

## Minutes

**of the 13th Annual General Meeting of the Shareholders of MOLECULAR PARTNERS AG, held at 2:00 p.m. on 18 April 2018 at Molecular Partners AG, 5<sup>th</sup> Floor, Wagistrasse 14, 8952 Schlieren, Switzerland**

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The Chairman of the Board of Directors, Jörn Aldag, opened the meeting at 2:00 p.m. and took the chair.

The Chairman was joined by Bill Burns, Vice-Chairman, Patrick Amstutz, Chief Executive Officer, Andreas Emmenegger, Chief Financial Officer, and Michael Stumpp, Chief Scientific Officer, as well as Julien Gander, General Counsel.

Also present were Gwen Fyfe, Steven H. Holtzman, William A. Lee, Andreas Plückthun and Petri Vainio from the Board of Directors. Jeffrey H. Buchalter and Goran Ando and, both members of the Board of Directors, sent their apologies for not being present at the Annual General Meeting (AGM).

Andreas Plückthun, as one of the founding fathers of Molecular Partners, address the meeting and wishes all the best to the company and the team.

The Chairman noted that the meeting would be generally conducted in English, but that the presentation of the formal part of the AGM (including votes and elections) will be in English and German. He stressed that shareholders may of course address the meeting in English or German.

The Chairman stated that timely notice of the AGM had been given and made reference to the public notice of the meeting published on March 21, 2018 in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsblatt*). The Chairman also noted that no requests had been received from shareholders to include additional items on the meeting agenda.

The Chairman stated that Molecular Partners AG's Annual Report 2017, including the report of the Statutory Auditor, had been published and that it had been posted on the Company's

website and made available for inspection at the Company's registered office since March 16, 2018.

The Chairman then noted that Mr. Martin Rohrbach was present on behalf of the Statutory Auditor, KPMG AG.

Mr. Raphael Keller, attorney-at-law with Anwaltskanzlei Keller, was serving as independent proxy in replacement of Andreas G. Keller, to exercise voting rights of registered shareholders not in attendance.

Tobias von Arx, public notary, was present as well to notarize agenda item 5 which requires an amendment of the Articles of Incorporation.

The Chairman designated Ms. Yvonne Herzog and Ms. Cecilia Späti as tellers for the AGM.

The Chairman declared that the AGM was convened according to applicable law and the Articles of Incorporation of the Company and that the AGM therefore had been properly constituted and was authorized to resolve on all the proposed agenda items.

The Chairman addressed the shareholders with a few introductory words, before inviting Patrick Amstutz, CEO, to speak. In his address, Mr. Amstutz reviewed the developments at Molecular Partners AG during the past year, emphasizing the achievements 2017. He highlighted the proprietary drug candidates MP0250 and MP0274 in the field of oncology, the first DARPin® development candidate MP0310 in the field of immuno-oncology, the ongoing phase 3 clinical trial of abicipar, an ophthalmological DARPin® drug being developed in partnership with Allergan and the three options for development of DARPin® product candidates by Allergan.

The Chairman then invited Andreas Emmenegger, CFO, to speak. In his address, Mr. Emmenegger presented the financial results 2017 and provided financial guidance for 2018. He also discussed the development of revenues and operating expenses over the past few years, the balance sheet, and the shareholder structure.

Patrick Amstutz took the floor again to provide an outlook of the expected progress in the clinical development of the Company's broad drug pipeline in 2018 and to highlight the expected key value catalysts for 2018.

With regard to attendance and representation at the AGM, the Chairman noted the following information:

- 17 shareholders or their proxies were present
- 14,404,240 shares or votes and thus CHF 1,440,424.00 of the Company's share capital were represented
- from the aforementioned represented shares, shareholders and their proxies represented 3,165,909 shares and the independent proxy represented 11,238,331 shares

The Chairman stated that, except when otherwise required by law (e.g. for agenda item 5), all resolutions at the AGM are passed by an absolute majority of the votes represented at the meeting 7,202,121 shares were required for an absolute majority.

The meeting then proceeded to the items of business listed in the published agenda. The Chairman noted that according to the Articles of Incorporation the voting of shareholders will be conducted by a show of hands unless a written ballot is resolved by the AGM or ordered by the Chairman. The Chairman also emphasized that shareholders who wish to make a statement or speak to a certain agenda item may do so.

