

To the Shareholders of Molecular Partners AG

Invitation to the Annual General Meeting

Thursday, May 11, 2017, 2:00 p.m. CEST (doors open at 1:00 p.m.)
SIX Swiss Exchange Convention Point Conference Center, Room: Exchange, Selnaustrasse 30, 8021
Zurich

Agenda and Proposals of the Board of Directors

1. Approval of the Annual Report and the Annual Financial Statements for the Financial Year 2016

The Board of Directors proposes to approve the Annual Report 2016 and the Annual Financial Statements 2016.

2. Consultative Vote on the Remuneration Report

The Board of Directors proposes to approve in a consultative vote the Compensation Report 2016.

Explanations

The Compensation Report 2016 is included in the Annual Report 2016 (pages 48ff.). The Board of Directors has decided, in accordance with the Swiss Code of Best Practice for Corporate Governance, to submit the Compensation Report to shareholders for a separate consultative vote in addition to the binding approvals of compensation under agenda item 8.

3. Approval of the Appropriation of Results

The Board of Directors proposes to carry forward the net loss of CHF 15'975'773 thereby bringing the position loss carried forward from CHF 4'314'081 to CHF 20'289'854.

4. Discharge of the Board of Directors and the Management Board

The Board of Directors proposes that its members and the members of the Management Board be granted discharge for their activities in the financial year 2016.

5. Re-Elections and Elections to the Board of Directors and the Compensation Committee

5.1 Re-Elections to the Board of Directors

The Board of Directors proposes the re-election of:

- 5.1.1 Jörn Aldag as member of the Board of Directors and Chairman;
- 5.1.2 Goran Ando as member of the Board of Directors;
- 5.1.3 Jeffrey H. Buchalter as member of the Board of Directors;
- 5.1.4 Steven H. Holtzman as member of the Board of Directors;
- 5.1.5 William A. Lee as member of the Board of Directors;
- 5.1.6 Andreas Plückthun as member of the Board of Directors; and
- 5.1.7 Petri Vainio as member of the Board of Directors;

each for a term of office of one year until the conclusion of the 2018 annual general meeting. All elections are held individually.

5.2 Election to the Board of Directors

The Board of Directors proposes the election of Gwen Fyfe as member of the Board of Directors for a term of office of one year until the conclusion of the 2018 annual general meeting.

Explanations

Gwen Fyfe, MD, has more than 20 years of drug development experience in oncology. She held various positions at Genentech from 1997-2009, including vice president, oncology development, playing an important role in the development of Genentech's approved oncology agents including Rituxan®, Herceptin®, Avastin® and Tarceva®. Since leaving Genentech in 2009, she has been a consultant for venture capital firms and for a variety of biotechnology companies. Gwen Fyfe is a recognized expert in the broader oncology community and has been an invited member of Institute of Medicine panels, National Cancer Institute working groups and grant committees and American Society of Clinical Oncologists oversight committees. She is a graduate of Washington University School of Medicine and a board certified pediatric oncologist. Gwen Fyfe will bring extensive expertise to advance Molecular Partner's product candidates in oncology.

5.3. Re-Elections to the Compensation Committee

The Board of Directors proposes the re-election of:

- 5.3.1 Jörn Aldag;
- 5.3.2 William A. Lee; and
- 5.3.3 Petri Vainio;

each as member to the Compensation Committee, for a term of office of one year until the conclusion of the 2018 annual general meeting. All elections are held individually.

6. Re-Election of the Statutory Auditors

The Board of Directors proposes to re-elect KPMG AG, Zurich, as statutory auditors for the financial year 2017.

7. Re-Election of the Independent Proxy

The Board of Directors proposes that Andreas G. Keller, attorney-at-law, Gehrenholzpark 2g, CH-8055 Zurich, be re-elected as the independent proxy for a term of office until the conclusion of the 2018 annual general meeting.

8. Approval of the Compensation Amounts for the Board of Directors and the Management Board

8.1 Approval of the Compensation Amount for the Board of Directors for the Next Term of Office

The Board of Directors proposes to approve the maximum aggregate amount of compensation for the eight proposed members of the Board of Directors for the term of office from the annual general meeting 2017 until the annual general meeting 2018 of CHF 944'900.

Explanations

The compensation of the Board of Directors shall consist of a fixed fee in cash for the board and committees work in an aggregate amount of up to CHF 202'400 and an allocation in restricted share units (RSUs) in an aggregate amount of up to CHF 742'500. RSUs are subject to a three-year vesting period. For purposes of this proposal the RSUs will be valued as of the grant date. The maximum amount includes estimated social security contributions, except for mandatory employer contributions to state social security institutions¹.

¹ Molecular Partners will be obliged to make employer contributions to social security insurance (providing for old age, unemployment, handicap, etc.) on top of the compensation of members of the Board of Directors, pursuant to applicable mandatory law. Based on currently applicable contribution rates and assuming vesting of all RSUs the employer contributions relating to fixed and long term compensation are expected not to exceed CHF 85'041 in the aggregate.

