection, use, disclosure or

otherwise processing of personal information should be promptly referred to the Company's Data Protection Officer.

17. **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**.

18. **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.

I hereby acknowledge that I have read, understand and agree to abide by Code of Business Conduct and Ethics as provided above.

Name:
Title:
Date:

ANNEX I: WHISTLEBLOWER POLICY

WHISTLEBLOWER POLICY OF MERUS N.V.

1. INTRODUCTION

This Policy is designed to enable Employees and Third-Parties to raise concerns and to disclose information which the Employee or Third-Party 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 there should be arrangements to enable this to be done anonymously and independently of the line manager (although in relatively minor instances the line manager would be the appropriate person to be told).

The Company will abide by all laws that prohibit retaliation against employees who lawfully submit complaints under the Policy.

2. DEFINITIONS

Accounting Complaint means a complaint about accounting, internal accounting controls, auditing matters or questionable financial practices.

Article means an article of this Policy;

Audit Committee means the Audit Committee of the Board of Directors

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*), and its wholly-owned subsidiary Merus US, Inc.;

Policy means this Whistleblower Policy;

Record Date means the date on which the complaint was reported 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 Company's General Counsel; 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, Accounting Complaints may be made anonymously as described below. Accounting Complaints will be subject to the procedures described in Article 8.
- 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 Accounting Complaints 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. **ACCOUNTING COMPLAINTS**

8.1 Accounting Complaints will be reviewed solely under Audit Committee direction and oversight by the Reporting Officer or such other persons as the Audit Committee determines to be appropriate.

8.2 Treatment of Accounting Complaints

8.2.1 An Accounting Complaint made under these procedures shall be directed to the Reporting Officer and/or the Audit Committee, and in the event of the Reporting Officer's extended absence, the chairman of the Audit Committee, who shall report directly to the Audit Committee on such matters.

8.2.2 The Reporting Officer or the Audit Committee, as applicable, shall review the Accounting Complaint, and may investigate it himself or herself or themselves or may assign another employee, outside counsel, advisor, expert or third-party service provider to investigate or assist in investigating the Accounting Complaint. The Reporting Officer or the Audit Committee, as applicable, may direct that any individual assigned to investigate an Accounting Complaint work at the direction of or in conjunction with the Company's legal counsel or any other attorney in the course of the investigation.

8.2.3 Unless otherwise directed by the Reporting Officer or the Audit Committee, as applicable, the person assigned to investigate will conduct an investigation of the Accounting Complaint and report his or her findings or recommendations to the Reporting Officer or the Audit Committee, as applicable. If the investigator is in a position to recommend appropriate disciplinary or corrective action, the investigator also may recommend disciplinary or corrective action.

8.2.4 If determined to be necessary by the Reporting Officer or the Audit Committee, as applicable, the Company shall provide for appropriate funding, as determined by the Reporting Officer or the Audit Committee, as applicable, to obtain and pay for additional resources that may be necessary to conduct the investigation, including without limitation, retaining outside counsel and/or expert witnesses.

8.2.5 At least once per each calendar quarter and whenever else as deemed necessary, the Reporting Officer shall submit a report to the Audit Committee and any member of Company management that the Audit Committee directs to receive such report, that summarizes each Accounting Complaint made within the last 12 months and shows specifically: (a) the complainant (unless anonymous, in which case the report will so indicate), (b) a description of the substance of the Accounting Complaint, (c) the status of the investigation, (d)

any conclusions reached by the investigator and (e) findings and recommendations.

8.2.6 At any time with regard to any Accounting Complaint received by the Reporting Officer or the Audit Committee, as applicable, the Reporting Officer may specify a different procedure for investigating and treating such an Accounting Complaint, such as when the Accounting Complaint concerns pending litigation, in which case it must be reported to the members of the Audit Committee.

8.3 Access to Reports and Records and Disclosure of Investigation Results

8.3.1 All reports and records associated with Accounting Complaints are considered confidential information and access will be restricted to the Reporting Officer or any person assigned to investigate the complaint on his/her behalf, members of the Audit Committee, the Company's legal team, employees of the Company or outside counsel involved in investigating an Accounting Complaint as contemplated by the procedures set forth in this Article 8. Access to reports and records may be granted to other parties at the discretion of the Audit Committee.

8.3.2 Accounting Complaints and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at the time.

8.4 Retention of Records

All Accounting Complaints and documents relating to such Accounting Complaints made through the procedures outlined in this Article 8 shall be retained for at least five years from the date of the complaint, after which the information may be destroyed unless the information may be relevant to any pending or potential litigation, inquiry or investigation, in which case the information may not be destroyed and must be retained for the duration of that litigation, inquiry or investigation and thereafter as necessary.

9. **MISCELLANEOUS**

9.1 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.

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

9.3 The Policy will be subject to the periodic review of the Audit Committee. Any proposed changes to the Policy will be, upon recommendation of the Audit Committee, reviewed and approved by the Board of Directors.