**Agenda item 1: Approval of the Annual Report and the Annual Financial Statements for the Financial Year 2017**

The Chairman stated again that Molecular Partners AG's Annual Report 2017, comprising the financial statements, the corporate governance report and the compensation report, had been published and made available for inspection at the Company's registered offices since March 16, 2018, and he referred to Andreas Emmenegger's preceding overview and explanations of the financial statements. The Annual Report includes the audit reports of the Statutory Auditor on pages 62, 101 and 120.

Mr. Martin Rohrbach, representing the Statutory Auditor, stated that he had nothing to add to the written reports of the Statutory Auditor.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the Annual Report 2017 and the Annual Financial Statements for the financial year 2017.

The AGM approved the Annual Report and the Financial Statements for 2017 by a vote of 14,400,315 in favour, 300 opposed and 3,625 abstentions.

### **Agenda item 2: Consultative Vote on the Remuneration Report**

The Chairman stated that the Board of Directors proposes to approve in a consultative vote the Compensation Report 2017. The Compensation Report is included in the Annual Report 2017 on pages 50ff. 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 9.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the Compensation Report 2017.

The AGM approved the Compensation Report by a vote of 13,519,767 in favour, 874,930 opposed and 9,543 abstentions.

### **Agenda item 3: Approval of the Appropriation of Results**

The Chairman stated that the Board of Directors proposes to carry forward the net loss of CHF 21,766,299, thereby bringing the position loss carried forward from CHF 20,289,854 to CHF 42,056,153.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to carry forward the net loss of CHF 21,766,299, thereby bringing the position loss carried forward from CHF 20,289,854 to CHF 42,056,153, by a vote of 14,398,640 in favour, 955 opposed and 4,645 abstentions.

**Agenda item 4: Discharge of the Board of Directors and the Management Board**

The Chairman stated that the Board of Directors proposes to discharge the members of the Board of Directors and the members of the Management Board for their activities in the financial year 2017.

The Chairman noted that the members of the Board of Directors and of the Management Board were not entitled to vote on this item.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to discharge the members of the Board of Directors and the members of the Management Board for their activities in the financial year 2017 by a vote of 11,792,349 in favour, 1,338 opposed and 5,859 abstentions.

**Agenda item 5: Renewal of Authorized Share Capital**

The Chairman stated that the Board of Directors proposes that the authorized share capital of the Company in a maximum amount of CHF 565,986 be renewed for a period of two years until April 18, 2020 and Article 3a of the Articles of Association be amended accordingly.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to renew the authorized share capital of the company in a maximum amount of CHF 565, 986 for a period of two years until April 18, 2020 and to amend Article 3a of the Articles of Association by a vote of 13,174,315 in favour, 1,228,415 opposed and 1,510 abstentions. With 14,404,240 represented shares entitled to vote on this item, the required two-thirds majority of 9,602,827 votes was largely reached.

**Agenda item 6: Re-Elections and Elections to the Board of Directors and the  
Nomination and Compensation Committee**

**Agenda item 6.1: Re-Elections to the Board of Directors**

The Chairman noted that most of the members of the Board of Directors, except for Jörn Aldag, Andreas Plückthun and Jeff Buchalter, stand for re-election for another term of office and that they had confirmed in advance that they would accept a renewal of their term of office. As already announced early February 2018 by the Company, Jörn Aldag, Andreas Plückthun and Jeff Buchalter decided not to stand for re-election.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman proceeded to the votes for the individual elections of the member of the Board of Directors.

**Agenda item 6.1.1: Re-Election of Göran Ando as Member of the Board of Directors**

The Chairman stated that the Board of Directors proposes to re-elect Göran Ando as member of the Board of Directors, in a single vote, for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect Göran Ando as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,396,058 in favour, 3,187 opposed and 4,995 abstentions.

**Agenda item 6.1.2: Re-Election of William (Bill) Burns as Member of the Board of Directors**

The Chairman stated that the Board of Directors proposes to re-elect William (Bill) Burns as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect William (Bill) Burns as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,394,928 in favour, 5,317 opposed and 3,995 abstentions.