Additional information on the compensation model of the Board of Directors may be found in Molecular Partners' Annual Report and Compensation Report.

8.2 Approval of the Fixed Compensation Amount for the Management Board from July 1, 2017 until June 30, 2018

The Board of Directors proposes to approve the maximum aggregate amount of fixed compensation for the four members of the Management Board for the period from July 1, 2017 until June 30, 2018 of CHF 1'597'449.

Explanations

The fixed compensation of the four current members of the Management Board shall consist of a fixed compensation in cash, which includes the base salaries as well as social security and pension contributions, except for the mandatory employer contributions to state social security institutions².

Additional information on the compensation model of the Management Board may be found in Molecular Partners' Annual Report and Compensation Report.

8.3 Approval of the Variable Compensation Amount for the Management Board for the Current Financial Year

The Board of Directors proposes to approve the maximum aggregate amount of variable compensation of the four members of the Management Board for the current financial year of CHF 1'932'971.

Explanations

The proposed variable compensation consists of a variable short-term compensation element in cash and a variable long-term compensation element in the form of performance share units (PSUs) as well as estimated social security and pension contributions except for the mandatory employer contributions to state social security institutions². PSUs are subject to a three-year vesting period. At the vesting date, participants may receive between zero and 1.2 Molecular Partners shares per PSU based on achievement of predetermined performance criteria for the year 2017. The PSUs will be valued as of the date of grant. For purposes of this proposal the valuation will be based on the issuance of 1.2 shares for each PSU, i.e., assuming maximum target achievement. Likewise, the proposal assumes maximum target achievement for the variable short-term compensation.

Additional information on the short-term and long-term compensation model of the Management Board may be found in Molecular Partners' Annual Report and Compensation Report.

The annual general meeting will be conducted in English.

Schlieren, April 13, 2017

Jörn Aldag, Chairman of the Board of Directors

² Molecular Partners will be obliged to make employer contributions to social security insurance (providing for old age, unemployment, handicap, etc.) on top of the compensation of members of the Management Board pursuant to applicable mandatory law. As an estimate based on currently applicable contribution rates the employer contributions are expected not to exceed (i) with respect to the fixed compensation CHF 126'114, and (ii) with respect to the variable compensation (assuming full target achievement and 100% vesting of the PSUs) CHF 173'967.

Organizational Information

Documents

The Annual Report 2016, which is published only in English and which includes the Compensation Report and the reports of the statutory auditors, is available for inspection at the domicile of Molecular Partners AG, Wagistrasse 14, 8952 Schlieren (Zurich). It is also available on the Company's website: www.molecularpartners.com.

Participation and Voting Rights

Shareholders registered with voting rights in the share register as of May 3, 2017, 5:00 p.m., CEST, will be authorized to participate and vote at the annual general meeting. They will receive their admission card and voting materials upon returning the enclosed registration form. Please use therefor the enclosed pre-addressed envelope.

Representation and Proxy

Shareholders who do not attend the annual general meeting in person may be represented by another shareholder or by the independent proxy, Andreas G. Keller, Anwaltskanzlei Keller, Gehrenholzpark 2g, 8055 Zurich. Shareholders wishing such representation by the independent proxy are asked to sign the enclosed proxy form and to forward it, together with any directives, to the Company's share registrar areg.ch ag (see below). For practical reasons, the fundamental decision to be represented by the independent proxy may be revoked by the shareholder in favor of personal attendance or attendance by another shareholder no later than May 9, 2017, 11:59 p.m., CEST.

In the absence of specific instructions on the proxy form, general authorization is granted to the independent proxy to vote the shares in favor of the proposals of the Board of Directors. This also applies to proposals which were not included in this invitation and submitted during the annual general meeting.

Electronic Proxy and Voting

You have also the option to issue proxies and voting instructions to the independent proxy via the Internet. Enter www.netvote.ch/molecularpartners in your browser and follow the user prompts on the display. You have the same reply options as with the paper format. You will find your personal access data (ID and password) for the initial registration on the registration form. Electronic participation and any changes to directives issued electronically may be made until May 9, 2017, 11:59 p.m., CEST.

Entries in the Share Register – Trading of Shares

No entries will be made in the share register in the period from May 4, 2017 until the end of the 2017 annual general meeting. However, shares may be traded without restrictions. Shareholders who sell part or all of their shares before the 2017 annual general meeting are no longer entitled to vote to that extent. They are requested to return or to exchange their admission card and voting material.

Future electronic receipt of AGM invitation

If you would like to receive invitations to AGMs electronically in the future, you can access the instruction issuance system under <https://netvote.ch/molecularpartners> and click on "Select correspondence method". The login details can be found on the enclosed reply slip.

Questions

Please direct your administrative questions directly to our share registrar (areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf, Tel +41 62 209 16 60, e-mail: info@areg.ch).