

AFFYMAX, INC.

STOCK TRADING BY OFFICERS, DIRECTORS AND OTHER EMPLOYEES

The Board of Directors of Affymax, Inc. (the “Company”) believes that officers and directors and other employees of the Company should have a meaningful investment in the Company. As stockholders themselves, officers and directors and other employees are more likely to represent the interests of other stockholders. Likewise, employees may perform more effectively with the incentive of stock options or stock ownership.

However, from time to time, officers and directors and other employees will be aware of information that could be material to a stockholder’s investment decision, but which in the best interests of the Company should not be disclosed until some later time. Hindsight can be remarkably acute, and an accusation can always be made that at any particular time a purchase or sale of securities by an insider was motivated by undisclosed favorable or unfavorable information. In such circumstances, the appearance of impropriety can be almost as problematic as an actual abuse, both to the Company and to the insider involved.

The Board of Directors has therefore determined that it would be useful to establish this policy for securities transactions by officers and directors and other employees.

A. WINDOW PERIOD. Generally, except as set forth in this paragraph A and in paragraph B and C and F of this policy, officers and directors and other employees may buy or sell securities of the Company only during a “window period” commencing on the second business day after general public release of the Company’s annual or quarterly revenues until the fifteenth day of the last month of the quarter. This “window” may be closed or may not open if, in the judgment of the Company’s Chief Executive Officer or Chief Financial Officer, there exists undisclosed information that would make trades by employees and directors inappropriate. An officer or director or other employee who believes that special circumstances require him or her to trade outside the window period should consult with the Company’s Chief Financial Officer. Permission to trade outside the “window” will be granted only where the circumstances are extenuating and there appears to be no significant risk that the trade may subsequently be questioned.

1. Exceptions to Window Period.

a. ESPP/Option Exercises. Officers and other employees who are eligible to do so may purchase stock under the Company’s Employee Stock Purchase Plan (“ESPP”) on periodic designated dates in accordance with the ESPP without restriction to any particular period. Directors and officers and other employees may exercise options granted under the Company’s stock option plans without restriction to any particular period. However, the subsequent sale of the stock acquired upon the exercise of options or pursuant to the ESPP is subject to all provisions of this policy.

b. 10b5-1 Automatic Trading Programs. In addition, purchases or sales of the Company's securities made pursuant to, and in compliance with, a written plan established by a director or officer that meets the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Plan") may be made without restriction to any particular period provided that (i) the Plan was established in good faith, in compliance with the requirements of Rule 10b5-1, at the time when such individual was not in possession of material nonpublic information about the Company and the Company had not imposed any trading blackout period, (ii) the Plan was reviewed by the Company prior to establishment, solely to confirm compliance with this policy and the securities laws, and (iii) the Plan allows for the cancellation of a transaction and/or suspension of such Plan upon notice and request by the Company to the individual if any proposed trade (a) fails to comply with applicable laws (*i.e.*, exceeding the number of shares that may be sold under Rule 144) or (b) would create material adverse consequences for the Company. The Company shall be notified of any amendments to the Plan or the termination of the Plan.

B. PRE-CLEARANCE OR ADVANCE NOTICE OF TRANSACTIONS. In addition to the requirements of paragraph A above, employees and directors may not engage in any transaction in the Company's securities, including any purchase or sale in the open market, loan, pledge, hedge or other transfer of beneficial ownership without first obtaining pre-clearance of the transaction from the Company's Chief Financial Officer at least **two days** in advance of the proposed transaction. The Chief Financial Officer will then determine whether the transaction may proceed and, if so, will assist in complying with the reporting requirements under Section 16(a) of the Exchange Act. Pre-cleared transactions not completed within **five** business days shall require new pre-clearance under the provisions of this paragraph. The Company may, at its discretion, shorten such period of time. **Advance notice of gifts or an intent to exercise an outstanding stock option shall be given to the Company's Chief Financial Officer. To the extent possible, advance notice of upcoming transactions effected pursuant to an established 10b5-1 automatic trading plan under paragraph A(1)(b) above shall be given to the Company's Chief Financial Officer.** Upon the completion of any transaction, an executive officer or director must immediately notify the appropriate persons as set forth in Section 3 of the Company's Section 16 Compliance Program so that the Company may assist in the Section 16 reporting obligations.

C. PROHIBITION OF SPECULATIVE TRADING. No employee or director may engage in short sales, transactions in put or call options, hedging transactions or other inherently speculative transactions with respect to the Company's stock at any time.

D. COVERED INSIDERS. The provisions outlined in this policy apply to all officers and directors and other employees of the Company. Generally, any entities or family members whose trading activities are controlled or influenced by any of such persons should be considered to be subject to the same restrictions. From time to time, the Chief Executive Officer or the Chief Financial Officer may designate certain employees who shall not be subject to the closing of a window period because of their lack of access to sensitive Company information.

E. SHORT-SWING TRADING/SECTION 16 REPORTS. Executive officers and directors subject to the reporting obligations under Section 16 of the Exchange Act should take care not to violate the prohibition on short-swing trading (Section 16(b) of the Exchange Act) and the

restrictions on sales by control persons (Rule 144), and should file all appropriate Section 16(a) reports (Forms 3, 4 and 5), all of which have been enumerated and described in a separate Section 16 Compliance Memorandum.

F. PROHIBITION OF TRADING DURING STOCK BUY-BACK PROGRAMS. During any Company-funded stock buy-back program, no director or executive officer of the Company shall be permitted to sell securities of the Company, except pursuant to a previously established plan approved by the Company that meets the requirements of Rule 10b5-1 under the Exchange Act.

G. PROHIBITION OF TRADING DURING PENSION FUND BLACKOUTS. In accordance with Regulation BTR under the Exchange Act, no director or executive officer of the Company shall, directly or indirectly, purchase, sell or otherwise acquire or transfer any equity security of the Company (other than an exempt security) during any “blackout period” (as defined in Regulation BTR) with respect to such equity security, if such director or executive officer acquires or previously acquired such equity security in connection with his or her service or employment as a director or executive officer. This prohibition shall not apply to any transactions that are specifically exempted from Section 306(a)(1) of the Sarbanes-Oxley Act of 2002 (as set forth in Regulation BTR), including but not limited to, purchases or sales of the Company’s securities made pursuant to, and in compliance with, a written plan established by a director or executive officer that meets the requirements of Rule 10b5-1 under the Exchange Act; compensatory grants or awards of equity securities pursuant to a plan that, by its terms, permits executive officers and directors to receive automatic grants or awards and specifies the terms of the grants and awards; or acquisitions or dispositions of equity securities involving a bona fide gift or by will or the laws of descent or pursuant to a domestic relations order. The Company shall timely notify each director and executive officer of any blackout periods in accordance with the provisions of Regulation BTR.