

**CHARTER OF THE NOMINATION AND
COMPENSATION COMMITTEE
OF
MOLECULAR PARTNERS AG**

**Date: October 6, 2014
(amended as of May 12, 2017)**

1. Purpose

The purpose of this document is to stipulate the mission, composition and duties of the nomination and compensation committee (the **Nomination and Compensation 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 Nomination and Compensation Committee (the **Charter**). As per Article 8(b) of the Articles of Association, the general shareholders' meeting (the **General Shareholders' Meeting**) shall appoint the members of the Compensation Committee (the **Members**).

The Charter takes into account the Swiss Ordinance against Excessive Compensations in Exchange-listed Stock Companies and incorporates further activities as deemed necessary and advisable by the board of directors (the **Board of Directors**) of the Company.

The chairman of the Nomination and Compensation 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. The Nomination and Compensation 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. In accordance with Article 23 of the Articles of Association, the Board of Directors may delegate certain decisions on compensation to the Compensation Committee.

2. Organization

The Nomination and Compensation Committee shall consist of not less than three (3) members of the Board of Directors to be appointed by the ordinary General Shareholders' Meeting for a term of office extending until completion of the next ordinary General Shareholders' Meeting. All Members shall be non-executive. All Members may be re-elected.

The Board of Directors elects the Committee Chairman of the Nomination and Compensation Committee for a term of office extending until completion of the next ordinary General Shareholders' Meeting.

The Nomination and Compensation 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 Nomination and Compensation Committee, but shall not vote, unless he is a Member. The Nomination and Compensation Committee may appoint a vice-chairman of the Compensation Committee (the **Committee Vice-Chairman**).

3. Meetings

The Nomination and Compensation Committee meets as often as necessary, at least two (2) times a year, in order to review and define recommendations regarding the annual salary and benefits round.

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 Nomination and Compensation 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 Nomination and Compensation 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.

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

4. Duties and Responsibilities

The Nomination and Compensation Committee shall:

- review and make recommendations regarding the compensation strategy and guidelines of the Company;
- review and make recommendations regarding the compensation of the members of the Board of Directors and the executive management, or, where delegated by the Board of Directors in accordance with Article 23 of the Articles of Association, decide upon the compensation;
- review and make recommendations regarding compensation plans (cash and/or equity-based plans), and where appropriate or required, make recommendations to adopt, amend and terminate such plans;
- administer the compensation plans;
- review and make recommendations regarding any employment agreements (including any benefits) for members of the executive management;
- review and make recommendations regarding the proposals of the Board of Directors for the aggregate amount of the compensation of the Board of Directors and of the executive management to be submitted to the General Shareholders' Meeting for approval;
- ensure that any reporting obligation with respect to compensation matters, specifically any necessary disclosures in the annual report and/or compensation report, are met; and
- in the event that the Board of Directors intends to hire any consultants, review and make recommendations regarding compensation of such consultants;
- review considerations relating to the composition of the Board of Directors, including the size and the criteria for membership on the Board of Directors;
- evaluate candidates to the Board of Directors, and makes recommendation to the Board of Directors in this respect; and
- evaluate candidates to the Management Board and makes recommendation to the Board of Directors in this respect.

5. Powers

The Nomination and Compensation 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 Nomination and Compensation Committee is authorized by the Board of Directors to obtain subject-specific professional consultancy services from third parties.

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 Nomination and Compensation Committee. The minutes shall be signed by the Committee Chairman and the Secretary and shall be distributed to all Members of the Nomination and Compensation 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 Nomination and Compensation Committee's activities, decisions taken and considerations which led to such decisions. Important findings arising from the Nomination and Compensation 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, Nomination and Compensation Committee as determined by the Board of Directors, subject to the approval of the ordinary General Shareholders' Meeting.

8. Amendments

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

9. Entry into Force

This revised Charter shall enter into force as of May 12, 2017.

Schlieren, May 12, 2017