



## **Related Persons Transactions Policy**

*Approved by the Arbutus Board on December 7, 2016*

## POLICY AND PROCEDURES REGARDING TRANSACTIONS WITH RELATED PERSONS

### PURPOSE

The Audit Committee of the Board of Directors of Arbutus Biopharma Corporation (the “**Company**”) is responsible for the review, approval and/or ratification of all “transactions with related persons” as that term refers to transactions required to be disclosed by Item 404 of Regulation S-K.

### DEFINITIONS

“**Related Person**” means:

- any director or executive officer of the Company;
- any nominee for director of the Company;
- any person or entity known to the Company to be the beneficial owner of more than five percent (5%) of any class of the Company’s voting securities; or
- any Immediate Family Member of any of the foregoing persons.

“**Immediate Family Member**” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing the household of a person.

“**Transaction**” includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in which the Company or any of its subsidiaries was, is or will be a party or a participant and in which a Related Person had, has or will have an interest (regardless of whether that interest is direct, indirect, material or immaterial).

“**Covered Transaction**” is any Transaction in which the Company or any of its subsidiaries was, is or will be a party or a participant and in which a Related Person had, has or will have a direct or indirect material interest and where the amount involved exceeds US\$120,000.

A person’s “**material interest**” in a Transaction must be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the Transaction with each other and the amount involved in the Transaction are among the factors to be considered in determining the significance of the information to investors. A person will not be deemed to have an indirect “material interest” in a Transaction if the interest arises only: (a) from the person’s position as a director of another corporation or organization that is a party to the Transaction; or (b) from the direct or indirect ownership by such person and all other Related Persons, in the aggregate, of less than a ten percent (10%) equity interest in another person or entity (other than a partnership) which is a party to the Transaction; or (c) from a combination of both (a) and (b); or (d) from the person’s position as a limited partner in a partnership in which the person and all other Related Persons, have an

interest of less than ten percent (10%), and the person is not a general partner of and does not hold another position in the partnership.

## **POLICY**

All Transactions are subject to the review of the disinterested members of the Audit Committee to determine if they are Covered Transactions, and all Covered Transactions are subject to the approval and/or ratification of the disinterested members of the Audit Committee; provided that if approval or ratification shall not be forthcoming, management shall make all reasonable efforts to withdraw from, cancel or annul such Covered Transaction.

## **STANDING PRE-APPROVAL FOR CERTAIN COVERED TRANSACTIONS**

The Audit Committee has reviewed the categories of Transactions described below and determined that each of the following Transactions shall be deemed to be preapproved by the Audit Committee, even if the aggregate amount involved will exceed US\$120,000.

- Any employment by the Company of an executive officer of the Company if (a) the related compensation will be reported in the Company's proxy statement pursuant to Item 402 of Regulation S-K, or (b) the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in the Company's proxy statement under Item 402 of Regulation S-K if the executive officer was a "named executive officer," and the Compensation Committee approved (or recommended that the Board approve) such compensation;
- Any compensation paid to a director of the Company if the compensation will be reported in the Company's proxy statement pursuant to Item 402(k) of Regulation S-K; and
- Any Transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis (e.g. dividends).

## **PROCEDURES**

Management of the Company shall disclose to the Audit Committee all material information with respect to any Transaction of which it is aware prior to entering into such Transaction, including where relevant and without limitation:

- The name of the Related Person and the basis on which the person is a Related Person;
- The business purpose and the terms of the Transaction and the reasons for the Company's participation in such transaction;
- If the Company is a buyer or seller of property or services, the process used by the Company to evaluate the Transaction;

- The Related Person's and the Company's interest in the Transaction, including the Related Person's position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the Transaction;
- The approximate dollar value of the amount involved in the Transaction and of the amount of the Related Person's interest in the Transaction, each of which shall be computed without regard to the amount of profit or loss;
- In the case of a Transaction involving indebtedness, the aggregate amount of principal and the rate or amount of interest payable on the indebtedness; and
- Any other relevant information regarding the Transaction or the Related Person in the context of the transaction that could be material to investors in light of the circumstances of the particular transaction;

In determining the approximate dollar value of the amount involved in a Transaction that is a lease or other transaction providing for periodic payments or installments, the dollar value is the aggregate amount of all periodic payments or installments due on or after the beginning of the Company's last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments.

In determining the approximate dollar value of the amount involved in a Transaction that consists of indebtedness, the dollar value is the largest aggregate amount of all indebtedness outstanding at any time since the beginning of the Company's last fiscal year and all amounts of interest payable on it during the last fiscal year.

In determining whether to authorize, approve and/or ratify any Covered Transaction, the Audit Committee shall use any process and review any information that it determines is reasonable in light of the circumstances in order to determine if the Covered Transaction is fair and reasonable and on terms no less favorable to the Company than could be obtained in a comparable arm's length transaction with an unrelated third party to the Company.

The Audit Committee may, but shall not be required to, seek bids, quotes or independent valuations from unaffiliated third parties, at the cost of the Company sufficient to enable the Audit Committee to assess the fairness of the Covered Transaction to the Company.

#### **DISCLOSURE**

Covered Transactions subject to this policy are to be disclosed in the Company's applicable filings with the Securities and Exchange Commission to the extent required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules. Furthermore, any Covered Transaction subject to this policy shall be disclosed to the full Board of Directors.

#### **RESPONSIBILITY**

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for implementation of these Procedures and compliance with the disclosure requirements of the federal securities laws with respect to transactions with Related Persons.