**Agenda item 6.1.3: Re-Election of Gwen Fyfe as Member of the Board of Directors**

The Chairman stated that the Board of Directors proposes to re-elect Gwen Fyfe as a member of the Board of Directors for a term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect Gwen Fyfe as member of the Board of Directors for a term of office until the conclusion of the 2019 AGM by a vote of 14,011,176 in favour, 388,469 opposed and 4,595 abstentions.

**Agenda item 6.1.4: Re-Election of Steven H. Holtzman as Member of the Board of Directors**

The Chairman stated that the Board of Directors proposes to re-elect Steven H. Holtzman as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect Steven H. Holtzman as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,012,946 in favour, 387,299 opposed and 3,995 abstentions.

**Agenda item 6.1.5: Re-Election of William A. Lee as Member of the Board of Directors**

The Chairman stated that the Board of Directors proposes to re-elect William A. Lee as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect William A. Lee as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,397,478 in favour, 2,767 opposed and 3,995 abstentions.

**Agenda item 6.1.6: Re-Election of Petri Vainio as Member of the Board of Directors**

The Chairman stated that the Board of Directors proposes to re-elect Petri Vainio as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect Petri Vainio as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,396,128 in favour, 3,517 opposed and 4,595 abstentions.

**Agenda item 6.1.7: Re-Election of Patrick Amstutz as Member of the Board of Directors**

The Chairman stated that the Board of Directors proposes to re-elect Patrick Amstutz as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect Patrick Amstutz as member of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 13,538,711 in favour, 861,334 opposed and 4,195 abstentions.

**Agenda item 6.2: Election of the Chairman of the Board of Directors**

The Chairman stated that the Board of Directors proposes to elect William (Bill) Burns as new Chairman of the Board of Directors for a term of office until the conclusion of the 2019 AGM.

Upon the Chairman's invitation, Mr. Burns took the floor to address a few word to the shareholders and thanks Jörn Aldag for his dedication to the company over the last years.

The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to elect William (Bill) Burns as Chairman of the Board of Directors for term of office until the conclusion of the 2019 AGM by a vote of 14,393,463 in favour, 7,017 opposed and 3,760 abstentions.

**Agenda item 6.3: Re-Election and elections to the Nomination and Compensation Committee**

The Chairman noted that pursuant to applicable law the members of the Nomination and Compensation Committee of the Board of Directors will be elected individually.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman proceeded to the votes for the individual elections of each member of the Nomination and Compensation Committee.

**Agenda item 6.3.1: Re-Election of William A. Lee as Member of the Nomination and Compensation Committee**

The Chairman stated that the Board of Directors proposes to re-elect William A. Lee as member of the Nomination and Compensation Committee of the Board of Directors for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect William A. Lee as member of the Nomination and Compensation Committee of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,390,198 in favour, 9,737 opposed and 4,305 abstentions.

**Agenda item 6.3.2: Election of William (Bill) Burns as Member of the Nomination and Compensation Committee**

The Chairman stated that the Board of Directors proposes to elect William (Bill) Burns as member of the Nomination and Compensation Committee of the Board of Directors for another term of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to elect William (Bill) Burns as member of the Nomination and Compensation Committee of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,391,283 in favour, 8,687 opposed and 4,270 abstentions.

**Agenda item 6.3.3: Election of Göran Ando as Member of the Nomination and Compensation Committee**

The Chairman stated that the Board of Directors proposes to elect Göran Ando as member of the Nomination and Compensation Committee of the Board of Directors for another term

of office until the conclusion of the 2019 AGM. The Chairman then called for a vote to approve this proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to elect Göran Ando as member of the Nomination and Compensation Committee of the Board of Directors for another term of office until the conclusion of the 2019 AGM by a vote of 14,005,296 in favour, 393,639 opposed and 5,305 abstentions.

**Agenda item 7: Re-Election of the Statutory Auditor**

The Chairman noted that the election of the Statutory Auditor would be for a one-year term of office. The Board of Directors proposes to re-elect KPMG AG, Zurich, as Statutory Auditor for financial year 2018. The Chairman thanked KPMG AG for its work over the past year and for agreeing to be put forward as Statutory Auditor for one more year.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to re-elect KPMG AG, Zurich, as Statutory Auditor for the financial year 2018 by a vote of 14,400,767 in favour, 1,017 opposed and 2,456 abstentions.

