

**CHARTER OF THE AUDIT AND FINANCE  
COMMITTEE  
OF  
MOLECULAR PARTNERS AG**

**Date: October 6, 2014  
(amended as of April 21, 2021)**

## 1. Purpose

The purpose of this document is to stipulate the mission, composition and duties of the audit and finance committee (the **Audit and Finance Committee**) of Molecular Partners AG (the **Company**) according to the Company's articles of association (the **Articles of Association**), the Company's organizational rules (the **Organizational Rules**), and this charter of the Audit and Finance Committee (the **Charter**). As per Article 14.1 of the Organizational Rules, the board of directors (the **Board of Directors**) shall appoint the members of the Audit and Finance Committee (the **Members**).

This Charter takes into account the Swiss Code of Best Practice for Corporate Governance and the rules and regulations of the U.S. Securities and Exchange Commission (the **SEC**) and The Nasdaq Stock Market (**Nasdaq**), and incorporates further activities as deemed necessary and advisable by the Board of Directors of the Company.

The chairman of the Audit and Finance Committee (the **Committee Chairman**) is responsible for (i) further developing this Charter and (ii) proposing any changes of the Charter to the Board of Directors.

According to Article 716a of the Swiss Code of Obligation (**CO**) and Article 5.1 of the Organizational Rules, the Board of Directors is ultimately responsible for the general policies and management of the Company, amongst others for the accounting, financial controls, and financial planning. The Audit and Finance Committee prepares recommendations to the Board of Directors that may, according to Article 5.2(vii) of the Organizational Rules, be approved by the Board of Directors.

## 2. Organization

The Audit and Finance Committee shall consist of not less than three (3) members of the Board of Directors to be appointed by the Board of Directors. All Members shall be non-executive and shall satisfy the independence requirements under applicable laws and regulations, including the independence requirements imposed by the SEC and by Nasdaq and any exceptions permitted by such requirements. All Members may be re-elected.

The Members, including the Committee Chairman, are elected by the Board of Directors for a term of office extending until completion of the next ordinary general meeting of shareholders. The Board of Directors may remove and replace individual Members at any time.

A majority of the Members, including the Committee Chairman, should have experience in finance and accountancy. In addition, each Member shall, in the judgment of the Board, satisfy the financial literacy requirements imposed by the SEC and Nasdaq, including any exceptions permitted by such requirements. At least one Member shall satisfy the applicable Nasdaq financial sophistication requirements and any other requirement for accounting or related financial management expertise, as determined by the Board in its judgment.

The Audit and Finance Committee shall appoint a secretary (the **Secretary**), who need not be a Member. The Secretary shall be entitled to participate in the deliberations and discussions of the Audit and Finance Committee, but shall not vote, unless he is a Member. The Audit and Finance Committee may appoint a vice-chairman of the Audit and Finance Committee (the **Committee Vice-Chairman**).

### 3. Meetings

The Audit and Finance Committee shall meet as often as necessary, but in any event at least two (2) times a year.

The Committee Chairman or, should he or she be unable to do so, the Committee Vice-Chairman or any other Member shall convene the meetings of the Audit and Finance Committee. Meetings may also be held by telephone or video conference, so that all persons attending such meeting can hear and be heard by all other attending the meeting.

Notice of meetings shall be given at least ten (10) days prior to the meeting. In urgent cases a meeting may be held on shorter notice. Any Member who is unable to attend a meeting in person shall have the right to attend the meeting by means of telephone or video conference, so that all persons attending such meeting can hear and be heard by all other attending the meeting. Without a meeting, the Audit and Finance Committee may take any resolution it would be permitted to take at a meeting by written consent signed by each Member unless a Member requests oral deliberation.

Any Member may request that a meeting be called by submitting a respective demand to the Committee Chairman and indicating the grounds for such a request and the agenda of the meeting. In such event the Committee Chairman shall convene the meeting within ten (10) days after receipt of the respective demand.

The chief financial officer (the **Chief Financial Officer** or **CFO**), the chief executive officer (the **Chief Executive Officer** or **CEO**) and other employees of the Company may attend the meetings of the Audit and Finance Committee upon direction of the Committee Chairman or

as required by the Audit and Finance Committee, except for portions, when their presence would be inappropriate.

To the extent possible, the Committee Chairman or, upon his request the CFO, shall submit the agenda and all supporting documentation at the latest one (1) week before any meeting of the Audit and Finance Committee (in the format and in accordance with the guidelines set forth by the Audit and Finance Committee from time to time). The Committee Chairman may request to send out meeting documentations at shorter notice.

#### **4. Powers and Duties**

The Audit and Finance Committee shall assist the Board of Directors in overseeing the Company's accounting and financial reporting process, and shall have direct responsibility for the appointment of external auditors (subject to the election of the Company's statutory auditors by the general meeting of shareholders and the respective proposal of the Board of Directors) and any other registered public accounting firm engaged for the purpose of performing other review or services for the Company, and the compensation, retention and oversight of the work of external auditors and any such other registered public accounting firm engaged for the purpose of performing other review services for the Company. External auditors and each such other registered public accounting firm shall report directly and be accountable to the Audit and Finance Committee. In addition, the Audit and Finance Committee shall make an independent assessment of the quality of the financial statements and the internal controls. In particular, it shall:

- assess the quality and effectiveness of the external audit;
- assess the quality of the internal control system, including risk management and the efficiency and state of compliance and monitoring with applicable norms within the Company. It shall assure that an effective system of internal controls is in place reasonably designed to (i) safeguard the assets and income of the Company, (ii) assure the integrity of Company's financial statements and (iii) maintain compliance with the Company's ethical standards, policies, plans and procedures, with laws and regulations;
- critically review the individual and consolidated financial statements as well as the management letter prepared by the external auditor (including audit findings and recommendations, material audit adjustments, material changes of accounting policies, methods applied to account for unusual transactions, serious difficulties encountered in dealing with management during the performance of the audit, post

audit events, recommendations for internal controls and accounting changes for the next financial year). It should discuss the results of its review with the CFO/CEO and, separately, with the head of the external audit;

- decide whether the year-end individual and consolidated financial statements be recommended to the Board of Directors for presentation to the general shareholders' meeting;
- assess the performance and the fees charged by the external auditors and ascertain their independence. It should examine compatibility of the auditing responsibilities with any consulting mandates;
- annually review written disclosures from the external auditors delineating all relationships between the external auditors or their affiliates, and the Company, or persons in financial oversight roles at the Company, that may reasonably be thought to bear on independence, and the letters from the external auditors affirming their independence, to consider and discuss with the external auditors any potential effects of any such relationships on the independence of the external auditors as well as any compensation or services that could affect the external auditors' objectivity and independence, and to assess and otherwise take appropriate action to oversee the independence of the external auditors;
- review the scope of the prospective external audit, the estimated fees thereof and any other matters pertaining to such audit as the Audit and Finance Committee may deem appropriate;
- approve the annual engagement letter of any external auditor, including the scope of the audit and the fees and terms for the planned audit work;
- pre-approve and oversee all audit, review or attest services and permitted non-audit services provided by the external auditors and establish such policies as the Audit and Finance Committee deems appropriate for such services by the external auditors;
- take notice of all comments from the external auditors on accounting procedures and systems of control. The external auditors shall provide timely reports to the Audit and Finance Committee on critical accounting policies and practices used, on alternative treatments of financial information discussed with management and on other material written communication between external auditors and management;

- review with the external auditors and/or the CFO/CEO any questions, comments or suggestions they may have regarding the internal control, risk management, accounting practices and procedures of the Company and its subsidiaries;
- support the Board of Directors in preparing the decision on appointment and/or removal of the external auditors of the Company;
- discuss with the management any legal matters (including the status of pending or threatened litigation) that may have a material impact on the Company's financial statements and any material reports or inquiries from regulatory or governmental agencies which could materially impact the Company's contingent liabilities and risks;
- review with management and the external auditors, as appropriate, the Company's disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" or otherwise discuss the Company's financial results in any offering materials to be filed with the SEC;
- annually review and discuss with management, as applicable, the management's report in relation to internal controls over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, as amended;
- review and approve in advance (or ratify if not initially identified as a related party transaction prior to consummation) any proposed transaction that could be within the scope of a "related party transaction" as such term is defined in the applicable related party transaction regulations, and establish appropriate procedures to receive material information about and prior notice of any such transaction;
- establish procedures, when and as required by applicable laws and regulations, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and regularly review levels of new and pending cases and examples of such confidential and anonymous submissions;
- support the Board of Directors with regard to the financial planning as well as the principles of accounting and financial control;

- evaluate management's principles and proposals for, and formulate recommendations to the Board of Directors in regards to financial planning (capital structure, management of resources, inter-company financing), dividend policy and capital market relations;
- review proposed concepts of financial objectives such as costs of capital, enhancement of shareholders' value, Company and divisional objectives, project objectives (capital expenditures and M&A); and
- review finance policy and operations in treasury, controlling, insurance, taxes and investment and acquisitions.

## 5. Powers

The Audit and Finance Committee is empowered by the Board of Directors to collect any information and assistance from within the Company that is needed to perform the specific tasks and duties imposed upon it by this Charter.

The Audit and Finance Committee is authorized by the Board of Directors to select, retain, obtain and terminate any subject-specific professional consultancy services (including financial or accounting services or external legal counsel) from third parties (each, a **Consultant**) it deems necessary for the fulfillment of its responsibilities. The Audit and Finance Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such Consultant retained by the Audit and Finance Committee. The Company shall provide for appropriate funding, as determined by the Audit and Finance Committee, for payment of reasonable compensation to any such Consultant retained by the Audit and Finance Committee.

## 6. Resolutions, Minutes and Reporting

The adoption of the resolutions requires a simple majority of votes cast. Each Member shall have one (1) vote. The Committee Chairman shall have no casting vote.

Minutes shall be kept of the deliberations and resolutions of the Audit and Finance Committee. The minutes shall be signed by the Committee Chairman and the Secretary and shall be distributed to all Members of the Audit and Finance Committee as well as to all members of the Board of Directors.

The Committee Chairman reports and updates the Board of Directors at the next board meeting on the Audit and Finance Committee's activities, decisions taken and considerations which led to such decisions. Important findings arising from the Audit and Finance Committee's activities, which are urgent and should be known by the chairman of the Board of Directors, must be reported immediately by the Committee Chairman to the chairman of the Board of Directors. Upon request of the chairman of the Board of Directors, the Committee Chairman shall report on any other issue.

## **7. Compensation**

Each Member shall receive such fees, as determined by the Board of Directors, subject to the approval of the shareholders' meeting of the Company.

## **8. Amendments**

This Charter can be modified or amended any time by a resolution of the Board of Directors.

## **9. Entry into Force**

This Charter shall enter into force in this amended form on the day on which the SEC first declares effective the Company's Registration Statement on Form F-1.

Schlieren, April 21, 2021