**Agenda item 8: Election of the Independent Proxy**

The Chairman noted that pursuant to applicable law and the Articles of Incorporation the AGM must elect an independent proxy for a term of office extending to the close of the next ordinary general meeting of shareholders. The Chairman stated that the Board of Directors proposes to elect Anwaltskanzlei Keller, Raphael Keller as the independent proxy for a term of office until the conclusion of the 2019 AGM.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors to elect Anwaltskanzlei Keller, Raphael Keller, as independent proxy for a term of office until the conclusion of the 2019 AGM by a vote of 14,402,637 in favour, 500 opposed and 1,103 abstentions.

**Agenda item 9: Approval of the Compensation Amounts for the Board of Directors and the Management Board**

The Chairman presented an overview of the compensation structure for the Board of Directors and the Management Board and provided detailed explanations of the proposed compensation amounts, highlighting the fixed compensation elements, the short-term incentive compensation elements and the long-term incentive compensation elements. The Chairman further referred to the previously published Annual Report and Compensation Report for the financial year 2017 for additional detailed information on the compensation structure.

The Chairman noted that pursuant to applicable law and the Articles of Incorporation, the shareholders' meeting must, each year, vote separately on the proposals by the Board of Directors regarding the maximum aggregate amount of compensation for the Board of Directors, the maximum aggregate amount of fixed compensation for the Management Board and the maximum aggregate amount of variable compensation elements for the Management Board.

**Agenda item 9.1: Approval of the Compensation Amounts for the Board of Directors for the Next Term of Office**

The Chairman stated that the Board of Directors proposes to approve the maximum aggregate amount of compensation for the seven proposed members of the Board of Directors for the term of office from this AGM until the 2019 AGM of CHF 887,250.

The Chairman explained that the compensation consists of a fixed fee in cash in the amount of CHF 288,750 and an allocation in restricted share units (RSUs) in an aggregate amount of up to CHF 598,500. RSUs are subject to a three-year vesting period. For purposes of this proposal the RSUs have been valued as of the grant date. The amount includes estimated

social security contributions, except for mandatory employer contributions to state social security institutions.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors and hence the maximum aggregate amount of compensation of the Board of Directors for the term of office from this AGM until the 2019 AGM of CHF 887,250 by a vote of 13,501,771 in favour, 893,865 opposed and 8,604 abstentions.

**Agenda item 9.2: Approval of the Fixed Compensation Amount for the Management Board from July 1, 2018 until June 30, 2019**

The Chairman stated that 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, 2018 to June 30, 2019 of CHF 1,597,449.

The Chairman noted that this compensation consists of a fixed compensation in cash, which includes the basic salary as well as social security and pension contributions, except for the mandatory employer contributions to state social security institutions.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors and hence the maximum aggregate amount of fixed compensation for the four members of the Management Board for the period from July 1, 2018 to June 30, 2019 of CHF 1,597,449 by a vote of 14,355,764 in favour, 38,022 opposed and 10,454 abstentions.

**Agenda item 9.3: Approval of the Variable Compensation Amount for the Management Board for the Current Financial Year**

The Chairman stated that 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 2,032,262.

The Chairman noted that this 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 institutions. PSUs are subject to a three-year vesting period. At the vesting date, participants may receive between 0 and 1.2 Molecular Partners shares per PSU based on achievement of predetermined performance criteria for the year 2018. The PSUs will be valued as of the date of grant. For purposes of this proposal the valuation is based on the issuance of 1.2 shares for each PSU, assuming maximum target achievement. The proposal also assumes maximum target achievement for the variable short-term compensation.

The Chairman invited the shareholders to speak to this agenda item, and as there were no comments, the Chairman called for a vote to approve the proposal of the Board of Directors.

The AGM approved the proposal of the Board of Directors and hence the maximum aggregate amount of variable compensation of the four members of the Management Board for the current financial year of CHF 2,032,262 by a vote of 13,513,118 in favour, 881,918 opposed and 9,204 abstentions.

There being no further requests to speak, the Chairman thanked the employees of the Company as well as the shareholders for their continued support of the Company. The Chairman closed the AGM at 3:20 p.m. and invited all attendees to join for a drink.

The Chairman:  
Jörn Aldag

The Secretary:  
Julien Gander